THE METHODIST CHURCH REPORT AND ACCOUNTS (ACCRUALS BASIS)

For the year ended 31 August 2022

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

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. 23% 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 totalling £27000 to support the Circuit churches. In addition, the Circuit paid £24221 for professional fees relating to the redevelopment of a Circuit church.

Significant Transactions

At a Circuit Meeting held in September 2022 the Circuit decided that it was unable to afford the cost of a new church building as had been previously planned on the site of one of the churches. This was disappointing but was a reflection of the significant increase in construction costs since the Covid epidemic. The Circuit now plans to refurbish the existing building and has committed £500000 from Model Trust Funds to assist with the cost. The accounts reflect the release of the grant that had been allocated from the Model Trust Fund for the new build but the refurbishment grant will be shown in the next year's accounts when the commitment was made.

The Circuit continues to incur costs relating to a redundant church property. The property is under offer but contracts have yet to be exchanged. Once a sale is achieved the Model Trust Fund will receive a proportion of the proceeds.

One of the Circuit churches requires significant repairs to its fabric following the quinquennial report. A grant of £25000 has been paid from the Model Trust Fund towards the cost of this work and the level of assessment has been temporarily reduced to assist the church with its finances.

The Circuit approved a grant of £15000 to one of the churches spread towards the cost of employing a Community Lead who will have responsibility for work in the local area of that church. The grant will be spread over three years and the whole sum was outstanding at the year end.

The Circuit had previously agreed a grant of £40000 towards the costs of a major refurbishment of another Circuit church. During the year this amount was paid plus a further grant of £10000 to cover increased costs.

The Model Trust Fund continues to support the mission of the churches by funding staff and travel costs. The accounts also reflect the Circuit Meeting decision to cover the previous year's deficit on General Fund which was caused by the effect of lock down on church income.

Fund balances

As at 31 August 2022 the net current assets on general fund of the Circuit were £95270 giving approximately 4 months cover for general expenditure. There are substantial funds held in the Model Trust Fund which support the Circuit and individual churches' development plans.

Plans for 2022 - 2023

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

As mentioned under Significant Transactions the Circuit is supporting the refurbishment of one of the churches by a grant of £500000. It plans to be actively involved in the planning and control of the work. Currently professional advice is being considered to determine the best way to progress the refurbishment.

The Circuit hopes to exchange contracts for the redundant church. Under the terms of the offer received completion will take place after planning permission has been obtained.

Basis of preparation and legal framework

The Charity's annual report and accounts for the year ended 31 August 2022 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 Otford 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

Rev John Ritson **Active Circuit Ministers**

> Rev Sharon Lovelock Rev Dermot Thornberry

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 re-creation 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 2022 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 2022

	Note	General Fund	Model Trust Fund	Total 2021/22	Total 2020/21
		£	£	£	£
Charitable activities:		100202		100202	105050
Assessments		199202	4348	199202 4615	195858
Investment income	5	267	4348	4013	2946
Other income	5		-	-	407428
Total Income		199469	4348	203817	606232
Stipends and salaries	7	120785		120785	120302
District assessment	,	11202		11202	9076
Methodist Church Fund		41302		41302	43467
Telephone and travel		12232		12232	8703
Insurance and utilities		18646		18646	18600
Maintenance of manses		14108		14108	9462
Expenditure on circuit property			24489	24489	21844
Examiners fee		900		900	900
Other expenditure		8072	2771	10843	5884
Grants and donations		100	61221	61321	27955
Provision for outstanding grants	13		-673487	-673487	743746
Contributions to Connexional					
Priority Fund	8		64172	64172	171618
Total Expenditure		227347	-520834	-293487	1181557
Net Income/Expenditure		-27878	525182	497304	-575325
Transfers between funds Gains (losses)on revaluation		24932	-24932	-	-
of fixed assets		312774		312774	44086
Gains/losses on investment assets		312//4	-286	-286	686
Gams/1035es on investment assets			200	200	000
Net movement in funds		309828	499964	809792	-530553
Reconciliation of Funds					
Total funds brought forward		1906165	237547	2143712	2674265
Total funds carried forward		2215993	737511	2953504	2143712

WEALD OF KENT METHODIST CIRCUIT

BALANCE SHEET AT 31 AUGUST 2022

	Note	General Fund £	Model Trust Fund £	Total 2022 £	Total 2021 £
Tangible Fixed Assets Land and buildings Investments	9 10	2120723	4004	2120723 4004	1807949 4290
Total Fixed Assets		2120723	4004	2124727	1812239
Current Assets Debtors and prepayments Trustees for Methodist Church	11	46655		46655	20066
Purposes deposits Central Finance Board deposits Cash at bank	12	79435 285	902362	902362 79435 1285	968000 122585 13679
Total Current Assets		127375	902362	1029737	1124330
Creditors, Accruals and Provisions Due under 1 year Provision for outstanding grants	12 13	-32105	-138596 -30259	-170701 -30259	-49111 -743746
Net Current Assets		95270	733507	828777	331473
Net Assets		2215993	737511	2953504	2143712
Funds of the Circuit General Fund unrestricted Model Trust Fund unrestricted		2215993	737511	2215993 737511	1906165 237547
Total Funds		2215993	737511	2953504	2143712

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 2022 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 on General Fund include receipts in advance relating to the 1st guarter assessments received in advance. Creditors on Model Trust Fund include a grant received in advance that is considered repayable.

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 £4243 from deposits with the Trustees for Methodist Church Purposes, £267 from deposits with the Central Finance Board of the Methodist Church and dividends of £105 from listed investments.

5. Other Income

The receipt on the Model Trust Fund in the previous year 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 £90828 (£89618)

Staff costs paid during the year were:

Gross salaries	26117	26721
Pension costs	1458	1603
Employers National Insurance	1846	1799
Apprentice Scheme Levy	536	561
	£29957	£30684

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

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 £64172 (£171618).

9. Land and Buildings

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

Balance brought forward	1807949
Revaluation surplus	312774

Balance carried forward £2120723

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 4290 Loss on revaluation - 286

Market value carried forward ± 4004

All investments are listed on a registered Stock Exchange and generated income of £105 (£69) for the year.

11. Analysis of Current Assets

Debtors and prepayments

Stipends in advance	7879	7509
Other debtors and prepayments	38776	3554

£46655 £11063

The bank balance is held at HSBC Plc.

Other debtors include the balance due from the Model Trust Fund of £34654

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 include the balance due to the Model Trust Fund of £34654 and a refundable grant of £103492.

13. Provision for Outstanding Grants

Following the Circuit Meeting decision not to proceed with a new church building the unused part of the previously approved grant totalling £688487 has been reversed. A grant towards the cost of employing a Community Lead worker at a Circuit church for a total of £15000 was approved and will be paid over three years; this grant has been provided in accordance with the Accounting Policy on Grants. The result of these two matters is a net credit of £673487 on the Outstanding Grant Provision shown on the Statement of Financial Activities.

14. Capital Commitments and Contingent Liabilities

At 31 August 2022 the Circuit has no capital commitments. No contingent liabilities were identified at 31 August 2022

15. Detailed Analysis of Individual Fund Movements

Unrestricted Funds

	General Fund	Model Trust Fund	Total
Opening balance	1906165	237547	2143712
Income	512243	4348	516591
Expenditure	- 227347	520548	293201
Transfers	24932	- 24932	-
Closing balance	£2215993	£737511	£2953504

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.

	2022	2021
Circuit Churches:		
Assessment income	199202	195858
Grants	61221	27855
Funds transferred on closure	-	21618
Assessments paid in advance	31114	30994
Methodist Church Organizations:		
District Assessment	11202	9076
Chairman's Benevolent Fund	100	100
Methodist Church Fund contribution	41302	43467
Connexional Priority Fund contribution	64172	171618
Deposit – Trustees for Methodist Church Purposes	902362	980000
Deposit – Central Finance Board	79435	122585

17. Post Balance Sheet Events

Since the year end the Circuit Meeting has approved a grant of £500000 from the Model Trust Fund towards the refurbishment costs of a Circuit church. This amount will be reflected in the 2022/2023 accounts.

DECLARATIONS

Treasurer

I confirm that these accrual based accounts for the year ended 31 August 2022 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 Towers	s	
Address	40 Willow Park Otf	ord Kent TN14 5N	F
Presentation to the Circu	ıit Meeting for app	roval.	
I confirm that the annual re to the Circuit Meeting at its	•	-	31 August 2022 were presented d were approved.
Signature of the Chair of t	ne Meeting		
Name of the Chair of the Nate ????	/leeting Rev	John Ritson	

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 2022.

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.

SIGNAG	٠.
Signed	١.
9	

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 2022

MINISTERS

Rev John Ritson Rev Sharon Lovelock Rev Dermot Thornberry

MINISTERS IN OTHER APPOINTMENTS

Rev Helen Warmington

SUPERNUMERARY MINISTERS

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