THE METHODIST CHURCH REPORT AND ACCOUNTS (ACCRUALS BASIS)

For the year ended 31 August 2021

WEALD OF KENT METHODIST CIRCUIT

Registered Charity – Registration Number

1155413

South East District No 36 Circuit No 18

Ministers Rev John Ritson

Rev Sharon Lovelock Rev Dermot Thornberry

Rev Jonathan Todd (retired 31st July 2021)

Circuit Stewards Dr Helen Richardson

Mrs Julia Bevis Mr Rodney Stone Mr Ian Beavis

Circuit Treasurer Mr Christopher Towers

Introduction

Included in the report are the aims of the Circuit and a commentary of the financial aspects of its work. The report has been prepared based on the activities and plans as they are known at the current time. The Circuit exists for the benefit of the six Methodist Churches, one joint Anglican/Methodist Church, and one joint URC/Methodist Church, employing the Circuit staff and providing financial support for major projects.

Circuit Mission Statement

Led by the Spirit to work together to enable our churches to share the Good News of Jesus. This we do through:

Leadership: to encourage, support and challenge each church to worship God, fulfil its own mission and spread God's word.

Communication: to facilitate effective and relevant communication between churches and encourage two-way communication with wider Methodism. **Maximising Resources:** to ensure the most effective use of all resources across the Circuit and the development and use of our God-given gifts.

Review of the Year

Income Trends

Circuit income is primarily drawn from the assessment paid by the Circuit churches

Expenditure Trends

Stipend expenditure has increased each financial year in line with Conference approved increases. 24% of general fund expenditure is the Circuit contribution to the District and Connexion, of which a significant part is used to fund the work of the wider Methodist Church.

Grants from the Model Trust Fund were two payments of £2000 to support the Circuit churches. In addition the Circuit paid £23855 for professional fees relating to the redevelopment of a Circuit church.

Significant Transactions

Due to the impact of the Covid virus and lock down the Circuit churches have been closed for large parts of the year. This has reduced their income, especially from lettings, and caused some churches to reduce their assessment payments to the Circuit. The shortfall in budgeted assessment income for the year was £22000.

At the beginning of the year the Circuit held two redundant church buildings. One of these was sold and the net proceeds of £310000 were received into the Model Trust Fund. In addition the Model Trust Fund received £76000 from a profit sharing agreement relating to a church property sold in an earlier year. Following these receipts the sum of £119000 was passed to the Connexional Priority Fund of the Methodist Church.

The Circuit continues to incur costs relating to the remaining redundant church property. The property is in the hands of agents with a view to a sale. Once a sale is achieved the Model Trust Fund will receive a proportion of the proceeds.

The Circuit Meeting has approved grants from the Model Trust Fund totalling £790000 relating to development plans at two of the Circuit churches. At the year end the sum of £743746 remained unspent and these accounts reflect a provision for this amount in accordance with the accounting policy on grants.

Fund balances

As at 31 August 2021 the net current assets on general fund of the Circuit were £98216 giving approximately 4 months cover for expenditure. There are substantial funds held in the Model Trust Fund which support the Circuit and individual churches' development plans.

Plans for 2021 - 2022

Circuit financial plans for the coming year have been prepared on the basis that there remains 3 ordained staff with anticipated cost of living stipend increases combined with an increase in the assessment paid to the District.

The Circuit is actively involved in the plans for the construction of new church premises and has been working with the church regarding the development team and fundraising. The existing premises have suffered from erosion of the foundations and this will render them unusable at some time in the foreseeable future. The project is progressing and will include the purchase of land as well as building costs. The Circuit Meeting has approved a grant of £750000 towards the cost of this project part of which has been spent on fees for the professional team.

The Circuit Meeting has also approved a grant of £40000 towards the costs of a major refurbishment of another Circuit church. The outstanding commitment on both grants has been reflected in these accounts.

At the year end the Circuit Model Trust Fund stood at £237547. These funds are held to support future work in the rural section of the Circuit and to cover any additional costs that may need to be incurred on the new development mentioned above.

The Circuit has placed the premises of a redundant church with agents with a view to sale. When the sale is achieved the Circuit plans to spend part of the sale proceeds on the new church mentioned above.

Basis of preparation and legal framework

The Charity's annual report and accounts for the year ended 31 August 2021 have been prepared in accordance with the Charities Act 2011 and the Accounting and Reporting by Charities; Statement of Recommended Practice 2015 as applicable to the Financial Reporting Standard 102.

Full name of Charity Weald of Kent Methodist Circuit

Registration Number 1155413

Date of Registration 21 January 2014

Main communication address Offord Methodist Church

High Street

Otford, Sevenoaks TN14 5PH

The members of the Weald of Kent Methodist Circuit meeting are the Charity Trustees, membership being made up of Circuit office holders, ministers and representatives appointed by the local churches.

Full membership is shown as Appendix A to this report.

Circuit Ministers and Officers

Active Circuit Ministers Rev John Ritson

Rev Sharon Lovelock Rev Dermot Thornberry

Rev Jonathan Todd (retired 31st July 2021)

Circuit Lay Workers Mr Philip Staddon

Mr Richard Cannam

Circuit Stewards Dr Helen Richardson

Mrs Julia Bevis Mr Rodney Stone Mr Ian Beavis

Administrator Mrs Helen Atkinson

Mr Christopher Towers acted as the principal officer overseeing the day to day financial management and accounting for the Circuit during the year.

Independent examiner Nash Harvey Group LLP

The Granary
Hermitage Court
Hermitage Lane

Maidstone ME16 9NT

Investment Bankers Central Finance Board of the Methodist Church

Trustees for Methodist Church Purposes

Aims and organisation

Charity objective is to act as a resource provider within the area around Sevenoaks, Tonbridge and Tunbridge Wells for the Methodist Church.

The purposes of the Methodist Church are 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 and 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 organisation and resourcing of regular public acts of worship open to members of the church and non members alike.

The teaching of Christianity through sermons, courses and small groups.

The resourcing of pastoral work including visiting the sick and bereaved.

Taking religious assemblies in local schools.

Promotion of Christianity through the staging of events and services.

Provision of chaplaincy services to the local university and other institutions.

Public Benefit

We confirm the trustees have had regard to the Charity Commission's guidance on public benefit.

Structure, Governance and Management

The governing document for the Circuit is the Deed of Union (1932) and Methodist Church Act (1976)

Detailed governance arrangements are outlined within the Constitutional Practice and Discipline of the Methodist Church by order of the annual Conference (CPD)

Day to day management of the Circuit is undertaken by the Circuit Leadership team along with the Local Preachers meeting and the Circuit Finance and Property Committee.

Trustee Training

A range of guidance produced by Methodist Connexion to support the effective running of the Circuit, specifically the leaflet 'The Role of a Trustee in The Methodist Church' is given to all new Circuit meeting members as induction to their role as trustees.

Related Parties

The Circuit is part of the South East District and is also accountable to the Methodist Conference.

The following Methodist Churches are linked to the Circuit:

East Peckham

Hawkhurst

Horsmonden

Otford

Paddock Wood (jointly with Church of England)

Sevenoaks

Tonbridge

Tunbridge Wells (jointly with URC)

Risk Management

The major risks have been identified and recorded by the Circuit Finance and Property committee with professional advice taken as required.

There is a regular annual review process undertaken and recorded.

Income and Expenditure is being monitored in total and is compared with the approved annual budget on a regular basis to detect trends as part of the risk management process.

Safeguarding

Every person has a value and dignity which comes directly from the creation of male and female in God's image and likeness. Christians see this potential as fulfilled by God's recreation of us in Christ.

Among other things this implies a duty to value all people as bearing the image of God and therefore to protect them from harm.

Methodist Connexional practice outlines commitment to the following principles:

- The care and nurture of, and respectful pastoral ministry with, all children, young people and adults
- The safeguarding and protection of all children, young people and adults when they are vulnerable
- The establishing of safe, caring communities which provide a loving environment where there is informed vigilance as to the dangers of abuse.
- We will carefully select and train all those with any responsibility within the Church, in line with Safe Recruitment principles, including the use of criminal records disclosures and registration with the relevant vetting and barring schemes.
- We will respond without delay to every complaint made which suggests that an adult, child or young person may have been harmed, cooperating with the police and local authority in any investigation.

- We will seek to work with anyone who has suffered abuse, developing with them an appropriate ministry of informed pastoral care.
- We will seek to challenge any abuse of power, especially by anyone in a position of trust.
- We will seek to offer pastoral care and support, including supervision and referral to the proper authorities, to any member of our church community known to have offended against a child, young person or vulnerable adult.
- In all these principles we will follow legislation, guidance and recognised good practice.

The Weald of Kent Methodist Circuit commits itself to ensuring the implementation of Connexional Safeguarding Policy; government legislation and safe practice in the Circuit and in the churches.

The Weald of Kent Methodist Circuit commits itself to the provision of support, advice and training to lay and ordained people that will ensure people are clear and confident about their roles and responsibilities in safeguarding and promoting the welfare of children and adults who may be vulnerable.

Reserves Policy

The reserves policy for the Circuit is to hold a minimum sum equivalent to 15% of the general fund annual expenditure budget plus twice the annual budget for manse repairs. This should be sufficient to meet any unforeseen item of major expenditure on manses and/or to be able to continue, in the short term, funding planned activities in the event of any inability to raise the full Circuit Assessment from churches. The balance on General Fund at 31 August 2021 disregarding the value of land and buildings complies with the Circuit Reserves Policy.

Funds are retained in the Model Trust Funds to be available to meet grant and loan requests for expenditure from the Circuit and the churches in the Circuit falling within the categories approved by the Methodist Church.

WEALD OF KENT METHODIST CIRCUIT

STATEMENT OF FINANCIAL ACTIVITIES for the year ended 31 August 2021

	Note	General Fund	Model Trust Fund	Total 2020/21	Total 2019/20
		£	£	£	£
Charitable activities:					
Assessments		195858		195858	233095
Investment income		109	2837	2946	7677
Other income	5		407428	407428	57123
Total Income		195967	410265	606232	297895
Stipends and salaries	7	120302		120302	150734
District assessment		9076		9076	9693
Methodist Church Fund		43467		43467	45381
Telephone and travel		8703		8703	12381
Insurance and utilities		18600		18600	22946
Rent of manse		-		-	35494
Maintenance of manses		9462		9462	9176
Expenditure on circuit property			21844	21844	47169
Examiners fee		900		900	900
Other expenditure		4251	1633	5884	6890
Grants and donations		100	27855	27955	82100
Provision for outstanding grants Contributions to Connexional	13		743746	743746	-
Priority Fund	8		171618	171618	169928
Total Expenditure		214861	966696	1181557	592792
Net Income (Expenditure)		(18894)	(556431)	(575325)	(294897)
Transfers between funds Gains (losses)on revaluation		14000	(14000)	-	-
of fixed assets		44086		44086	129147
Gains/losses on investment assets		11000	686	686	(90)
Net movement in funds		39192	(569745)	(530553)	(165840)
Reconciliation of Funds Total funds brought forward		1866973	807292	2674265	2840105
Total funds carried forward	-	1906165	237547	2143712	2674265

WEALD OF KENT METHODIST CIRCUIT

BALANCE SHEET AT 31 AUGUST 2021

	Note	General Fund £	Model Trust £	Total 2021 £	Total 2020 £
Tangible Fixed Assets Land and buildings Investments	9 10	1807949	4290	1807949 4290	1763863 3604
Total Fixed Assets		1807949	4290	1812239	1767467
Current Assets Debtors and prepayments Trustees for Methodist Church	11	11063	9003	20066	32534
Purposes deposits Central Finance Board deposits Cash at bank		122585 13679	968000	968000 122585 13679	812857 102724 15828
Total Current Assets		147327	977003	1124330	963943
Creditors, Accruals and Provisions Due under 1 year Provision for outstanding grants	12 13	-49111	-743746	-49111 -743746	-57145 -
Net Current Assets		98216	233257	331473	906798
Net Assets		1906165	237547	2143712	2674265
Funds of the Circuit General Fund unrestricted Model Trust Fund unrestricted		1906165	237547	1906165 237547	1866973 807292
Total Funds		1906165	237547	2143712	2674265

Notes to the Accounts

1. Basis of preparation of financial statements

The financial statements 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 the Republic of Ireland (FRS 102) (effective 1 January 2015) – (Charities SORP (FRS102)), the Financial Reporting Standard applicable in the UK and the Republic of Ireland (FRS102) and the Companies Act 2008.

Weald of Kent Methodist Circuit meets the definition of a public benefit entity under FRS 102. Assets and liabilities are initially recognised at historical cost or transaction value unless otherwise stated in the relevant accounting policy.

2. Funds

The funds held constitute: General Funds held for any purpose of the Circuit which are Unrestricted. The Circuit Model Trust Fund has wide purposes defined in Standing Orders and is categorised as unrestricted. There are no Restricted funds. Details of each material fund are disclosed in note 14 to these accounts. Any funds may be represented by more than just cash.

3. Accounting Policies

Basis

These accounts have been prepared on the basis of historical cost except that investments are shown at their market value at the end of the year, on the accruals basis to show a true and fair view of the Circuit's financial position and activities.

Income Recognition

Income is included in the Statement of Financial Activities (SOFA) when the Circuit becomes entitled to the resources, and the trustees are reasonably certain they will receive the resources; and the monetary value can be measured with sufficient reliability.

Resources Expended

This is recognised when a liability is incurred or a constructive obligation arises, that results in the payment being unavoidable. Liabilities are recognised as soon as an outflow of economic benefit is considered more likely than not under the legal or constructive obligation committing the Circuit to pay out resources.

Grants

Grants made by the Circuit from its own funds are recognised in full at the time of agreement or when the Circuit accepts that there is a legal or operational obligation to make the payment. When the grant is recurrent over more than one year the balance payable in future years is treated as a provision for future commitments in the Balance Sheet against the appropriate fund, the provision being released in future years as instalments are paid in accordance with the originally agreed terms.

VAT

Since the Circuit is not VAT registered all input VAT is charged with the expenses to which it refers.

Tangible fixed assets for use by the Circuit

The freehold property is shown in the accounts at 2021 values based on the sums insured except where a sale is anticipated in the near future where realisable value is used. The land component is not recognised in these figures. No depreciation is provided on the buildings because the trustees consider the current residual fair value of the manse buildings (on the assumption that it had reached the end of its useful economic life by the year-end) to be not less than its current value. Any depreciation would not be material. The property has been reviewed for impairment.

Investments

Investments are valued in the balance sheet at market value at the year end. Investment income is included in the accounts when receivable and any gains or losses on revaluation at the year end are shown in the SOFA.

Debtors and Prepayments

Debtors relate to the payment of the September stipend in August and other debtors and prepayments.

Creditors

Creditors include receipts in advance, sundry expenses and specifically the 1st quarter assessments received in August.

Cash Flow Exemption

The financial statements do not include a cash flow statement because, as a small charity, it has taken exemption for cash flow in accordance with FRS 102, update bulletin one, in preparation of these financial statements.

4. Investment Income

The income consists of interest of £2768 from deposits with the Trustees for Methodist Church Purposes, £109 from deposits with the Central Finance Board of the Methodist Church and dividends of £69 from listed investments.

5. Other Income

The receipt on the Model Trust Fund relates primarily to proceeds from the sale of redundant churches.

6. Payments to Trustees

There were no payments for additional services to trustees for the current and previous year excluding the amounts reported under note 7 relating to stipends and salaries.

7. Stipends and Salaries

The total amounts paid relating to stipends amounted to £89618 (£103839).

Staff costs paid during the year were:

O i i	00704	44440
Gross salaries	26721	41143
Pension costs	1603	2483
Employers National Insurance	1799	2707
Apprentice Scheme Levy	561	562
	£30684	£46895

Average number of full time equivalent employees were 2 (3).

8. Contributions to Connexional Priority Fund

As required by the Methodist Church contributions are made from property sales to the Connexional Priority Fund. An annual levy is also required and the total paid over during the year amounted to £171618 (£169928).

9. Land and Buildings

The total relates to the five manses held by the Circuit throughout the year.

Balance brought forward	1763863
Revaluation surplus	44086

Balance carried forward £1807949

10. Investments

The funds that support the Circuit Model Trust Fund and the Manses Fund are held by TMCP in Trustees Interest Funds on which interest is credited monthly. These are regarded as medium and long term investments.

TMCP is the legal owner and Custodian Trustee of all Methodist Model Trust property, including Legacies, Endowments and Accumulated Funds. Trust property is held for and on behalf of local Managing Trustees who are responsible for the day to day management of trust property. TMCP ensure that, through providing guidance and acting under their direction, the Managing Trustees comply with charity law and Methodist law and policy as determined by Methodist Conference.

Analysis of investment movements:

Market value brought forward 3604 Loss on revaluation 686

Market value carried forward £4290

All investments are listed on a registered Stock Exchange and generated income of £69 (£75) for the year.

11. Analysis of Current Assets

Deptors and prepayments		
Stipends in advance	7509	7421
Other debtors and prepayments	3554	25113
	£11063	£32534

The bank balance is held at HSBC Plc.

Other debtors for the Model Trust Fund includes the balance due from the General Fund of £9003.

12. Current Liabilities

The liabilities for the current and previous year relate to Other Creditors.

There are no long term liabilities.

Other creditors for the General Fund includes the balance due to the Model Trust Fund of £9003.

13. Provision for Outstanding Grants

The Circuit Meeting has approved grants totalling £790000 towards projects at two circuit churches of which the sum of £743746 remained unspent at the year end. It is considered that both projects are sufficiently advanced for the Circuit to regard these grants as operational obligations. In accordance with the Accounting Policy on Grants shown on page 10 full provision has been made for this amount. It is anticipated that the majority of this liability will fall due within twelve months.

14. Capital Commitments and Contingent Liabilities

At 31 August 2021 the Circuit has no capital commitments. No contingent liabilities were identified at 31 August 2021

15. Detailed Analysis of Individual Fund Movements

Unrestricted Funds

	General Fund	Model Trust Fund	Total
Opening balance	1866973	807292	2674265
Income	240053	410951	651004
Expenditure	- 214861	- 966696	- 1181557
Transfers	14000	- 14000	-
Closing balance	£1906165	£237547	£2143712

The purpose of the general fund is the administration of the Circuit.

The purpose of the model trust fund is to make grants and loans to the Circuit churches and to improve the manses.

The transfer between the funds related to support from the Model Trust Fund for the ministry of the Circuit.

16. Related Party Transactions

The following schedule shows the related party transactions for the year and amounts outstanding at the year end. The Circuit churches and other Methodist organisations are considered related parties for the purpose of determining related party transactions.

	2021	2020
Circuit Churches:		
Assessment income	195858	233095
Grants	4000	2000
Funds transferred on closure	21618	500
Assessments paid in advance	30994	30833
Methodist Church Organizations:		
District Assessment	9076	9693
Chairman's Benevolent Fund	100	100
Methodist Church Fund contribution	43467	45381
Connexional Priority Fund contribution	171618	169948
Deposit – Trustees for Methodist Church Purposes	980000	812857
Deposit – Central Finance Board	122585	102724

17. Post Balance Sheet Events

There are no matters to report.

DECLARATIONS

Treasurer

I confirm that these accrual based accounts for the year ended 31 August 2021 have been prepared from the records of the Circuit and that they include all funds under the control of the Circuit Meeting.

Signature of Treasurer			Date	
Name of Treasurer	Christopher Tow	/ers		
Address	40 Willow Park (Otford Kent TN	14 5NF	
Presentation to the Circu	it Meeting for a	pproval.		
I confirm that the annual re to the Circuit Meeting at its				ere presented
Signature of the Chair of th	ne Meeting			
Name of the Chair of the M	leeting Re	v John Ritson		
Date				

Independent examiner's report to the Trustees of the Weald of Kent Methodist Circuit

I report to the charity trustees on my examination of the accounts of the charity for the year ended 31 August 2021.

Responsibilities and basis of report

As the trustees of the charity you are responsible for the preparation of the accounts in accordance with the requirements of the Companies Act 2006 ('the 2006 Act').

Having satisfied myself that the accounts of the charity are not required to be audited under Part 16 of the 2006 Act and are eligible for independent examination, I report in respect of my examination of your charity's accounts as carried out under section 145 of the Charities Act 2011 (the '2011 Act'). In carrying out my examination I have followed the Directions given by the Charity Commission under section 145(5)(b) of the 2011 Act.

Independent examiner's report

Since the charity's gross income exceeded £250,000 your examiner must be a member of a body listed in section 145 of the 2011 Act. I confirm that I am qualified to undertake the examination because I am a member of the Institute of Charted Accountant in England and Wales, which is one of the listed bodies.

I have completed my examination. I confirm that no matters have come to my attention in connection with the examination giving me cause to believe:

- (1) accounting records were not kept in respect of the company as required by section 386 of the 2006 Act: or
- (2) the accounts do not accord with those accounting records; or
- (3) the accounts do not comply with the accounting requirements of section 396 of the 2006 Act 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; or
- (4) the accounts have not been prepared in accordance with the methods and principles of the Statement of Recommended practice for accounting and reporting by charities.

I have no concerns and 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.

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Name: Lisa Pattenden

Institute of Chartered Accountants in England and Wales

Address: The Granary, Hermitage Court, Hermitage Lane, Maidstone,

ME16 9NT

Date:

Appendix A

CIRCUIT MEETING MEMBERSHIP

At 31 August 2021

MINISTERS

Rev John Ritson Rev Sharon Lovelock Rev Jonathan Todd Rev Dermot Thornberry

MINISTERS IN OTHER APPOINTMENTS

Rev Helen Warmington

SUPERNUMERARY MINISTERS

Rev Keith Lyon Rev John Curnow Rev Gerald Gardiner Rev John Butt

LAYWORKERS

Mr Philip Staddon Mr Richard Cannam

CIRCUIT STEWARDS

Dr Helen Richardson Mrs Julia Bevis Mr Rodney Stone Mr Ian Beavis

Circuit Local Preachers & Worship Leaders representative

Mrs Sue Ward

Circuit Safeguarding Co-ordinators

Mr Philip Staddon Dr Helen Richardson Mrs Helen Atkinson

Property and TMCP Advisor

Mr Michael Richardson

CIRCUIT CHURCH REPRESENTATIVES

East Peckham

Mrs Julia Bevis Mrs Alison Farr Mrs Eileen Hayward

Hawkhurst

Mr Ken Barnes Miss Valerie Manser Mr Reg Rummery

Horsmonden

Mr Henry Edwards Mrs Rachel Sheppard

St Andrew's Paddock Wood

Mrs Jean Saggers Mr Peter Crouch Mr Carl Warren Mrs Carol Barnett

Otford

Mrs Ann Suaznabar Mrs Carol Oakley Mrs Kathryn Ritson

The Drive Sevenoaks

Mr John Archer Mrs Sally Dagnall Mr Philip Smith

Tonbridge

Mr Roi Arden Mr Hugh Taylor Mrs Valerie Lovett

Tunbridge Wells

Mrs Gillian Langstaff Mr Dave Holton Mr Alan Spencer