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RYEDALE METHODIST CIRCUIT 29/34

TRUSTEES' ANNUAL REPORT AND ACCOUNTS

FOR THE YEAR ENDED 31 AUGUST 2019

CHARITY COMMISSION
FIRST CONTACT

13 MAR 2020

ACCOUNTS
RECEIVED

RYEDALE METHODIST CIRCUIT

ANNUAL REPORT FOR THE YEAR ENDED 31 AUGUST 2018

ADMINISTRATIVE INFORMATION

Circuit Number: 29/34

Circuit Staff:

Ordained:

Superintendent Minister: Rev Ruth Duck,
7 Meadow Road, Pickering, North Yorkshire YO18 8NW (until 31st Aug 19)

Ministers: Rev Tanya Short (until 31st Aug 19)
Rev Ken Gowland
Deacon Fiona de Boltz
Rev Anthony de Boltz (from May 19)

Lay:

Pastoral Lay Employee: Mrs Linda Stannard
Missional Lay Employee: Mrs Louise Hayes (until April 19)
Mrs Karen Pattison
Administration Assistant: Mrs Ann Thomas

Trustees: All members of the Circuit Meeting. A full list is available on request.

Circuit Stewards: Mrs Ann Thomas
Mrs Julia Branson
Mrs Virginia Collinson (until 31st Aug 2019)
Mr Paul Emberley
Mr Robert Rayner

Circuit Treasurer: Mr Nigel Hayes (until Feb 19)
Mr Philip Roy Evans FCCA (from Feb 19)

Independent Examiner: Ms Laura Dawson ICAEW
Hardcastle France Chartered Accountants
30 Yorkersgate
Malton
North Yorkshire
YO17 7AW

STRUCTURE GOVERNANCE AND MANAGEMENT

The Governing Document	Deed Of Union (1932) and Methodist Church Act (1976)
Constituted	Act of Parliament
Selection of Trustees	Appointed by local churches and existing trustees Ministers are automatically trustees
Structure	Part of the York and Hull District of the Methodist Church Accountable to the Methodist Conference
Risks	Considered by the Leadership Team Take professional advice when required Adopted Safeguarding Policy

OBJECTIVES AND ACTIVITIES

The Vision of Ryedale Methodist Circuit is to build fellowships of committed followers of Jesus Christ, who will share the Gospel, grow in faith and demonstrate this through loving service in both the local community and the wider world.

This vision will be worked out by:

- Increasing awareness of God's presence and declaring His love in our daily lives;
- Offering safe places for worship where everyone is made to feel welcome and accepted;
- Providing opportunities for spiritual growth and learning;
- Providing time and space for church and community activities;
- Showing care and support for all;
- Sharing tasks of ministry among both lay and ordained people;
- Working for justice and peace for all people, and
- Regularly reviewing opportunities for mission, ministry and worship both within the Methodist Circuit and with others of faith.

Objectives:

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.

STRUCTURE AND DECISION MAKING

The Circuit staff work as a team sharing responsibilities across the Circuit.

Day-to-day management decisions are taken by the Circuit Leadership Team (CLT). The CLT is composed of the Circuit Stewards and ordained staff.

The Circuit Meeting is the principal decision-making body responsible for the affairs of the Circuit and the development of circuit policy. It also acts as the focal point of the working fellowship of the churches in the Circuit, overseeing their pastoral, training and evangelistic work. It meets twice yearly, in the autumn and spring.

CLT meets between Circuit Meetings to:

1. discuss the life and work of the Circuit
2. formulate recommendations for the Circuit Meeting
3. carry out work on behalf of the Circuit Meeting, where appropriate.
4. to ensure the Circuit effectively uses its financial resources through:
 - (i) agreeing proposals for the annual circuit budget in advance of the Circuit Meeting
 - (ii) monitoring financial procedures.

The CLT is responsible for the maintenance and upkeep of the manses and has the authority to approve emergency works to manses on behalf of the Circuit Meeting.

All property schemes within the Circuit are examined by the CLT who recommend an appropriate response to the Circuit Meeting. The CLT may seek clarification or modification of an application before making its recommendation to the Circuit Meeting.

In addition to seeking approval, a church may seek financial support from the Circuit. For small property schemes (up to £5000) the CLT may recommend that the Circuit Meeting grant from the Circuit Model Trust Fund up to 15% of the budgeted cost of the scheme (subject to funds being available) depending on how well the scheme fits the approval criteria.

RISK MANAGEMENT

The Trustees have examined the major strategic and operational risks facing the Circuit and have established the necessary systems to manage or mitigate these risks.

In particular:

- insurance cover is in place
- the finances of the Circuit are kept under review
- the Circuit has adopted the Methodist Church Safeguarding Policy and ensured it is rolled out to the churches; appointed a Circuit Safeguarding Co-ordinator; appropriate Disclosure and Barring Service (DBS) checks are made and there are regular audits of Safeguarding practices across the Circuit and all its churches.

Public Benefit

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

Ryedale Methodist Circuit carries out a range of activities in pursuance of its mission. The Trustees consider that these activities, summarised below, provide benefit to those who are members of the Circuit through the local Methodist churches and the wider community.

ACHIEVEMENTS AND PERFORMANCE

Religious Activities

Acts of worship and pastoral care

The Circuit produces a quarterly preaching plan to ensure regular acts of worship take place at each of the Methodist churches and Local Ecumenical Partnerships under its remit. These are open to all people, without charge. The Ministers have pastoral care for these churches.

Baptisms, Weddings and Funerals

The Circuit staff conducted baptisms, weddings and funerals at each of the churches in the Circuit. These services are available at the discretion of the person with pastoral charge. No charge is made for baptisms. A modest set fee is usually charged for weddings and funerals.

Work with Children, Youth, and Families in the local Community

The Circuit supports the work done in the local churches to

- create and strengthen relationships and help people along their life's journey
- ensure people feel welcome and get a positive experience of Church life
- encourage people to start and continue a journey into faith.

We aim to make these services available to everyone.

People and property

Presbyters, Deacons and Local Preachers

The Circuit spiritually and financially supported the above named Presbyters and Deacon throughout the year (or for the period shown); nearly thirty active Local Preachers and several Supernumerary Ministers took services and preached in the Circuit's churches during the year.

Lay Employees

The Circuit funded:

- 3 part time Lay Employees (two as at 31st August 2019)
- A part-time Administrator

Property management

The Circuit maintained four manses, each of which were occupied by ministers during the year. Two further former manses were commercially let. During the year two redundant churches were sold and, as 31st August 2019, two further redundant church buildings were for sale.

Volunteers

A substantial part of the Circuit's ministry is accomplished by volunteers. All the Circuit Stewards and the other members of the Circuit Meeting, except for the Ministers and paid lay employees, are volunteers. All the local preachers are volunteers.

FINANCIAL REVIEW

The Accounts for the year ending 31st August 2019 and the Statement of Assets and Liabilities as at 31st August 2019 are contained in Appendix 1. These show net income of £115,000 in the year, with total cash funds of £567,000 at the end of the year.

This positive net income figure was achieved after paying the £90,000 promised to Pickering church for improvements and making net loans of £55,000 towards the development scheme at The Wesley Centre, Malton. Manse repairs and inspections during the year amounted to £18,000 and total expenditure on redundant church buildings during the year amounted to £12,000, mostly incurred on running costs (repairs and insurance).

The sale of two redundant church buildings raised £419,000 net of sales costs, of which £285,000 was retained in the Circuit (within the Circuit Model Trust Fund (CMTF)) and the remaining £134,000 was donated to the wider Methodist Connexion (per the standard approach on such sales). There was also a donation of £10,000 from the CMTF to the Yorkshire North and East District of the Methodist Church (per the standard approach where CMTF balances are held).

For unrestricted funds the net position was an inflow of just over £114,000. However, the exceptional income from sales of closed churches of £285,000 less the exceptional expenditure of loans, project payments, manse repairs and redundant church costs of £175,000 gave rise to £110,000 of this figure. The operating net income for the year, therefore, amounted to £4,000.

The principal funding sources for the year to 31st August 2019 are the Assessments/Shares received from the churches within the Circuit. The principal expenditure is the salary costs of the ministers and lay employees of the Circuit. Further, one-off funds have been generated from the sale of redundant church buildings. At 31st August 2019, there were two such buildings unsold.

The Reserves policy is contained in Appendix 2.

The Trustees have established a policy whereby the unrestricted funds held in the General Reserve (excluding amounts allocated to the Manse fund and the Property Inspection fund) should be sufficient to cover six months of general running costs. At 31st August 2019, the level of reserves was above this objective, with £188,000 of funds available (including net current assets) and annual expected expenditure of £245,000. This is equivalent to 9 months but is considered prudent because net assets include an unsecured loan of £80,000 and current staffing levels are considered low and may be increased.

The Trustees have also established a policy whereby the Circuit Model Trust Fund should be maintained at a level sufficient to fund an anticipated level of property projects plus the budgeted transfers to general funds over a five year horizon, after allowing for inflows from property sales. At 31st August 2019, the balance of the CMTF is £395,000. The CMTF is currently in a position which exceeds the requirements of the policy.

This reserves policy will be reviewed regularly.

Overall, the Trustees consider the financial position to be satisfactory.

Approved on 25th February 2020 and signed on behalf of the Circuit by:



Reverend Peter Sheasby
Superintendent Minister

APPENDIX 1: ACCOUNTS FOR THE YEAR ENDED 31 AUGUST 2019

	Unrestricted Funds	Circuit Model Trust Fund	Other Funds	Total this year	Total last year
RECEIPTS					
Assessment/share	194,503	-	-	194,503	213,910
Capital receipts	-	418,673	-	418,673	37,084
Interest and investment income	885	1,962	424	3,271	2,849
Grants	-	-	-	-	-
Other receipts	50,638	-	-	50,638	37,012
Total receipts	246,026	420,635	424	667,085	290,855
PAYMENTS					
Stipends, salaries, NIC, pension and travel costs	170,116	-	-	170,116	170,014
Manse costs	18,466	-	-	18,466	19,632
Administration etc	4,194	512	52	4,758	5,228
District assessment	41,268	-	-	41,268	40,685
Grants Loans and donations	55,000	234,636	-	289,636	152,390
	-	-	-	-	-
Other payments	28,198	-	-	28,198	45,229
Total payments	317,242	235,148	52	552,442	433,178
Net receipts and payments	(71,216)	185,487	372	114,643	(142,323)
Total funds brought forward from last year	178,163	255,176	19,505	452,844	595,167
Transfers and adjustments	45,630	(45,483)	(147)	-	-
Total funds at end of year	152,577	395,180	19,730	567,487	452,844

Notes:

- Other payments include £900 of professional fees in relation to the preparation for sale of the closed chapels and £1,272 for independent examiner's fees.

STATEMENT OF ASSETS AND LIABILITIES AS AT 31 AUGUST 2019

	Opening balances	Closing balances
CASH FUNDS HELD		
Bank current account	27,294	23,922
Central Finance Board deposit account	153,400	131,341
Trustees for Methodist Church Purposes	272,150	412,154
Other funds	-	-
Total cash funds held by circuit	452,844	567,487
OTHER ASSETS AND LIABILITIES		
Investments	10,761	10,928
Land and buildings	1,915,821	2,045,610
Other assets	50,698	17,242
Loans	-	80,000
Other liabilities	55,966	46,577

APPENDIX 2: RESERVES POLICY

Our Reserves Policy relates to our general (unrestricted) funds which are freely available to be used for any or all of the purposes of the Circuit.

Other funds are also included for the sake of clarity and openness and to show that the Circuit has a policy for the management of all of its money not simply those which are defined as reserves.

Aims

- To secure and sustain the Circuit's viability and future.
- To reassure the general public that the Circuit, which is a charity, intends to use all of the money coming into its care for the purposes of the charity.

Three Step Process

In line with Connexional guidance, we undertake a three step process in setting reserves policy:

- i. set out our mission aims
- ii. decide what financial plans will be necessary to achieve those aims
- iii. determine the appropriate level of reserves required to meet our financial plans.

(1) Mission Policy

The Circuit's Mission Policy is set out in a separate document developed during the merger process.

Essentially, it provides for:

- (a) The ministerial oversight and pastoral care of the more than twenty local churches in the Circuit.
- (b) The support of a ministry team of three presbyteral Ministers, one Deacon, several supernumerary ministers and three lay employees.
- (c) The maintenance of the four Circuit manses, two former manses which are currently let out commercially, and any closed chapels which are in the process of being sold.

(2) Financial Plans

Each year, the required levels of expenditure and income are reviewed and a Circuit budget is produced. This covers:

- the total level of expenditure required by the Circuit to meet the costs of 1(a), (b) and (c) above
- expected income from the let properties
- requirement for contributions to the Circuit from individual chapels
- appropriate level of transfer from Circuit Model Trust Fund (budgeted at £5,000 for 2019/20)

We make provision for our property maintenance programme by designating an amount per annum for each manse to maintain the properties, and an amount per annum to fund a program of periodic property inspections

(3) Reserves Policy

The Circuit General Fund

Under Standing Orders the Circuit must meet its financial obligations in relation to the support of its ministers and the maintenance of the manses. The total budgeted expenditure for the next financial year (including planned contributions to the Manse Fund and the Property Inspection Fund) is c.£245,000.

Our Reserves Policy is to hold at least six month's expenditure in hand. At 31/08/19, the balance was c.£188,000 (that is c.£137,000 balance with net assets, including an £80,000 loan, of c.£51,000) so represented about nine months expenditure.

The Manse Fund

This is a designated fund which exists to cover expenditure required to maintain the Circuit manses in good condition and to fulfil requirements of quinquennial inspections.

Our policy is to support this fund from the General Fund by means of an annual amount per annum for each manse, set so as to balance expenditure over a five year cycle. As such, there is no specific target level of reserves at any point in time, but an objective of covering requirements without undue volatility in the annual transfer.

At 31/08/19, the balance was just over £10,000. The budgeted annual level of funding for the following year was £10,000 (i.e. £2,500 per manse) but a number of quinquennial reports are expected during 2019/20 so the additional level of reserves is available to cover unexpected repairs.

The Property Inspection Fund

This is a designated fund which exists to cover the cost of quinquennial and other (e.g. electrical) inspections for both individual churches and circuit properties.

Our policy is to support this fund from the General Fund by means of an annual amount per annum for each manse, set so as to balance expenditure over a five year cycle. As such, there is no specific target level of reserves at any point in time, but an objective of covering requirements without undue volatility in the annual transfer.

At 31/08/19, the fund balance was just over £4000; the budgeted annual level of funding for the following year was £5,600.

Circuit Model Trust Fund

This fund derives from sales of chapels and manses. Historically, the use of this fund has been restricted to specific purposes by the Conference, but more recently Circuits have been given the ability to use their CMTF as they see fit.

Our policy is to use the fund to provide support to the General Fund to further the work of the Circuit (budgeted at £5,000 in 2019/20) and to provide specific support for property related expenditure in individual chapels, through ad-hoc contributions to significant projects and through an initiative to provide 15% of small property schemes.

Our Reserves Policy is to hold sufficient in the CMTF to cover projected expenditure, over a 5 year horizon, after allowing for anticipated proceeds from property sales – this expenditure comprising:

- Continuing support for the General Fund (budgeted at £5,000 for 2019/20 but this is expected to increase in future years)
- Specific allowance for significant projects already committed to or anticipated
- Contributions of £20,000 per annum to future significant projects
- A running cost of £5,000 per annum from the "15% scheme"

This would suggest a requirement of £175,000 plus the cost of specific projects, less proceeds from sales of closed chapels (net of levies and fees).

The actual balance in CMTF at 31/08/19 was £395,000. Two closed chapels were available for sale.

Restricted Funds

These funds comprise trusts managed by Trustees for Methodist Church Purposes (TMCP), where the income is available for general use but the capital cannot generally be accessed. Restrictions for these funds are in line with the wishes of the benefactors. These funds amounted to just over £19,000 as at 31/08/19.

There were also holdings of just over £2,000, part of which was held within a segregated bank account for specific purposes and part had previously been held in a segregated savings account and was being treated as restricted until any requirements relating to its provenance could be confirmed.

APPENDIX 3: List of Trustees 2018/9

Role	Name
Superintendent	Revd Ruth Duck
Circuit Minister	Revd Ken Gowland
Circuit Minister	Revd Tanya Short
Circuit Minister	Deacon Fiona de Boltz
Supernumerary	Revd Peter Clark
Supernumerary	Revd Jane Pickering
Supernumerary	Revd Brian Shackleton
Supernumerary	Revd Michael Williams
Minister Resident in Circuit	Revd Mark Haynes
Minister Resident in Circuit	Revd Dr Penelope Worth
Authorised to Serve	Benjamin Nicholson
Lay Employee	Louise Hayes
Lay Employee	Karen Pattison
Lay Employee	Linda Stannard
Circuit Steward	Julia Branson
Circuit Steward	Virginia Collinson
Circuit Steward	Paul Emberley
Circuit Steward	Robert Rayner
Circuit Steward (Treasurer)	Phil Evans
CM Secretary	Ann Thomas
Quinquennial Report Representative	Mike Leng
LP Secretary	Rachel Prest
Allerston Steward	Howard Parr
Allerston Treasurer	Mary Kemp
Appleton Representative	Jean Lishman

Applerton Representative	Malcolm Leckenby
Ebberston Representative	Helen Leng
Ebberston Steward	Mike Peck
Hartoft Representative	Brenda Towle
Hartoft Steward	Christine Jackson
Helmsley Representative	Andrew Leckenby
Helmsley Representative	Chrissie Gowland
Helmsley Steward	Les Helm
Helmsley Treasurer	Christine Wright
Hovingham Steward	Sue Goodwill
Kirkdale Steward	Beatrice Bartlett
Kirkdale Treasurer	Brian Bartlett
KMS Representative	Kath Hall
KMS Representative	Audrey Windress
KMS Steward	Janet Brown
KMS Treasurer	Mike Gray
Leavening Steward	Steve Langton
Leavening Treasurer	Nancy Spencer
Malton Representative	Nigel Hardwick
Malton Steward	Richard Lukey
Malton Treasurer	Roger Hadfield
Norton Bethel Representative	Jonathon Piercy
Norton Bethel Steward	Veronica Piercy
Norton Bethel Treasurer	Margaret Graham
Norton Trinity Representative	Audrey Henderson
Norton Trinity Representative	John Hubery
Norton Trinity Steward	Sue Holmes

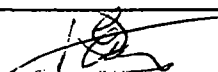
Norton Trinity Treasurer	Suzanne West
Pickering Representative	Geoff Duck
Pickering Representative	Pam Sellers
Pickering Steward	John Smith
Pickering Treasurer	Martin Redgard
Rievaulx Representative	Nicholas Dunn
Rievaulx Steward	Edward Garbutt
Rievaulx Treasurer	Sheila Foster
Scagglethorpe Steward	Paul Douthwaite
Scagglethorpe Treasurer	Nancy Wilson
Scagglethorpe Representative	Janet Smith
Slingsby Steward	David Scaling
Slingsby Representative	Stephen Prest
Slingsby Steward	Audrey Foster
Slingsby Treasurer	Liz Marshall
Thornton Dale Representative	Mary Hoggarth
Thornton Dale Steward	Douglas Finch
Thornton Dale Treasurer	John Woodmansey

DECLARATIONS

Treasurer

I confirm that I have prepared the accounts from the records of the Circuit and that they include all funds under the control of the Circuit

Signature of Treasurer



Date

28/1/20

Name

PHILIP ROY EVANS

Address

28 MAIN STREET, EBBWASTON,
SCARBOROUGH, YO13 9NS

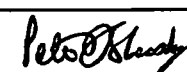
Presentation to the *Circuit Meeting for approval.

I confirm that the Accounts have been presented to the Circuit Meeting on

25th February 2020

and were approved.

Signature of the Chair of the meeting



Name of the Chair of the meeting

PETER SHEASAY

Date

25/2/20

Independent Examiner's Report to the Trustees of the

RYEDALE

Circuit

This Report is on the Circuit Accounts for the year ended 31st August

2019

Respective responsibilities of Trustees and Examiner

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

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 Report

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 matter has come to my attention (other than that disclosed below*):

(1) which gives me reasonable cause to believe that in any material respect the requirements:

- to keep accounting records in accordance with section 130 of the Charities Act;
- to prepare accounts which accord with the accounting records and comply with the accounting requirements of the Charities Act have not been met; or

(2) to which, in my opinion, attention should be drawn in order to enable a proper understanding of the accounts to be reached.

* Please delete the words in the brackets if they do not apply appropriate

(3) I have/have not* obtained independent verification of all investments with the Trustees for Methodist Church Purposes ("TMCP") or held in other Trusts, Bank balances and Funds at the Central Finance Board of the Methodist Church ("CFB"), which are individually in excess of £10,000 (ten thousand pounds) at the balance sheet date.

* Please circle as appropriate

Name

LAURA DAWSON

Signature

LDAWSON

Relevant Professional qualification or body

ICAEW

Address

30 YORKERSGATE, MALTON
4017 7AW

Date

28/1/20