

REGISTERED CHARITY NUMBER: 1134870

REPORT OF THE TRUSTEES AND
AUDITED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 AUGUST 2023
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 2023

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NORTH KENT METHODIST CIRCUIT

REPORT OF THE TRUSTEES
FOR THE YEAR ENDED 31 AUGUST 2023

The trustees present their report with the financial statements of the charity for the year ended 31 August 2023. The trustees have adopted the provisions of the Statement of Recommended Practice: Charities SORP (FRS 102) second edition.

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 2023

REFERENCE AND ADMINISTRATIVE DETAILS

Trustees

Charity trustees

Alan Wood
Marilyn Gurr (resigned 1 September 2022)
Rev. Peter Daone
Ian Angel
Peter Matthews
Dr Michael Woodhouse (resigned 1 September 2022)
Eileen Smith
Rev. Ronald Gareth West
Dr Derek Gallagher
Rev. Anthony Graff (resigned 1 September 2022)
Patricia Robb
Derek Putman (resigned 1 September 2022)
Tunde Dipita-Williams
Barry Errington
Sylvia Angel
Shan Lythgoe (resigned 1 September 2022)
Lynn Rainer
Rachel Smith
Deacon Victor Downs
Anthony Brown
Ian Smith
Angela Rastall (resigned 1 September 2022)
Robert Hardy
Carol Waldock
Glenis Davison
Janet Errington
Rev. Dr Bonni-Belle Pickard
Chris Chare
Roger Byard
Mark Frost
Sheila Sanderson
Derek Jarvis
Katherine High
Rev. Robert Zachar
Linda Smith
Tracey Burch
Rev. Robin Selmes
Deacon Elizabeth Harfleet

Alan Fielder
Paul Abel (resigned 1 September 2022)
Theresa Green
Alan Rainer
Joyce Brown (resigned 1 September 2022)
Rev. Naomi Oates
Sin Fan Fu
Robert Hipkiss
Sheila Allison
Peter Roberts
Gill Gray
Siu Kuen Tsang
Derek Carpenter (resigned 1 September 2022)
Roger Gledhill
Derek Goodger
Judith German (resigned 1 September 2022)
Jenny Gilbert
Simon Pooley (resigned 1 September 2022)
Richard Bridges
Henry Chung
Stella Lea
Fran Shepherd
Karen Dudley
Kate Hardy
Simon Rowe
Paul Skipp
Kathy Skipp
Rev. Alex Terrett (appointed 1 September 2022)
Rev. Gill Le Boutillier-Scott (appointed 1 September 2022)
Jill Bridges (appointed 1 September 2022)
Grace Chung (appointed 1 September 2022)
Anne Downs (appointed 1 September 2022)
Linda Gander (appointed 1 September 2022)
Jim Bryant (appointed 1 September 2022)
Dennis Makowski (appointed 1 September 2022)
Dave Warrington (appointed 1 September 2022)
Bill Prince (appointed 1 September 2022)
Oscar Siu (appointed 1 September 2022)

NORTH KENT METHODIST CIRCUIT

REPORT OF THE TRUSTEES **FOR THE YEAR ENDED 31 AUGUST 2023**

REFERENCE AND ADMINISTRATIVE DETAILS

Ministers	Rev Bonni-Belle Pickard Rev Robin Selmes Rev Alex Terrett	Rev Naomi Oates Rev Robert Zachar Deacon Elizabeth Harfleet
Circuit Stewards	Mr Richard Bridges Mr Derek Goodger Mr Simon Rowe	Mr Roger Byard Mr Henry Chung
Circuit Treasurer	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 the 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 2023

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 deficit of £1,254,861. This is due to the charity using the BCIS calculator to provide rebuild valuations this year as they are considered more reliable than the rebuild valuations provided by the Charity's insurers. The BCIS calculator can be found at <https://calculator.bcis.co.uk>.

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 2023

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 2023 Review

North Kent remains a large circuit extending from Dartford to Sittingbourne and Maidstone incorporating the Isle of Sheppey and the Medway Towns. There are 18 Methodist Churches, 1 Methodist Class and 3 LEPS. Throughout this year, the Methodist staff team consisted of 6.49 ministers, 1 lay pioneer mission enabler and 1 Chinese Lay pastor. There were 2 Anglican clergy and a lay URC minister working with the LEPS. The Circuit employed 3 part time lay workers, 3 part time Circuit administrators and 7 part time teachers at our Chinese School.

Following the conclusion of the stationing process we were delighted that Revd Robert Zachar will be continuing his ministry in the Circuit for another 5 years from September 2023 to August 2028.

Union Street Methodist Church in Maidstone celebrated the 200th Anniversary of the building of the present church over the weekend of the 11th and 12th February 2023.

Increasing financial pressure within the Circuit, which is seeing a continuing decrease in membership, has required careful thought and management.

It is of particular note that in the 4 years 2019-2023 over £300,000 has been drawn from reserves of capital to meet the shortfall in income. While the Circuit has committed to fund a substantial part of its missional work out of reserves, much of which is also supported by contributions from Circuit Churches, grants from sources outside the Circuit are in steep decline.

The needs of the Circuit in terms of ministerial/lay 'pastoral' oversight were considered in the light of total membership numbers and the accepted ratio that one full time minister would have pastoral oversight of 150-200 members. Trustees decided that after the current diaconal post holder had completed her period of invitation (working in the Dartford area) whether that be in August 2024 or August 2025, the Circuit would not seek a replacement. In the event, the current postholder, through the normal stationing process, decided that she would not seek re-invitation and so will leave the Circuit in August 2024. Trustees also decided that after the part time (0.49) presbyter completes her period of invitation in August 2024 the Circuit would not seek a replacement.

The Circuit's Pioneer Mission Enabler/Lay Pastor (Bart Woodhouse) who worked within the Circuit for 18 years, was accepted onto a ministerial training course within the Anglican Church and left employment with the Circuit at the end of August 2023. The trustees decided that this post would not be replaced.

Two strategic points arise out of these decisions. Firstly, these staffing changes will still leave the Circuit well within the staffing complement which the 1 to 150 ratio would suggest. The problem is that the membership itself is spread across the 21 Circuit churches with congregations getting ever smaller. The Superintendent minister has agreed arrangements with the Circuit ministerial staff about how to cover pastoral responsibility for the churches affected as the staffing reductions progressively come into effect. Secondly, as we look ahead these staffing reductions will result in reduced expenditure on stipends, ministerial expenses and manse costs.

The trustees still need to look to increase the Circuit's income the main source of which is the Circuit Assessment. The Circuit agreed a budget for 2023-24 which provides for a 10% increase in the Circuit Assessment. The Circuit Treasurer has indicated that a further increase will be proposed for 2024-25 with the aim of reducing the budget deficit on operating costs. This indication gives time for churches to think about how they are going to increase their own income.

NORTH KENT METHODIST CIRCUIT
REPORT OF THE TRUSTEES
FOR THE YEAR ENDED 31 AUGUST 2023

In addition to purely financial matters, there has been a need to recognise and plan for how the contexts in which both the Circuit and all churches are working are undergoing dramatic shifts. The viability of some church buildings is highly questionable yet there is a strong sense of the importance of being 'local' and therefore a reluctance to consider merging churches or sharing ministry. The availability of volunteers (for so long the lifeblood of Methodism) both capable and able with sufficient energy to undertake key church and Circuit roles is small and growing ever smaller.

As we look ahead, the sheer amount and complexity of our work in terms of staffing, finance, HR, property and the like will, over the coming few years, only increase. Trustees recognised this situation and agreed the Circuit Leadership Team (CLT) should consider a fresh approach to how we manage the administrative support functions within the Circuit and to look at the opportunity costs associated with doing things more effectively, efficiently and no doubt, differently. The CLT will bring proposals to establish a restructured Circuit administrative support team to the September 2023 Circuit Meeting.

At the last Circuit Meeting of the year, trustees spent some time in conversations about the challenges churches are facing and what ways there may be for congregations to perhaps come closer together. Trustees agreed to hold a full 'away' day at the beginning of the 2023-24 Connexional year to explore these issues in more depth.

FINANCIAL REVIEW

Current Reserves at 31 August 2023

Trustees for Methodist Church Purposes (TMCP)	£588,171	
Central Finance Board (CFB)	£76,502	
Current Account (Co-operative Bank) unrestricted funds	£75,214	
Current Account (Co-operative Bank) restricted funds	<u>£9,543</u>	
TOTAL		<u>£749,430</u>
Commitments		
Deacon: stipend, pension, NIC £41,700 plus expenses for one year	£45,000	
Lay Workers:		
Third Avenue/MCMC Youth Pastors grant of £5,000 p.a.	£5,000	
MCMC Chinese Lay Pastor: £37,000 p.a. for at least 2 years	£74,000	
Redundancy payments – set aside	<u>£50,000</u>	
TOTAL		<u>£174,000</u>
Uncommitted Funds		<u>£575,430</u>
Reserves policy		

The Trustees consider the Circuit needs a reserve of £150,000 to keep for deficits or unexpected problems. Manse 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, 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.

NORTH KENT METHODIST CIRCUIT
REPORT OF THE TRUSTEES
FOR THE YEAR ENDED 31 AUGUST 2023

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, the Statement of Recommended Practice: Charities SORP (FRS 102) second edition 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.

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 Statement of Recommended Practice: Charities SORP (FRS 102) second edition 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 23.5.2024 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 2023

Opinion

We have audited the financial statements of North Kent Methodist Circuit for the year ended 31 August 2023 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 2023 and of its incoming resources and application of resources for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Charities Act 2011.

Basis 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 2023**

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 page 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 2023

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

4 June 2024

NORTH KENT METHODIST CIRCUIT

STATEMENT OF FINANCIAL ACTIVITIES
FOR THE YEAR ENDED 31 AUGUST 2023

		Unrestricted funds £	Restricted fund £	31.8.23 Total funds £	31.8.22 Total funds £
	Notes				
INCOMING RESOURCES					
Incoming resources from generated funds					
Voluntary income	2	443,778	103,931	547,709	535,500
Investment income	3	23,326	-	23,326	3,710
Other incoming resources	4	18,190	-	18,190	44,852
Total incoming resources		485,294	103,931	589,225	584,062
RESOURCES EXPENDED					
Charitable activities					
Hong Kong community integration	5	-	16,320	16,320	2,225
Grants and donations	6	17,862	-	17,862	65,031
Governance costs	7	4,380	-	4,380	4,320
Other resources expended	8	562,503	92,394	654,897	586,212
Total resources expended		584,745	108,714	693,459	657,788
NET OUTGOING RESOURCES					
		(99,451)	(4,783)	(104,234)	(73,726)
Other recognised gains/losses					
Revaluation of manses		(1,254,861)	-	(1,254,861)	714,693
		(1,354,312)	(4,783)	(1,359,095)	640,967
RECONCILIATION OF FUNDS					
Total funds brought forward		5,698,539	14,326	5,712,865	5,071,898
Transfers between funds		-	-	-	-
TOTAL FUNDS CARRIED FORWARD		4,344,227	9,543	4,353,770	5,712,865

NORTH KENT METHODIST CIRCUIT

BALANCE SHEET
AT 31 AUGUST 2023

	Notes	Unrestricted funds £	Restricted fund £	31.8.23 Total funds £	31.8.22 Total funds £
FIXED ASSETS					
Tangible assets	13	3,608,081	-	3,608,081	4,863,595
CURRENT ASSETS					
Cash at bank		739,887	9,543	749,430	868,278
Debtors	14	<u>12,536</u>	<u>-</u>	<u>12,536</u>	<u>939</u>
		752,423	9,543	761,966	869,217
CREDITORS					
Amounts falling due within one year	15	<u>(16,277)</u>	<u>-</u>	<u>(16,277)</u>	<u>(19,947)</u>
NET CURRENT ASSETS		<u>736,146</u>	<u>9,543</u>	<u>745,689</u>	<u>849,270</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		<u>4,344,227</u>	<u>9,543</u>	<u>4,353,770</u>	<u>5,712,865</u>
NET ASSETS		<u><u>4,344,227</u></u>	<u><u>9,543</u></u>	<u><u>4,353,770</u></u>	<u><u>5,712,865</u></u>
FUNDS	17				
Unrestricted funds				4,344,227	5,698,539
Restricted funds				<u>9,543</u>	<u>14,326</u>
TOTAL FUNDS				<u><u>4,353,770</u></u>	<u><u>5,712,865</u></u>

The financial statements were approved by the Board of Trustees on 23.5.2024 and were signed on its behalf by:



R S Byard
Trustee

NORTH KENT METHODIST CIRCUIT

CASH FLOW STATEMENT

FOR THE YEAR ENDED 31 AUGUST 2023

	Notes	31.8.23 £	31.8.22 £
Cash flows from operating activities:			
Cash generated from operations	(a)	(142,174)	(58,590)
Net cash provided by (used in) operating activities		(142,174)	(58,590)
Cash flows from investing activities:			
Additions of tangible fixed assets		-	(2,132)
Net cash provided by (used in) investing activities		(142,174)	(60,722)
Cash flows from financing activities:			
Interest received		23,326	3,710
Net cash provided by (used in) financing activities		23,326	3,710
Change in cash and cash equivalents in the reporting period		(118,848)	(57,012)
Cash and cash equivalents at the beginning of the reporting period		868,278	925,290
Cash and cash equivalents at the end of the reporting period		749,430	868,278

NORTH KENT METHODIST CIRCUIT

NOTES TO THE CASH FLOW STATEMENT
FOR THE YEAR ENDED 31 AUGUST 2023

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

	31.8.23 £	31.8.22 £
Net income/(expenditure) for the reporting period (as per the statement of financial activities)	(1,359,095)	640,967
Adjustments for:		
Revaluation of freehold properties	1,254,861	(714,693)
Depreciation charges	653	656
 Interest received	 (23,326)	 (3,710)
Decrease/(increase) in debtors	(11,597)	12,319
(Decrease)/increase in creditors	(3,670)	5,871
 Net cash provided by (used in) operating activities	 <u>(142,174)</u>	 <u>(58,590)</u>

NORTH KENT METHODIST CIRCUIT

NOTES TO THE FINANCIAL STATEMENTS **FOR THE YEAR ENDED 31 AUGUST 2023**

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 the Statement of Recommended Practice: Charities SORP (FRS 102) second edition, 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 has previously been revalued annually as per the insurer's rebuild valuation. For the year ended 31 August 2023, the accounting policy remained the same but the tool used to provide those values changed. The Charity has used the BCIS rebuild calculator to provide more reliable rebuild valuations. The calculator can be found at <https://calcualtor.bcis.co.uk>.

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 2023

2. VOLUNTARY INCOME

	31.8.23	31.8.22
	£	£
Assessment or share	443,778	460,860
Grants	<u>103,931</u>	<u>74,640</u>
	<u><u>547,709</u></u>	<u><u>535,500</u></u>

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

	31.8.23	31.8.22
	£	£
Grants received from Methodism	95,531	64,089
Non-Methodist grants	<u>8,400</u>	<u>10,551</u>
	<u><u>103,931</u></u>	<u><u>74,640</u></u>

3. INVESTMENT INCOME

	31.8.23	31.8.22
	£	£
Interest and investment income	<u>23,326</u>	<u>3,710</u>

4. OTHER INCOMING RESOURCES

	31.8.23	31.8.22
	£	£
Rents received (net of costs)	17,077	26,349
Collections and donations	1,113	1,050
Transfers from MCF	<u>-</u>	<u>17,453</u>
	<u><u>18,190</u></u>	<u><u>44,852</u></u>

Rents received are shown net of costs of £3,323 (2022: £3,501).

The aggregate amount of trustee donations without restrictions to the charity amounts to £1,000 (2022: £1,000).

The aggregate amount of trustee donations by trustees with restrictions to the charity amounts to nil (2022: £nil).

5. CHARITABLE ACTIVITIES COSTS

	Grant funding of activities (See note 6)	Support costs (See note 8)	Totals
	£	£	£
Hong Kong community integration	16,320	-	16,320
Grants and donations	<u>17,862</u>	<u>-</u>	<u>17,862</u>
	<u><u>34,182</u></u>	<u><u>-</u></u>	<u><u>34,182</u></u>

NORTH KENT METHODIST CIRCUIT

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

6. GRANTS, DONATIONS AND CHARITABLE ACTIVITIES

	31.8.23 £	31.8.22 £
Hong Kong community integration	16,320	2,225
Donation to Emmanuel Church, Eastbourne	10,000	-
Wifi and recording equipment for churches	<u>7,862</u>	<u>65,031</u>
	<u><u>34,182</u></u>	<u><u>67,256</u></u>

7. GOVERNANCE COSTS

	31.8.23 £	31.8.22 £
Auditors' remuneration	<u><u>4,380</u></u>	<u><u>4,320</u></u>

8. SUPPORT COSTS

	Human resources £	Other £	Totals £
Other resources expended (note 9)	38,562	654,897	693,459
	<u><u>38,562</u></u>	<u><u>654,897</u></u>	<u><u>693,459</u></u>

9. OTHER RESOURCES EXPENDED

	31.8.23 £	31.8.22 £
Trustees' expenses	18,137	18,014
Stipends, salaries, NIC and pension costs	398,648	341,835
District Assessment	100,193	103,396
District Levy on Circuit Advance Fund	46,841	50,020
Insurance, utilities, etc	38,344	23,306
Maintenance on manses	16,649	27,364
Telephone	1,371	2,823
Depreciation of fixtures and fittings	653	656
Other expenditure	<u><u>34,061</u></u>	<u><u>18,798</u></u>
	<u><u>654,897</u></u>	<u><u>586,212</u></u>

NORTH KENT METHODIST CIRCUIT

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

10. TRUSTEES' REMUNERATION AND BENEFITS

Ministers who also serve as trustees of the charity received the following stipends for the year ending 31 August 2023: -

Rev Bonni-Belle Pickard, Rev Gillian Le Boutillier Scott, Rev Robin Selmes, Rev Alexandra Terrett, Deacon Elizabeth Harfleet, Rev Robert Zachar and Rev Naomi Oates all received the basic stipend of £27,104 (2022: £25,916), except for Rev Naomi Oates who received a stipend of £22,440 (2022: £19,460) and Rev Gillian Le Boutillier Scott £13,281 (2022: £6,372). Employer's pensions contributions of £7,291 were paid by the charity for each minister named above except Rev Gillian Le Boutillier Scott £3,573 (2022: £1,714) and Rev Naomi Oates £6,036 (2022: £5,235).

Each minister named above received a Computers in ministry allowance of £176 for the year (2022: £171).

Rev Bonni-Belle Pickard received a Superintendent's allowance of £2,710 for the year (2022: £2,592).

Rev Bonni-Belle Pickard and Deacon Elizabeth Harfleet received a General allowance of £1,000 and £1,329 for the year respectively (2022: £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	(2022)	Employers pension	(2022)
C Chare	£10,557	£10,557	£633	£633
L Rainer	£4,341	£4,265	£ -	£ -
O Siu	£26,928	£ -	£1,616	£ -

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	31.8.23	31.8.22
	£	£

A total of 10 trustees had expenses reimbursed by the charity in the year (2022: 10). The aggregate amount of these expenses totalled £18,137 (2022: £18,014). These expenses covered reimbursement of travel, telephone, training, books, postage, computer and sundry expenses.

<u>18,137</u>	<u>18,014</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

	31.8.23	31.8.22
	£	£
Wages and salaries	322,716	271,795
Social security costs	18,362	21,795
Pension costs	55,377	46,310
Apprenticeship levy	<u>2,193</u>	<u>1,935</u>
	<u>398,648</u>	<u>341,835</u>

NORTH KENT METHODIST CIRCUIT

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

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

	31.8.23	31.8.22
Average number of employees	<u>19</u>	<u>15</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.

13. TANGIBLE FIXED ASSETS

	Freehold property £	Fixtures and Fittings £	Totals £
COST OR VALUATION			
At 1 September 2022	4,861,615	3,704	4,865,319
Additions	-	-	-
Disposals	-	-	-
Revaluations	<u>(1,254,861)</u>	<u>-</u>	<u>(1,254,861)</u>
At 31 August 2023	<u>3,606,754</u>	<u>3,704</u>	<u>3,610,458</u>
DEPRECIATION			
At 1 September 2022	-	1,724	1,724
Eliminated on disposal	-	-	-
Charge for year	<u>-</u>	<u>653</u>	<u>653</u>
At 31 August 2023	<u>-</u>	<u>2,377</u>	<u>2,377</u>
NET BOOK VALUE			
At 31 August 2023	<u>3,606,754</u>	<u>1,327</u>	<u>3,608,081</u>
At 31 August 2022	<u>4,861,615</u>	<u>1,980</u>	<u>4,863,595</u>

14. DEBTORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	31.8.23 £	31.8.22 £
Other debtors	<u>12,536</u>	<u>939</u>

NORTH KENT METHODIST CIRCUIT

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

15. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	31.8.23	31.8.22
	£	£
Other creditors	<u>16,277</u>	<u>19,947</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
Mark Frost	Trustee of Gillingham Methodist Church	54,000
Robert Hardy	Trustee of Gravesend Methodist Church	51,000
Kate Hardy	Trustee of Gravesend Methodist Church	51,000
Anne Downs	Trustee of Gravesend Methodist Church	51,000
Derek Goodger	Trustee of The Hope Street Centre	1,750
Grace Chung	Trustee of Medway Chinese Methodist Church	20,000
Oscar Siu	Trustee of Medway Chinese Methodist Church	20,000
Jim Bryant	Trustee of Union Street Methodist Church	41,000
Dennis Makowski	Trustee of Union Street Methodist Church	41,000
Dave Warrington	Trustee of Hartlip Methodist Church	11,000

NORTH KENT METHODIST CIRCUIT

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

17. MOVEMENT IN FUNDS

	At 1.9.22 £	Net movement in Funds £	Transfers between funds £	At 31.8.23 £
Unrestricted funds				
General fund	4,957,321	(101,566)	(1,099,699)	3,756,056
Circuit Model Trust Fund	<u>741,218</u>	<u>(1,252,746)</u>	<u>1,099,699</u>	<u>588,171</u>
	5,698,539	(1,354,312)	-	4,344,227
Restricted funds				
Restricted fund	14,326	(4,783)	-	9,543
TOTAL FUNDS	<u>5,712,865</u>	<u>(1,359,095)</u>	<u>-</u>	<u>4,353,770</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	466,847	(568,413)	-	(101,566)
Circuit Model Trust Fund	<u>18,447</u>	<u>(16,332)</u>	<u>(1,254,861)</u>	<u>(1,252,746)</u>
	485,294	(584,745)	(1,254,861)	(1,354,312)
Restricted funds				
Restricted fund	103,931	(108,714)	-	(4,783)
TOTAL FUNDS	<u>589,225</u>	<u>(693,459)</u>	<u>(1,254,861)</u>	<u>(1,359,095)</u>

18. RESTRICTED FUNDS PURPOSES

The restricted fund balance of £9,543 includes the remaining balance of a Kent County Council grant at £406 awarded to the Circuit for restricted use towards the educational integration, professional integration and social integration of the local Hong Kong community and a £9,137 balance remaining from a Methodist grant relating to Youth Pastor support.