

**Circuit  
Accruals Accounts  
2018-2019**

**THE METHODIST CHURCH  
FINANCIAL STATEMENTS (FRSSE)**

**for the year ended 31 August 2019**

**Tynedale**

**Circuit**

**Registered Charity - Registration number**

**1129509**

**NEWCASTLE upon TYNE**

**District No / Circuit No**

**20/08**

**Ministers**

Rev Paul Dunstan
Rev Alex Dunstan
Rev David Goodall
Rev Jennifer Porterpryde
Deacon Anne Taylor
Rev Marie Beard (part time)
Rev Robert Hawkins (part time)

**Circuit Stewards**

Sandra Martin
Chris Horton
Alan Wright
Millie Robinson
Carolyn Vasey

**Circuit Treasurer**

David Kilner

## Statement of Financial Activities (SOFA) for the year ended 31 August 2019

		Unrestricted Funds				
	Notes to the accounts	General Fund	Model Trust Fund	Manse Fund (Designated)	Total 2018-19	Total 2017-18
		£	£	£	£	£
<b>Income and Endowments from:</b>						
1 Capital receipts			163,327		163,327	-
2 Charitable activities					-	-
2a Contributions	5	276,800			276,800	296,679
4 Investments		612	3,584		4,196	3,059
Lettings		15,133			15,133	6,504
Grant		40,000			40,000	-
5 Donation and Legacy					-	291
6 <b>Total</b>		<b>332,545</b>	<b>166,911</b>	<b>-</b>	<b>499,456</b>	<b>306,533</b>
<b>Expenditure on:</b>						
7 Stipends, salaries, NIC & Pension costs	6	192,151			192,151	198,563
8 District Assessment		58,030			58,030	56,148
10 Telephone & travel		17,075			17,075	13,937
11 Insurance, utilities, etc	7	14,482			14,482	15,737
12 Maintenance on manses	7	6,603		8,853	15,456	15,927
13 Expenditure on other Circuit property	8	13,927			13,927	10,017
14 Depreciation					-	-
15 Provisions					-	-
16 Other Expenditure	9	12,729	343		13,072	13,511
17 Grants and Donations	10	2,853	41,986		44,839	33,796
18 Contributions to District Advance Fund			5,812		5,812	-
19 <b>Total</b>		<b>317,850</b>	<b>48,141</b>	<b>8,853</b>	<b>374,844</b>	<b>357,636</b>
20 <b>Net income/(expenditure)</b>		<b>14,695</b>	<b>118,770</b>	<b>(8,853)</b>	<b>124,612</b>	<b>(51,103)</b>
21 <b>Transfers between funds</b>		<b>(10,000)</b>		<b>10,000</b>	<b>-</b>	<b>-</b>
		<b>4,695</b>	<b>118,770</b>	<b>1,147</b>	<b>124,612</b>	<b>(51,103)</b>
<b>Other recognised gains / (losses):</b>						
22 Gains/(Losses) on revaluation of fixed assets				-	-	-
23 Gains/(Losses) on investment assets			885		885	1,955
25 <b>Net movement in funds</b>		<b>4,695</b>	<b>119,655</b>	<b>1,147</b>	<b>125,497</b>	<b>(49,148)</b>
<b>Reconciliation of funds:</b>						
26 <b>Total funds brought forward</b>		<b>2,375,546</b>	<b>171,259</b>	<b>33,743</b>	<b>2,580,548</b>	<b>2,629,696</b>
27 <b>Total funds carried forward</b>		<b>2,380,241</b>	<b>290,914</b>	<b>34,890</b>	<b>2,706,045</b>	<b>2,580,548</b>

## Balance Sheet as at 31 August 2019

	Notes to the accounts	Unrestricted Funds				
		General Fund	Model Trust Fund	Manse Fund (Designated)	Total 2018-19	Total 2017-18
		£	£	£	£	£

## Tangible Fixed Assets\*

## Notes

Land & Buildings	11	2,174,874			2,174,874	2,174,874
Equipment	11	53,854			53,854	53,854
Investment properties	11	118,800			118,800	118,800
Investments	12		55,732		55,732	54,847
<b>Total fixed assets</b>		<b>2,347,528</b>	<b>55,732</b>		<b>2,403,260</b>	<b>2,402,375</b>

## Current Assets

Debtors and Prepayments	13	58,005			58,005	14,723
Cash at Bank and in hand						
Trustees for Methodist Church Purposes deposits			272,111		272,111	116,412
Central Finance Board Deposits		46,020	5,057		51,077	159,223
Barclays Bank		(18,208)		34,890	16,682	15,243
<b>Total current assets</b>		<b>85,817</b>	<b>277,168</b>	<b>34,890</b>	<b>397,875</b>	<b>305,601</b>

Creditors and Accruals (due in under 1 yr)	16	41,872	41,986		83,858	104,964
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<b>Net current assets (liabilities)</b>		<b>43,945</b>	<b>235,182</b>	<b>34,890</b>	<b>314,017</b>	<b>200,637</b>
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<b>Total assets less current liabilities</b>		<b>2,391,473</b>	<b>290,914</b>	<b>34,890</b>	<b>2,717,277</b>	<b>2,603,012</b>
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Loans and creditors due after 1 year	16	11,232			11,232	22,464
Provisions for liabilities and charges						

<b>Net assets</b>		<b>2,380,241</b>	<b>290,914</b>	<b>34,890</b>	<b>2,706,045</b>	<b>2,580,548</b>
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## Funds of the Circuit

Unrestricted funds		2,380,241			2,380,241	2,375,546
Circuit Model Trust Fund (Unrestricted)			290,914		290,914	171,259
Manse Funds Designated				34,890	34,890	33,743
<b>Total Funds</b>	<b>17</b>	<b>2,380,241</b>	<b>290,914</b>	<b>34,890</b>	<b>2,706,045</b>	<b>2,580,548</b>

## Notes to the Accounts

### 1 Basis of accounting

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 District's financial position and activities. The financial statements have been prepared under the Charities Act 2011 in accordance with the 2014 version of Accounting and Reporting by Charities: Statement of Recommended Practice (SORP) applicable to charities preparing their accounts in accordance with the Financial Reporting Standard for smaller entities applicable in the UK (effective from 1 January 2015) – the Charities SORP (FRSSE) – in replacement for the SORP's 2005 version specified in its related 2008 Regulations and in accordance with the "true and fair override" provision contained therein.

### 2 Funds

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

### 3 Public benefit entity

The Trustees of Tynedale Circuit confirm that they have regard to the Charity Commission's guidance on public benefit.

### 4 Accounting policies

#### 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. Individual amounts categorised as Other income in the SOFA will be shown separately if they are considered material. No attempt is made to measure the value of services donated by volunteers.

#### 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

These are capitalised if they can be used for more than one year, and individually cost at least £1,000. The freehold property is shown in the accounts at 2015 deemed values including land. No depreciation is provided on the building 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.

#### Investment Properties

Investment properties are properties (usually closed chapels) deemed to not be held for the long-term purposes of the charity. This has been agreed on a case by case basis with the District Policy Committee and the value is shown net of all related selling fees and commissions including the Connexional levy calculated on a sliding scale based on the gross sale price.

#### Investments

The Circuit's investments are held by Trustees for Methodist Church Purposes as Custodian Trustee. 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 (£16,019), and in Grants from the model trust fund (£41,986).

#### Creditors

Creditors include sundry expenses, grants payable in the coming year and specifically the 1st quarter assessment received in August.

#### Impact of Accounting changes

There has not been any restatement required to previous reported information because of the new SORP.

#### Going concern

Based on the monetary assets and human resources available at 31 August 2019, the trustees believe that the Circuit is a going concern.

#### Consolidation

The Circuit oversees the work of ministers and Churches within the Circuit but does not have control over those Churches, ministers, or lay workers except in extreme circumstances, none of which were applicable. For this reason, the financial statements of the Churches within the Circuit are not consolidated into these financial statements.

## Notes to the Accounts

## 5 Assessments on Churches

The Circuit is made up of the following Churches from whom contributions were received during the

Acomb	7,820	Hexham Trinity	66,012
Allendale	4,904	Hexham West End	31,328
Barrasford	3,360	Keenley	1,587
Bellingham	8,508	Prudhoe	31,104
Cattion	4,620	Riding Mill	7,388
Corbridge	16,216	Sparty Lea	5,588
Falstone/Kelder	2,704	Stocksfield	20,438
Fourstones with Warden	3,632	Wark	2,089
Haltwhistle	21,412	Wylam	24,872
Haydon Bridge	13,220	Total	276,800

## 6 Cost of superintendent, ministers, and trustees

The superintendent of the Circuit, the other ministers and the remaining members of the Circuit Leadership Team are considered to be key management personnel. The superintendent chairs meetings of the CLT and Circuit Meetings. The members of the Circuit Meeting are the trustees of the Circuit. The stipends, employer's NIC, and employer's pension contributions and other expenses of the ministers of the Circuit are paid by the Circuit.

	2018-19	2017-18
Stipends of ministers	142,305	143,103
No. of full time ministers	0	6 No.
of part time ministers	5	6
Employers National Insurance contributions	11,574	12,795
Employers pension contributions to a defined benefit pension scheme	32,506	38,020
Apprenticeship Levy	884	605
Administrator	4,882	4,040 Total
cost	192,151	198,563

## Payments to Trustees

It is generally not Circuit policy to reimburse non-ministerial members of the CLT, Circuit Meeting and others involved in the administration of Circuit affairs for expenditure properly incurred in carrying out their duties. Apart from the 7 ministers, and Circuit Administrator no member of the Circuit Meeting or CLT was in receipt of any payment for work undertaken on behalf of the Circuit, although certain travelling and administration costs were reimbursed in relation to specific projects. The Circuit Administrator is a trustee and received payments totalling £4,882 in respect of work undertaken.

## 7 Manse and other property costs

The Circuit is required to provide and maintain accommodation for each Minister and her/his family. This is a benefit to the Circuit. Ministers are generally expected to occupy their Manses. The Circuit bears the cost of repairs, maintenance, building insurance, Council Tax and water charges.

The trustees have established a designated fund to meet the expenses of maintaining the Circuit's six Manses. (2018: 6)

From time to time the Circuit may hold residential property (formerly Manses) which is surplus to its normal staffing requirements. Where this is the case and it is anticipated that the property is unlikely to be used as a manse within a period of two years, the property is classified as investment property (whether let out or not) and any lets are at market rates unless there is a compelling reason not to do so in furtherance of the Circuit's charitable objectives. At 31 August 2019, the Circuit held two residential investment properties (Haltwhistle & Wylam).

Further the Circuit may from time to time hold further investment properties being churches where worship no longer takes place. With the consent of the trustees and the District, the Circuit is responsible for preparing the property for sale most often as a commercial transaction. The trustees will receive the proceeds of the sale once concluded and after the application of the Connexional Property Levy. At 31 August 2019, the Circuit held four investment properties in Wall, West Wylam, Sleafy, Mickley and Langley (2018: 6).

	2018-19		2017-18	
	£	£	£	£
Manse running costs				
Utility costs	10,339		11,678	
Insurances	4,143		4,059	
		14,482		15,737
Repairs and Maintenance		6,603		5,697

## Notes to the Accounts

	2018-19	2017-18
	£	£
<b>Manse Improvements &amp; Major Repairs</b>		
Elvaston	-	10,230
Wylam	-	-
Bellingham	-	-
Prudhoe	-	-
Westfield	8,853	-
<b>Paid out of Manse Fund</b>	<b>8,853</b>	<b>10,230</b>

## 8 Expenditure on other Circuit Property

	2018-19		2017-18	
	£	£	£	£
Investment properties				
Cost of disposal				
Maintenance	2,954		4,346	
Insurances	6,329		5,671	
Legal	4,644		-	
		<b>13,927</b>		<b>10,017</b>

## 9 Other Outgoings

	2018-19	2017-18
	£	£
Conference minutes & prayer manuals	649	661
Bank and accountancy charges	1,218	1,121
Local and visiting preachers	5,346	4,580
Circuit events and meetings	47	80
Quinquennials	3,480	3,420
Office at Corbridge Church	-	1,046
Living Waters	547	653
Insurance	221	232
Photocopying & Printing	590	540
Website	527	527
Other	104	162
<b>Total</b>	<b>12,729</b>	<b>13,022</b>

## 10 Grants and Donations

A grant from the Model Trust Fund of £40,000 to the General Fund towards the Circuits expenditure for the year to 31 August 2019 was agreed at the Circuit meeting on 22 March 2018 and £1986 to Fourstones Methodist Church for major property alterations on 17 July 2019 by the CLTI

## 11 Manse and other property

The freehold residential property (manse) is shown in the accounts at deemed historical cost representing each property's gross carrying value as at 1 September 2015, being that property's insurance reinstatement value resulting from a professional valuation undertaken in 2011-12 and subsequently adjusted up to and including 31 August 2014. No depreciation is provided because the trustees consider the current residual value of the property in its present condition to be not less than its historical cost and, in the absence of any evidence of impairment, any depreciation provision for the property would be immaterial.

From time to time the Circuit is required to assume responsibility for Church premises following closure and cessation of worship. This results in the Circuit becoming Managing Trustees for the property. At that time the property is recognised as an asset at its anticipated net sale price as determined by a professional valuation and after taking into consideration the levy to be charged by the Connexion. Any expenditure on such assets is capitalised.

Trustees have not made any separate valuation of the land associated with its property.

The Circuit has made use of the deemed cost option on transitioning to FRS 102 SORP 2015 as outlined above.

	Manse	Investment properties	Fixtures and fittings	Total
	£	£	£	£
<b>Cost or valuation</b>				
Balance brought forward at 1 September 2018	2,174,874	118,800	53,854	2,347,528
Additions in the year				
Revaluations in the year				
Less: Disposals in the year				
Transfers between categories				
<b>Balance carried forward at 31 August 2019</b>	<b>2,174,874</b>	<b>118,800</b>	<b>63,854</b>	<b>2,347,528</b>

## Notes to the Accounts

## 12 Investments

	£
Opening Balance as at 31 August 2018	54,847
Increase in Value 2018/19	885
Balance as at 31 August 2019	55,732

## 13 Debtors and prepayments

Debtors were made up as follows:

	2018-19	2017-18
	£	£
Debtors		
Stipends paid in advance	16,019	13,823
Outstanding Debt arising from Model Trust Fund grant awards	41,986	900
Total (net)	58,005	14,723

## 14 Trustees for Methodist Church Purposes

The funds that support the Circuit Model Trust Fund are held by TMCP in Trustees Interest Funds on which interest is credited to the accounts each month. 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 the Methodist Conference.

## 15 Central Finance Board (CFB) and Cash at Bank

The Circuit has a current account at Barclays plc, an authorised institution. The sums held on this account are immediately available. In addition, the Circuit has a deposit accounts at CFB, a common deposit fund. Interest is earned on the CFB account and credited monthly; the sums deposited can be withdrawn without notice and without loss of interest. These sums are viewed as being liquid.

## 16 Creditors and accrued expenses

Creditors were made up as follows:

	2018-19	2017-18
	£	£
<u>General Fund</u>		
Creditors:		
Expenses reimbursement	-	-
Trade creditors	-	564
Circuit assessments paid in advance	30,640	65,768
Trinity Youth Worker	-	21,400
Prudhoe/Stocksfield Youth Worker	-	8,000
Haltwhistle Lay Worker	11,232	-
Total creditors	41,872	93,732
Provisions:		
Grant awards due in succeeding year	-	11,232
Circuit Model Trust Fund charges and levies	-	-
Total provisions	-	11,232
Total	41,872	104,964
<u>Model Trust Fund</u>		
Grants 2018/19 (paid Sept 2019)	41,986	-
	41,986	-

Creditors due for payment after 1 year were made up as follows:

	2018-19
	£
Haltwhistle Lay Worker	11,232
Total	11,232

**Notes to the Accounts****17 Unrestricted Funds****15.1 General Fund – balance £2,380,241 at 31 August 2019 (2018: £2,375,546)**

The purpose of the fund is for use at the discretion of the trustees in the furtherance of the general objectives of the Circuit and which have not been designated for other purposes. The fund is almost entirely held as freehold property, the 6 Circuit manses and three closed churches.

**15.2 Circuit Model Trust Fund – balance £290,914 at 31 August 2019 (2017: £171,259)**

The Circuit Model Trust Fund is an unrestricted fund of the Circuit. It is administered by Trustees for Methodist Church Purpose who levy a small annual administration charge. The trustees are obliged to apply the funds exclusively in pursuit of their charitable purposes.

**15.3 Manse Fund – balance £34,890 at 31 August 2019 (2018: £33,743)**

This fund serves specific purposes but is not restricted by any document or deed to that purpose alone. The Manse Fund is available to meet trustees' obligation to secure and maintain the accommodation in the Circuit's 6 manses. These funds are held as cash.

**18 Volunteer contributions**

Every entity (Connexion, District, Circuit, Church) within the Methodist Church in GB is heavily reliant on volunteers who contribute their skills, time and money in the furtherance of the work of the Church. Principally this contribution is by serving on committees of the Circuit that deal with mission, manses, finance, policy, grants, training, development. We are grateful to all of them for their help and commitment.

**19 Capital commitments and contingent liabilities**

There were no capital commitments or contingent liabilities at the year end (2017-18: nil)



## 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

David L. Kilner

Date

12/5/2020

Name

David L. Kilner

Address

Beaucherc Penelope, Riding Mill, NE44 6HY

### Presentation to the \*Circuit Meeting for approval.

I confirm that the Accounts have been presented to the Circuit Meeting on  
and were approved.

21 May 2020

Signature of the Chair of the meeting

P. Dunstan

Name of the Chair of the meeting

PAUL DUNSTAN

Date

21 May 2020

### Independent Examiner's Report to the Trustees of the

TYNEDALE

Circuit

This Report is on the Circuit Accounts for the year ended 31<sup>st</sup> 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 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.

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

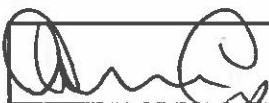
(3) I have/have not\* obtained independent verification of all investments with the Trustees for Methodist Church Purposes ("TMCP") or held in other Trusts, Bank balances and Funds at the Central Finance Board of the Methodist Church ("CFB"), which are individually in excess of £10,000 (ten thousand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

\* Please circle as appropriate

Name

GARY MICHAEL KENNEDY

Signature



Relevant Professional qualification or body

FAIA

Address

44 SCATTLE MARKET  
HEATHAM, NEWBURY

Date

26/5/2020