

THE METHODIST CHURCH
THE Newcastle Upon Tyne DISTRICT
THE NEWCASTLE CENTRAL and EAST CIRCUIT 20/1.

BRUNSWICK METHODIST CHURCH



Trustees report and financial statements

For the year ended 31st August, 9

BRUNSWICK METHODIST CHURCH TRUSTEES ANNUAL REPORT

For the year ended 31 August 2019

Activities for achieving objectives

Brunswick Church Life

From the Minister:

Celebrating our Calling! Over the past year I have benefited from a number of gatherings across the country which have helped to prepare me for the new role which I shall be picking up from mid-August, that of Circuit Superintendent. Are we each called to particular forms of ministry? Absolutely! So, being a Superintendent is, in this sense, no less or more important than any other form of ministry, whether carried out by an ordained or a lay person.



As a Circuit church Brunswick was aware of this at the Circuit Welcome service on Tuesday 3rd September, 2019 at Trinity, Gosforth when we recognised both diaconal ministry and local preaching as we greet Deacon Andrew Carter and present David Thornton, a member of Brunswick with a 50-year long service certificate in recognition of his ministry as a Local Preacher.

What is my calling then to the role of Superintendent? I think it is partly to do with having a desire to work on a 'bigger map' in helping the people of God to realise their own sense of calling and, hopefully, helping to encourage and equip them for this. This includes, by the way, our supernumeraries whose gifts and graces, where used appropriately, continue to be vital in helping our Circuits to function and to grow. We are fortunate to have in our congregation three supernumeraries; Rev's Joan Thornton, Ian White and Glynn Lister.

I would like to thank you for your continuing support as a church and, most especially, for your continuing prayers as I serve the Circuit in a new way shortly. I shall remain, first and foremost, a Presbyterian Minister, called by God to declare the good news, welcome the stranger, celebrate the sacraments and to serve the needy. However, as I have endeavoured to do over the past year, these ministries are (mostly) to be exercised by the whole church and so I am really grateful to those who have taken on new responsibilities in order to give me more 'breathing space' as well as being grateful to those who continue to serve us faithfully in the life and witness of Brunswick.

My prayer for us all continues to be the same, that God will increase in us the gifts of his grace for our lives and for the particular ministries to which we are called to in the church and in the world!

Shalom, Paul

Rev'd Paul Cleever-Thorpe.

Brunswick Friendship Group

The doors to the Friendship Group open promptly at 4.30pm each Thursday. A dedicated and hardworking group of volunteers meet beforehand to prepare and set up the café and then they pray together before welcoming everyone in. In typical restaurant-fashion, orders for soup and rolls (during the colder seasons) and plates of savoury and sweet combinations are taken around the tables. There are always plenty of teas, coffees and squash being served as well. The volunteers do so much more though than merely serving refreshments to people who potentially are homeless and/or who suffer a myriad of other difficulties. Time is taken and given to interact, to offer friendship, a bit of laughter,

BRUNSWICK METHODIST CHURCH

TRUSTEES ANNUAL REPORT

For the year ended 31 August 2019

a listening ear, a much needed smile, anything to make those who come, feel that they are precious and respected, accepted just as they are and welcome.

Celebratory times are marked by serving special treats, for example, pancakes are offered in Shrove Tuesday week, chocolate eggs are distributed around Easter and so on.

The Brunswick Friendship Group seems to be one of those places where there is a real openness and honesty in sharing the difficulties and pain that some have to endure in life. Over a cuppa, or whilst playing a game of dominos or scrabble together, life stories or difficult circumstances are often shared with the volunteers, giving us plenty to pray about later when the time together is wrapped in the prayer chapel, bringing before God the situations and people we were privileged to serve and interact with that day.

A number of volunteers stepped back from BFG, but were replaced with new people, sadly one volunteer Peter White passed away.

Bible Study Group

The Bible Study group continues to meet on Wednesday afternoons from 2-3.30pm, and led by Rev Paul or Rob Wylie. This group is open for anyone in the church.

Pastoral Committee

The committee has met several times and reported that the membership of the Church has fallen to 87, there have been training sessions and mutual encouragement to assist members and those on the community role.

Brunswick Men's Club

The Club for retired men continues to meet on Tuesday mornings between 10.30 and 12 noon throughout the year apart from August.

A series of talks is arranged on a wide variety of subjects. No two weeks are the same and about 65 - 70 members come every week to get a different view on all types of things from poetry to travel.

Thanks are due to those who arrange the talks, those members who chair the meetings and register the attendance, collect the subscriptions and pay the speakers. In particular our thanks are due to John Herdman for his work in organising the programme, and Ian Robinson as Treasurer. Special thanks are also due to Ann who organises our coffee and tidies up each week

Men come from all parts of Tyneside either with or without Church connection

As always any retired men are very welcome to come and hear our talks.

Property Report

The major piece of work was the refurbishment of the organ at a cost of Circa £30,000, the Prudhoe Street Mission Foundation gave a generous grant towards the cost. Other than that during August the usual decoration, deep clean and safety checks were completed.

Stewards' Report

Brunswick has always been a busy church - with just under 80 regular Sunday services per year, extra services during Christmas and Easter, Circuit and District events, special services for the church family, external events such as the piano competition and recitals, I am constantly amazed that we are able to support all that is going on within the church building.

The Church Council and Stewards have been think about and preparing for the 200th anniversary of the opening of Brunswick as the successor to Mr Wesley' Orphan House on Northumberland Street. There have been planning meetings and a series of guest preachers have been invited and events planned for 2020 – 2021.

Brunswick Luncheon Club

The Lunch club has gone from strength to strength and now we is working to full capacity with 40 plus members on our books. While we believe we are doing something right we cannot take all the credit. One satisfied lunch club member was overheard at the bus stop inviting all and sundry to the Brunswick Lunch Club as it was value for money and good company. What better recommendation than from the horse's mouth.

The lunch club provides opportunities for the members to look outside their own lives and help others and this month a request from the West End Food Bank to supply gifts for children to give their mothers on Mother's Day was acted upon and the members responded generously with several carrier bags of gifts.

BRUNSWICK METHODIST CHURCH TRUSTEES ANNUAL REPORT

For the year ended 31 August 2019

Listening Post

Listening Post is in its 45th year now and still meeting the needs of the most vulnerable in the city centre. When it started in 1974, Brunswick Church was heavily involved in the running and management of Listening Post, by means of a council which included the minister of Brunswick and various health professionals from the city centre churches and beyond.

The church and Listening post obtained a seedbed funding grant so that a thorough review of the project could be undertaken with a little paid administrative support this was completed and led to a new training and induction programme with several new listeners recruited.

Young Adults and Global Family

Over the last year we have welcomed many new Students and Young Adults to

Brunswick. We participated in the Newcastle Christian Union church search in October and welcomed new members to our group throughout October and November.

We continue to meet weekly for Bible Study where the group take turns to lead the meeting. So far

some of the topics and books we have covered are John's Gospel, Christian community, Living blessed, Advent and Galatians.

We also continue to meet weekly for Global Family (Student and Young Adult fellowship) where we eat together and explore topics through discussion and prayer. It continues to be a place of welcome for new members, through a variety of activities that help to integrate people into the church and support existing members through friendship and community.

Safeguarding

A new Safeguarding Officer was appointed and a full review of training completed was undertaken. All new volunteers are recruited in accordance with the ten steps to a safer recruitment programme and DBS requirements followed. The Circuit and Region have provided the appropriate training modules.

Treasurer's report

The usual bar charts are provided.

We can report that the Charities accounts have been filed with the Charity Commission and the Coffee Shop Ltd with companies' house.

In respect of the Charity the examiner's report, for 2017-18, was not qualified and there are no 'major incidents' to report to the Charity Commission – this remains the case for the year 2018-19.

On the 17th January, 2018 The Office for Civil Society (OCS) published details of the changes to the law and for this reason the Charity Commission are requiring all entries of Managing Trustee details be reviewed and revised, this exercise was completed in the year under review

We are very pleased to report that we completed the statutory requirement to contact all employees concerning their 'auto-enrolment' of pension rights and this led to a number of staff joining the arrangements.

We reviewed all salaries in line with the Living Wage Foundations rules and implemented salary rises for all staff as at 1st April, 2019. We offer:

A contributory pension on a DC [money purchase] basis with Brunswick contributing 6% of salary.

A generous paid holiday arrangement.



BRUNSWICK METHODIST CHURCH TRUSTEES ANNUAL REPORT

For the year ended 31 August 2019

Sick pay for those staff who are ill.

In-house training, as appropriate.

The treasurers thank all members, adherents and friends who give to Brunswick for their generosity both with time, talents and money.

The assets of the church are depreciated, as follows:

Freehold property 0%

Church Building Property improvement 10% to 20% Straight line

Plant and machinery – Lift 3.33% Straight line

Office and other equipment 20% Straight line

The Church building depreciation is nil because it has retained its value and remains quoted in the accounts at cost in 1820 - £6,150. The lift held under plant and machinery is depreciated over 30 years because it is guaranteed for 25 years after manufacture ceases.

As reported in previous years we continue to contribute to a pension deficit in respect of a former employee with our pension provider The Pensions Trust, the liability is noted in detail in another part of the annual report.

In the year under review we gave to other charities £8,113 up from £4,692 expressed as a percentage of giving this is 4.3%.



**Treasurers' report, continued – looking back at 2018 – 2019 and forward to 2020 – 2021
Eric Hawdon & David Stabler**

We are bringing this report to you and it is being written in uncertain times. At present many shops and businesses are closed because of the 'lock down' due to Coronavirus and this includes every Methodist Church, the Salvation Army Halls and Parish Churches. Brunswick has obtained a CCLI licence so that streamed services may be delivered and creative ways of keeping in touch be developed.

In this report we are presenting the salient facts concerning the Connexional year 2018-19, but we also wish to look forward to the future, secure in the knowledge that our Lord is generous, gracious and gives abundantly. Over several years our finances have been on a knife edge, non-so more evident than last year when the excess income was only £2,689! (income = £281,975 expenditure = £279,286) please see the comparative bar charts and the one year pie charts. As usual we report that Brunswick continues to have an historical deficit with the Pensions Trust and we are paying this off over ten years, the precise amount owed changes after each actuarial review but we hope that there is only three years left for the monthly payment plan.



Regrettably freewill offerings were down once again from £36,459 to £31,907 (a reduction of £4,552) our Minister, Paul, and the finance committee resolved to make an appeal recently which many people have responded to favourably. We

BRUNSWICK METHODIST CHURCH TRUSTEES ANNUAL REPORT

For the year ended 31 August 2019

have not had to draw on our limited reserves. It is good to note that the cost of utilities came down a little – the large non-repeatable expenditure within the year was on the organ refurbishment which to a large part was funded by a generous grant of £20,000 from The Prudhoe Street Mission.

Brunswick provides a contributory ‘money purchase’ pension arrangement with the Pensions Trust and in the spring of

2019 all staff members were reminded of this. We pay the real living wage   and all staff members have received a salary increase this year.

The finance committee wishes to give its thanks to all staff and volunteers who work tirelessly, the coffee shop’s financial contribution was £28,000 – an increase on the previous year. The church budget has been examined but it is very much evident that we have little control over most major items of expenditure – but the boilers are switched off when possible, we are transferring to on-line banking which will save on postages – we would like to hear from anyone who has a suggestion as to other ways in which we can save on unnecessary spending.

Every member and a number of friends of Brunswick has been sent a ‘giving’ leaflet which included pie charts for income and expenditure and there had been tentative plans drawn up to replace the lighting system in the main hall, but in view of the recent cancellation of most room bookings this proposal has been put on hold – the proposal was to replace with an eco and energy saving lighting plan.

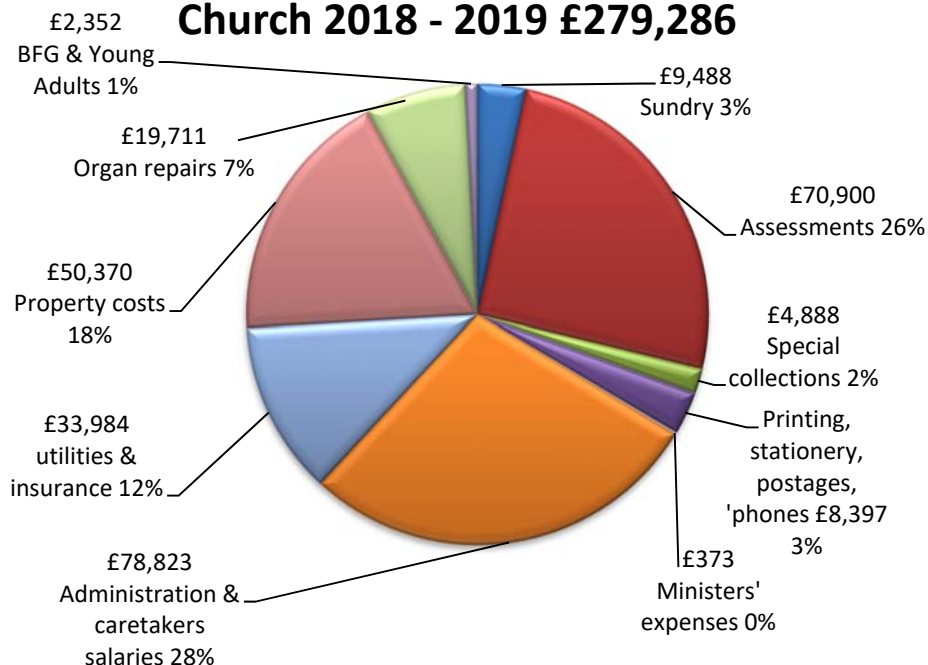
The Church Council was invited to loan, interest free over three years, £5,000 to assist in the purchase of a manse in the Chester-Le-Street Circuit for a pioneer Minister from South America. This is a pilot placement for the Connexion and it will be for three years. The Church Council unanimously voted in favour as the appointment is on the Barley Mow estate where there is no Christian presence – for full details please read the recent Connexion magazine.

Finally we wish to thank Fiona and Carolyn for all their efforts during the year – without them the smooth running of the Church would not be possible.

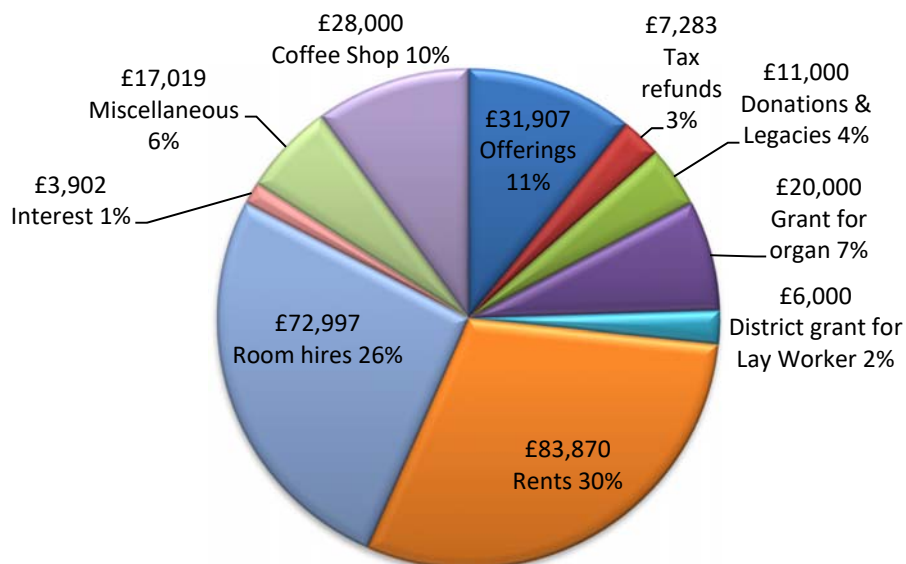
BRUNSWICK METHODIST CHURCH
TRUSTEES ANNUAL REPORT

For the year ended 31 August 2019

Expenditure: Brunswick Methodist Church 2018 - 2019 £279,286



Income: Brunswick Methodist Church 2018 - 2019 £281,975



Worship and planning groups

Over the last year we have continued to enjoy our periodic meetings to plan for regular worship and special services.

BRUNSWICK METHODIST CHURCH

TRUSTEES ANNUAL REPORT

For the year ended 31 August 2019



Reference and administration details

Charity registration number

1128118

Principal address

Brunswick Methodist Church
Brunswick Place
Newcastle upon Tyne
NE1 7BJ

Trustees

Rev'd Paul Cleever-Thorpe appointed 1st September, 2018

Mrs Muriel Green-Steele

Mrs Kathleen Noreen Hawdon

Miss Joan Kelsall

Mr Victor Thomas

Mrs Joan Turner

Revd Gavin Hume

Mr David Thornton

Mr Samuel Wills

Mrs Chris Carroll

Mr Hugh Elwood

Mr Colin Wells

BRUNSWICK METHODIST CHURCH TRUSTEES ANNUAL REPORT

For the year ended 31 August 2019

Miss Sylvia Fuller
Mrs Jean Mawer
Mrs Clare Willis
Ms Evelyn Timperley
Miss Paula Bennett (Circuit Steward)
Mrs Diana White
Mrs Lola Oloniniyi

Independent examiner

Jim Dodds
Charity Business Services
C/o Connected Voice
Higham House, Higham Place,
Newcastle upon Tyne,
NE1 8AF

Bankers

Lloyds Bank Plc
102 Grey Street
Newcastle upon Tyne
NE99 1SL

And The Central Finance Board of The Methodist Church
 9 Bonhill Street,
 London,
 EC2A 4PE

Solicitors

Sintons LLP, Solicitors
The Cube, Barrack Road
Newcastle upon Tyne
NE4 6DB

Surveyors and valuers

LSH (Lambert Smith Hampton) formerly Storeys Edward Symmons
41-51 Grey Street,
Newcastle upon Tyne,
NE1 6EE

Custodian Trustees

The Trustees for Methodist Church Purposes
Central Buildings
Oldham Street
Manchester
M1 5JQ

BRUNSWICK METHODIST CHURCH TRUSTEES ANNUAL REPORT

For the year ended 31 August 2019

Reserves Policy

General funds

Funds come from income that the church receives; collections, rental income, leases, catering and other donations, etc. They are used for the operating costs of the church (utility charges, insurances, salaries, routine repairs and maintenance, minor upgrading work, purchases of furnishings and equipment,)

The trustees are aware that if the church were to close there would be a liability to pay redundancy payments, the trustees have not calculated what this liability may be, since the trustees consider that the church will not close; the liability in this respect is nil.

The trustees have an ongoing pension liability, in respect of past service of an employee which amounted to £30,179.00 as at 30th September 2014 by 31st August, 2019 this had reduced to £13,721. The trustees are extinguishing this liability over a ten year period ending 2024 (The figure given is the most recent provided by The Pensions Trust).

The reserves policy of the trustees is to hold an appropriate proportion (i.e. 25%) of annual expenditure. This is approximately £300,000 per year / 25% = £75,000. As indicated above the church does not hold this amount in reserve. It is the intention of the Managing Trustees (The Church Council) to balance the budget and then start re-building reserves.

Policy for Restricted Funds

Brunswick is a grade II listed city centre church committed to serving the city through social action and Christian witness.

The trustees' objective is to maintain the restricted funds at a level which is sufficient for the church to carry out its mission.

The managing trustees consider there is a need to ensure that there are adequate funds to meet long term maintenance of the church premises. It was identified a while ago that certain stained glass windows to the sanctuary require repair and replacement over the next 5 years, several have now been repaired in accordance with listed building requirements, it is estimated that a further £8,000 will be spent by the end of 2022 and that the 6 boilers, being 30 years old, will need an upgrade or replacement (estimate £90,000). Total £98,000.

Policy Terms relating to Endowment Funds held

These funds are held as per model trust directions issued by the Connexional Property Secretary. The interest from these funds is used for the benevolent fund which is dispersed at the discretion of the ministers.

Notes:

The reserves of Brunswick Methodist Church are held with the Trustees for Methodist Church Purposes and the Central Finance Board of the Methodist Church and Lloyds Bank. They do not cover all eventualities which the trustees can envisage with their work to fulfil city centre mission.

BRUNSWICK METHODIST CHURCH TRUSTEES ANNUAL REPORT

For the year ended 31 August 2019

Statement of Trustees' responsibilities

The trustees are responsible for preparing the Trustees' Annual Report and the Financial Statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice). The trustees are required 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 the year. 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 Charities SORP;
- make judgements that are reasonable and prudent;
- state whether applicable accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charity will continue in operation.

The trustees are responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the charity. 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.

Approved by the trustees on 10-Jun-2020 and signed on their behalf by:

Mr David Alexander Stabler, 

Co Treasurer



BRUNSWICK METHODIST CHURCH

INDEPENDENT EXAMINER'S REPORT TO THE TRUSTEES

For the year ended 31 August 2019

I report on the financial statements of Brunswick Methodist Church for the year ended 31 August 2019, which are set out on pages 12 to 25.

Respective responsibilities of trustees and examiner

The charity's trustees are responsible for the preparation of the accounts. The charity's trustees consider that an audit is not required for this year under section 144 of the Charities Act 2011 ("the Charities Act") and that an independent examination is needed.

The charity's gross income exceeded £250,000 and I am qualified to undertake the examination by being a Fellow of the Association of Charity Independent Examiners.

Having satisfied myself that the charity is not subject to audit under company law and is eligible for independent examination, it is my responsibility to:

- examine the accounts under section 145 of the Charities Act,
- to follow the procedures laid down in the general Directions given by the Charity Commission (under section 145(5)(b) of the Charities Act), and
- to state whether particular matters have come to my attention.

Basis of independent examiner's statement

My examination was carried out in accordance with general Directions given by the Charity Commission. An examination includes a review of the accounting records kept by the charity and a comparison of the accounts presented with those records. It also includes consideration of any unusual items or disclosures in the accounts, and seeking explanations from the trustees concerning any such matters. The procedures undertaken do not provide all the evidence that would be required in an audit, and consequently no opinion is given as to whether the accounts present a 'true and fair view' and the report is limited to those matters set out in the statement below.

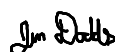
Independent examiner's statement

In connection with my examination, no material matters have come to my attention which gives me cause to believe that in, any material respect:

- the accounting records were not kept in accordance with section 130 of the Charities Act; or
- the accounts did not accord with the accounting records; or
- the accounts did not comply with the applicable requirements concerning the form and content of accounts set out in the Charities (Accounts and Reports) Regulations 2008 other than any requirement that the accounts give a "true and fair" view which is not a matter considered as part of an independent examination.

I have come across no other matters in connection with the examination to which attention should be drawn in this report in order to enable a proper understanding of the accounts to be reached.

Jim Dodds
Ellison Services Limited
Higham House
Higham Place
Newcastle upon Tyne
NE1 8AF
Date 10-Jun-2020



BRUNSWICK METHODIST CHURCH

STATEMENT OF FINANCIAL ACTIVITIES

For the year ended 31 August 2019

	Notes	Unrestricted Funds £	Restricted Funds £	Total 2019 £	Total 2018 £
<u>Income from:</u>					
Donations and legacies	6	80,741	930	81,671	100,432
Charitable activities					
Grants and membership fees	7	-	6,224	6,224	4,779
Other trading activities	8	196,235	-	196,235	211,788
Investments	9	45	4,251	4,296	4,275
Total income		277,021	11,405	288,426	321,273
<u>Expenditure on:</u>					
Raising funds	10	-	281	281	270
Charitable activities					
Operation of the charity	11	258,294	5,856	264,150	311,954
Other expenditure	12	-	-	-	64,519
Total expenditure		258,294	6,138	264,432	376,742
Net income/(expenditure) before investment gains/(losses)		18,727	5,267	23,995	(55,469)
Net gains/(losses) on investments		-	1,749	1,749	5,751
Net income/(expenditure)		18,727	7,016	25,744	(49,718)
Transfers between funds		4,251	(4,251)	-	-
Net movement of funds		22,978	2,765	25,744	(49,718)
<u>Reconciliation of funds</u>					
Total funds brought forward		264,859	143,049	407,908	457,625
Total funds carried forward		287,838	145,814	433,652	407,908

The Statement of Financial Activities includes all gains and losses recognised in the year. All income and expenditure derive from continuing activities

The notes on pages 14 to 25 form an integral part of these accounts.

BALANCE SHEET

As at 31 August 2019

	Notes	£	Total 2019 £	£	Total 2018 £
<u>Fixed assets</u>					
Tangible assets	19		212,812		216,735
Investments	20		142,881		141,132
Total fixed assets			355,693		357,867
<u>Current assets</u>					
Debtors	21	14,316		13,387	
Cash at bank and in hand	22	79,254		57,853	
Total current assets		93,570		71,240	
Creditors: amounts falling due within one year	23	(1,890)		(1,800)	
Net current assets			91,680		69,440
Total assets less current liabilities			447,373		427,307
Creditors: amounts falling due after more than one year	24	(13,721)		(19,399)	
Total net assets or liabilities			433,652		407,908
<u>Funds of the charity</u>					
Unrestricted income funds			287,838		264,859
Restricted income funds			145,814		143,049
Total funds			433,652		407,908

The notes on pages 14 to 25 form an integral part of these accounts.

These financial statements were approved by the Board on:

10-Jun-2020

and are signed on its behalf by:

Mr David Alexander Stabler
Co Treasurer



BRUNSWICK METHODIST CHURCH

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 August 2019

1 Accounting Policies

The principal accounting policies adopted, judgements and key sources of estimation uncertainty in the preparation of the financial statements are as follows:

2 Basis of accounting

2.1 Basis of preparation

These accounts have been prepared under the historical cost convention with items recognised at cost or transaction value unless otherwise stated in the relevant note(s) to these accounts.

The accounts have been prepared in accordance with Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (effective 1 January 2015) – Charities SORP (FRS 102), the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) and the Charities Act 2011.

Brunswick Methodist Church meets the definition of a public benefit entity under FRS 102.

2.2 Preparation of the accounts on a going concern basis

The charity reported total unrestricted funds at the year end of £287,838 and has already secured a significant amount of funding for the current year. The trustees are of the view that the immediate future of the charity for the next 12 to 18 months is secure and that on this basis the charity is a going concern.

3 Income

3.1 Recognition of income

Income is recognised when the charity has entitlement to the resources, any performance conditions attached to the item(s) of income have been met, it is more likely than not that the resources will be received and the monetary value can be measured with sufficient reliability

3.2 Offsetting

There has been no offsetting of assets and liabilities, or income and expenses, unless required or permitted by FRS102 SORP or FRS102.

3.3 Grants and donations

Income from government and other grants, whether 'capital' grants or 'revenue' grants, is recognised when the charity has entitlement to the funds, any performance conditions attached to the grants have been met, it is probable that the income will be received and the amount can be measured reliably and is not deferred.

Income received in advance of the provision of a specified service is deferred until the criteria of income recognition are met.

BRUNSWICK METHODIST CHURCH

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 August 2019

3.4 Donated goods and services

Donated goods are measured at fair value (the amount for which the asset could be exchanged) unless impractical to do so.

Donated services and facilities are included in the SoFA when received at the value of the gift to the charity provided that the value of the gift can be measured reliably. Donated services and facilities that are consumed immediately are recognised as income with the equivalent amount recognised as an expense under the appropriate heading in the SoFA.

3.5 Volunteer help

The value of volunteer help received is not included in the accounts but is described in the trustees' annual report.

3.6 Interest receivable

Interest on funds held on deposit is included when receivable and the amount can be measured reliably by the charity; this is normally upon notification of the interest paid or payable by the bank.

3.7 Income from membership subscriptions

Membership subscriptions received in the nature of a gift are recognised in donations and legacies.

Membership subscriptions which gives a member the right to buy services or other benefits are recognised as income earned from the provision of goods and services as income from charitable activities.

3.8 Investment gains and losses

This includes any realised or unrealised gains or losses on the sale of investments and any gain or loss resulting from revaluing investments to market value at the end of the year.

3.9 Fund accounting

Unrestricted funds are available to spend on activities that further any of the purposes of the charity. Designated funds are unrestricted funds of the charity which the trustees have decided at their discretion to set aside to use for a specific purpose. Restricted funds are donations which the donor has specified are to be solely used for particular areas of the charity's work or for specific projects being undertaken by the

4 Expenditure and liabilities

4.1 Liability recognition

Liabilities are recognised when it is more likely than not that there is a legal or constructive obligation committing the charity to pay out resources and the amount of the obligation can be measured with reasonable certainty.

4.2 Charitable activities

Expenditure on charitable activities includes the costs of running the church and other activities undertaken to further the purposes of the charity and their associated support costs.

BRUNSWICK METHODIST CHURCH

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 August 2019

4.3 Governance and support costs

Support costs have been allocated between governance cost and other support. Governance costs comprise all costs involving public accountability of the charity and its compliance with regulation and good practice.

Support costs are those functions that assist the work of the charity but do not directly undertake charitable activities. Support costs include central functions and have been allocated to activity cost categories on a basis consistent with the use of resources.

4.4 Irrecoverable VAT

Irrecoverable VAT is charged as a cost against the activity for which the expenditure was incurred.

4.5 Creditors

The charity has creditors which are measured at settlement amounts less any trade discounts.

4.6 Provisions for liabilities

A liability is measured on recognition at its historical cost and then subsequently measured at the best estimate of the amount required to settle the obligation at the reporting date.

5 Assets

5.1 Tangible fixed assets for use by the charity

Individual fixed assets costing £250 or more are capitalised at cost and are depreciated over their estimated useful economic lives on a straight line basis, the charity does not currently have any tangible fixed assets:

Freehold property - Church Building	0%	
Property improvement	10% to 20%	Straight line
Plant and machinery - Lift	3.33%	Straight line
Office and other equipment	20%	Straight line

Church building depreciation is nil because it has retained its value. The lift held under plant and machinery is depreciated over 30 years because it is guaranteed for 25 years after manufacture guarantee ceases.

5.2 Investments

Fixed asset investments in quoted shares, traded bonds and similar investments are valued at initially at cost and subsequently at fair value (their market value) at the year end. The same treatment is applied to unlisted investments unless fair value cannot be measured reliably in which case it is measured at cost less impairment.

Investments held for resale or pending their sale and cash and cash equivalents with a maturity date of less than 1 year are treated as current asset investments.

BRUNSWICK METHODIST CHURCH

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 August 2019

Analysis of income

	Unrestricted Funds £	Restricted Funds £	Total 2019 £	Total 2018 £
6 Donations and legacies				
Collections and Tax recoverable	38,260	930	39,190	44,836
Donations and legacies	42,481	-	42,481	11,005
Donations for roof works	-	-	-	44,592
	<u>80,741</u>	<u>930</u>	<u>81,671</u>	<u>100,432</u>
7 Charitable activities				
Giggles	-	-	-	493
Brunswick Club for Retired Men	-	6,224	6,224	4,286
	<u>-</u>	<u>6,224</u>	<u>6,224</u>	<u>4,779</u>
8 Other trading activities				
Property letting	156,564	-	156,564	177,655
Catering income	28,201	-	28,201	25,547
Other income	11,471	-	11,471	8,586
	<u>196,235</u>	<u>-</u>	<u>196,235</u>	<u>211,788</u>
9 Income from investments				
Bank interest	45	-	45	27
Dividend income		4,251	4,251	4,248
	<u>45</u>	<u>4,251</u>	<u>4,296</u>	<u>4,275</u>

Income was £288,426 (2018: £321,273) of which £277,021 was unrestricted or designated (2018: £310,630) and £11,405 was restricted (2018: £10,644)

BRUNSWICK METHODIST CHURCH

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 August 2019

Analysis of expenditure on charitable activities

	Unrestricted Funds £	Restricted Funds £	Total 2019 £	Total 2018 £
10 Raising funds				
Investment management costs (TMCP charges)	-	281	281	270
	<u>-</u>	<u>281</u>	<u>281</u>	<u>270</u>
11 Charitable activities				
<u>Direct costs</u>				
Assessment	53,175	-	53,175	70,296
Connexional fund	978	-	978	-
Repairs and renewals	10,350	-	10,350	17,676
Insurance	10,140	-	10,140	10,260
Heat, light and water	23,724	-	23,724	27,095
Telephone, postage, printing and stationery	8,161	-	8,161	8,981
Advertising	90	-	90	-
Sundries including contracts	24,540	-	24,540	25,005
Organ expenses	1,378	-	1,378	1,686
Wages and salaries	24,376	-	24,376	36,563
Young Peoples Group	1,056	-	1,056	349
Brunswick Friendship Group costs	1,296	-	1,296	1,200
Miscellaneous	4,651	-	4,651	14,533
Giggles	-	-	-	166
Brunswick Club for Retired Men costs	-	5,129	5,129	4,226
<u>Support costs</u>				
Minister, Deaconess and visiting preacher	373	-	373	32
Wages and salaries	48,956	-	48,956	39,700
Bank charges	284	-	284	701
Depreciation	40,021	-	40,021	43,916
<u>Donations and Grants</u>				
Donations and collections to other charities	2,856	727	3,584	7,768
<u>Governance costs</u>				
Independent examiner's fees for reporting on the accounts	1,890	-	1,890	1,800
	<u>258,294</u>	<u>5,856</u>	<u>264,150</u>	<u>311,954</u>
12 Other costs				
Major repairs to church roof	-	-	-	64,519
	<u>-</u>	<u>-</u>	<u>-</u>	<u>64,519</u>

Expenditure on charitable activities was £264,432 (2018: £376,742) of which £258,294 was unrestricted or designated (2018: £364,416) and £6,138 was restricted (2018: £12,327)

BRUNSWICK METHODIST CHURCH

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 August 2019

13 Fees for examination of the accounts

	2019 £	2018 £
Independent examiner's fees for reporting on the accounts	1,890	1,800
	<u>1,890</u>	<u>1,800</u>

There were no other fees paid to the examiner (2018: £nil)

14 Analysis of staff costs and the cost of key management personnel

	2019 £	2018 £
Salaries and wages	71,050	72,956
Social security costs	3,040	2,904
Pension costs (defined contribution pension plan)	2,088	403
	<u>76,178</u>	<u>76,262</u>

No employee received remuneration above £60,000 (2018: £nil)

The key management personnel of the charity, comprise the trustees and the centre manager . The total employee benefits of the key management personnel of the charity were £19,617 (2018: £18,453).

15 Staff numbers

The average monthly head count was 6 staff (2018: 5 staff) and the average monthly number of full-time equivalent employees during the year were as follows:

	2019 Number	2018 Number
The parts of the charity in which the employee's work		
Charitable activities	3.5	3.0
	<u>3.5</u>	<u>3.0</u>

16 Transactions with trustees

None of the trustees have been paid any remuneration or received any other benefits from an employment with their charity or a related entity.

Trustees' expenses

No trustee expenses have been incurred in the year.

Transaction(s) with related parties

There have been no related party transactions in the reporting period.

BRUNSWICK METHODIST CHURCH

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 August 2019

17 Defined contribution pension scheme

The Company participates in the scheme, a multi-employer scheme which provides benefits to some 1,300 non-associated participating employers. The scheme is a defined benefit scheme in the UK. It is not possible for the company to obtain sufficient information to enable it to account for the scheme as a defined benefit scheme. Therefore it accounts for the scheme as a defined contribution scheme.

The scheme is subject to the funding legislation outlined in the Pensions Act 2004 which came into force on 30 December 2005. This, together with documents issued by the Pensions Regulator and Technical Actuarial Standards by the Financial Reporting Council, set out in the framework for funding defined benefit occupational pension schemes in the UK.

The scheme is classified as a 'last-man standing arrangement'. Therefore the company is potentially liable for other participating employers' obligations if those employers are unable to meet their share of the scheme deficit following withdrawal from the scheme. Participating employers are legally required to meet their share of the scheme deficit on an annuity purchase basis on withdrawal from the scheme.

A full actuarial valuation for the scheme was carried out at 30 September 2017. This valuation showed assets of £794.9m, liabilities of £926.4m and a deficit of £131.5m. To eliminate this funding shortfall the Trustees has asked the participating employers to pay additional contributions to the scheme as follows:

Deficit contributions

From 1 April 2019 to 31 March 2025: £11,243,000 per annum
(payable monthly and increasing by 3% each on 1 April)

Unless a concession has been agreed with the Trustee the term to 31 January 2025 applies.

Note that the schemes previous valuation was carried out with an effective date of 30 September 2014. This valuation showed assets of £793m, liabilities of £970m and a deficit of £177m. To eliminate this funding shortfall the Trustee has asked the participating employers to pay additional contributions to the scheme as follows:

Deficit contributions

From 1 April 2016 to 30 September 2025: £12,945,440 per annum
(payable monthly and increasing by 3% each on 1 April)

From 1 April 2016 to 30 September 2028: £54,560 per annum
(payable monthly and increasing by 3% each on 1 April)

The recovery plan contributions are allocated to each participating employer in line with their estimated share of the Series 1 and Series 2 scheme liabilities.

Where the scheme is in deficit and where the company has agreed to a deficit funding arrangement the company recognises a liability for this obligation. The amount recognised is the net present value of the deficit reduction contributions payable under the agreement the relates to the deficit. The present value is calculated using the discount rate detailed in these disclosures. The unwinding of the discount rate is recognised as a finance cost.

Present values of provisions

	31 Aug 19 £	31 Aug 18 £	31 Aug 17 £
Present value of provision	13,721	19,399	22,056

BRUNSWICK METHODIST CHURCH

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 August 2019

17 Defined contribution pension scheme continued

Reconciliation of opening and closing provisions

	Period 31 Aug 19	Period 31 Aug 18
Provision at start of period	20,330	22,056
Unwinding of the discount factor (interest expense)	325	248
Deficit contribution paid	(2,620)	(2,575)
Remeasurements - impact of any change in assumptions	125	(330)
Remeasurements - impact of any change in assumptions	(4,439)	-
Provision at end of period	13,721	19,399

17 Defined contribution pension scheme continued

Income and expenditure impact

	Period 31 Aug 19	Period 31 Aug 18
Interest expense	325	248
Remeasurements - impact of any change in assumptions	125	(330)
Remeasurements - amendments to the contribution schedule	(4,439)	-
Contributions paid in respect of future service*	2,478	484
Costs recognised in income and expenditure account	2,478	484

*Includes defined contribution schemes and future service contributions (i.e. excluding any deficit reduction payments) to defined benefit schemes which are treated as defined contribution schemes.

Assumptions

	31 Aug 19 % per annum	31 Aug 18 % per annum	31 Aug 17 % per annum
Present value of provision	1.39	1.68	1.20

The discount rates shown above are the equivalent single discount rates which, when used to discount the future recovery plan contributions due, would give the same results as using a full AA corporate bond yield curve to discount the same recovery plan contributions.

18 Corporation Taxation

The charity is exempt from tax on income and gains falling within section 505 of the Taxes Act 1988 or section 252 of the Taxation of Chargeable Gains Act 1992 to the extent that these are applied to its charitable objectives.

BRUNSWICK METHODIST CHURCH

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 August 2019

19 Tangible fixed assets	Freehold property £	Plant & machinery £	Property improvements £	Fixtures & equipment £	Total £
Cost					
Balance brought forward	6,150	61,170	317,553	138,565	523,438
Additions	-	-	14,474	21,624	36,099
Disposals	-	-	-	-	-
Balance carried forward	6,150	61,170	332,028	160,189	559,537
Depreciation					
Basis	RB	SL	SL	SL	
Rate	0%	3.3%	10-20%	20%	
Balance brought forward	-	16,312	169,961	120,430	306,703
Depreciation charge for year	-	2,039	32,900	5,082	40,021
Disposals	-	-	-	-	-
Balance carried forward	-	18,351	202,861	125,512	346,724
Net book value					
Brought forward	6,150	44,858	147,592	18,134	216,735
Carried forward	6,150	42,819	129,167	34,677	212,812

20 Fixed asset investments

	Listed Investment £
Carrying (fair) value at the beginning of period	141,132
Additions to investments during period	-
Disposals at carrying value	-
Less impairments	-
Transfer in/(out) in the period	-
Net gain/(loss) on revaluation	1,749
Carrying (fair) value at end of year	142,881

21 Debtors and prepayments (receivable within 1 year)

	2019 £	2018 £
Intercompany Debtor	5,403	5,202
Prepayments	8,913	8,185
	14,316	13,387

BRUNSWICK METHODIST CHURCH

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 August 2019

22 Cash at bank and in hand	Unrestricted Funds £	Restricted Funds £	2019 £	2018 £
Bank deposit account	6,647	-	6,647	6,828
Bank current account	69,674	-	69,674	49,108
Restricted bank accounts	-	2,933	2,933	1,917
	<u>76,321</u>	<u>2,933</u>	<u>79,254</u>	<u>57,853</u>

23 Creditors and accruals (payable within 1 year)	2019 £	2018 £
Accruals		
Independent examination of accounts	1,890	1,800
	<u>1,890</u>	<u>1,800</u>

24 Creditors and accruals (payable after more than 1 year)	2019 £	2018 £
Pension deficit	13,721	19,399
	<u>13,721</u>	<u>19,399</u>

26 Events after the end of the reporting period

No events (not requiring adjustment to the accounts) have occurred after the end of the reporting period but before the accounts are authorised which relate to conditions that arose after the end of the reporting period.

BRUNSWICK METHODIST CHURCH

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 August 2019

27 Analysis of charitable funds

	Fund balances brought forward £	Income resource £	Resources expended £	Transfers £	Gains / (losses) £	Fund balances carried forward £
Unrestricted funds						
General funds	264,859	277,021	(258,294)	4,251	-	287,838
	<u>264,859</u>	<u>277,021</u>	<u>(258,294)</u>	<u>4,251</u>	<u>-</u>	<u>287,838</u>

Purpose of unrestricted funds

General unrestricted fund The 'free reserves' of the charity

	Fund balances brought forward £	Income resource £	Resources expended £	Transfers £	Gains / (losses) £	Fund balances carried forward £
Restricted funds						
Bequest and benevolent fund	2,164	65	(4)	(65)	27	2,187
Mission fund	283	7	-	(7)	3	286
Sale of property	138,747	4,180	(277)	(4,180)	1,720	140,189
Special collections	-	930	(727)	-	-	202
Brunswick club for retired men	1,855	6,224	(5,129)	-	-	2,950
	<u>143,049</u>	<u>11,405</u>	<u>(6,138)</u>	<u>(4,251)</u>	<u>1,749</u>	<u>145,814</u>

Purpose of restricted funds

Restricted funds represent income resources used for a specific purpose within the charity as identified by the donor

Bequest and benevolent fund	Monies received from Estates.
Mission fund	Separate bank account.
Sale of property	Proceeds from the sale of property to be used for a specific purpose.
Special collections	Monies collected and transferred for specific purposes
Brunswick club for retired men	Group providing fellowship, speakers and refreshments.

Transfers between funds

	Reason for transfer	Amount £
Between unrestricted and restricted funds	Transfer from the benevolence, mission and property funds to unrestricted funds, represents the dividends.	4,251

BRUNSWICK METHODIST CHURCH

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 August 2019

28 Capital commitments

As at 31 August 2019, the charity had a capital commitment relating to the refurbishment of the church organ for £18,333.

29 Analysis of net assets between funds

	Unrestricted Funds £	Restricted Funds £	Total 2019 £	Total 2018 £
Tangible fixed assets	212,812	-	212,812	216,734
Investments	-	142,881	142,881	141,132
Cash at bank and in hand	76,321	2,933	79,254	57,853
Other net current assets/(liabilities)	12,426	-	12,426	11,587
Long term assets/(liabilities)	(13,721)	-	(13,721)	(19,399)
	<u>287,838</u>	<u>145,814</u>	<u>433,652</u>	<u>407,908</u>









Brunswick Methodist Church 31 August 19 full document

Final Audit Report

2020-06-10

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