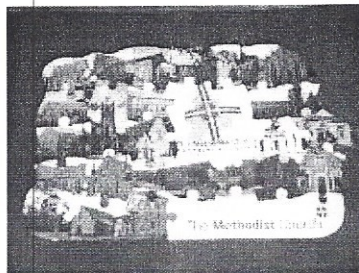


NORTH LANCASHIRE METHODIST CIRCUIT 21/16

Registered Charity Number 1155398

TRUSTEES' ANNUAL REPORT & FINANCIAL STATEMENTS

**FOR THE YEAR ENDED
31ST AUGUST 2019**



North Lancashire Methodist Circuit

Circuit Officers

As at 31st August 2019

Circuit Ministers

Rev Steve Charman (Superintendent)

Rev Keith W. Borwick

Rev Roy Burley

Deacon Jane Harper

Rev Emma Holroyd

Rev David Philo

Circuit Stewards

Kathy Bamber

Ruth Champley

Shirley Cormack

Jane Entwistle

David Midwinter

Howard Rogerson

Sandra Cooper (Finance)

Circuit Administrator

Shirley A Townley

Cornerstone Chaplain

Simon Stewart

North Lancashire Methodist Circuit

Structure, governance & management

Type of Governing document

Deed of Union (1932) and Methodist Church Act (1976)

How the charity is constituted

Act of Parliament

Trustees' selection methods

- Appointed by local churches and existing trustees
 - Ministers are automatically trustees

Induction/Training

- Range of guidance produced by Methodist Connexion.
- Leaflet 'The Role of a Trustee in the Methodist Church' available to all trustees

Structure

- Part of the Lancashire District
- Accountable to the Methodist Conference

Risks

- Considered by the Circuit Leadership Team
 - Take professional advice as required
 - Regular review process.
- Adopted Safeguarding Policy and ensured it is rolled out to the churches

North Lancashire Methodist Circuit

Circuit Meeting

The Circuit Meeting meets four times a year and its constitution is set out in CPD (SO510)

In 2018/19 it had 58 members (Trustees) registered with the Charity Commission.

Circuit Executive

This is the Circuit Leadership Team. It deals with matters delegated to it by the Circuit Meeting, offers guidance to the circuit and constantly reviews the personnel, property and financial resources of the circuit.

Pay policy for Ministers

Stipends and allowances for Presbyters and Deacons (collectively Ministers) are set annually by Methodist Conference, and the circuit is responsible for meeting those costs for all Ministers stationed by the Conference in the Circuit.

Risk Management

The Trustees have carried out ongoing assessments of the charity's activities setting out the major opportunities available to the charity and the risks to which it is exposed. These risks are identified by the Circuit Leadership Team and are risked assessed

The principal risks and uncertainties faced by the charity are as follows:

- The cost of ongoing maintenance and refurbishment of circuit property;
- The reduction in the number of Ministers available throughout the Methodist Connexion;
- The risk of a church defaulting on its assessment

The Trustees have considered their responsibility under legislation including health and safety, employment law and safeguarding. Systems and procedures are implemented to manage specific risks that have been identified.

Volunteers

The North Lancashire Methodist Circuit is supported by a team of active volunteers. The charity is grateful to all volunteers for their skills and support they so willingly bring to the charity.

North Lancashire Methodist Circuit

Objectives and Activities

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.

When reviewing the aims and objectives of the charity, and in planning future activities, the Trustees have complied with the duty in section 17 of the Charities Act 2011 to have due regard to public benefit guidance published by the Commission.

Mission Statement::

We are the Methodist people of God in North Lancashire responding to God's loving challenge as we promise to;

- Energise discipleship -
- Enable leadership -
- Encourage risk -
- Employ buildings -
- Embrace technology -
- Enrich communities -

North Lancashire Methodist Circuit

The Circuit's Priorities for the five years to August 2024

These priorities are based on the assumption that we have sound financial management and administration. They will be reviewed and revised annually

- We will live out our Mission Statement 'Transforming Lives and Communities'. The Circuit will prioritise resources (staff, finance, buildings) for work which is missional - reaching out to our communities in service and evangelism.
- The Circuit will re-visit 'The Main Thing' process (original Spring 2015) which explored the vitality of each church and see what progress has been made over recent years.
- The CLT will explore models of ministry and oversight with an expectation that we will reduce from 6 to 5 Ordained staff during the next few years - How can we adapt our mission and ministry so that there is less expectation upon our Ordained staff? How can the skills of Lay people be incorporated into our leadership? How can we support the churches as they adapt to a changed pattern of Ministerial oversight?
- The Circuit will seek to identify ways to reduce the pressure upon the Preaching Plan - the number of Lay and Ordained staff available to lead worship is decreasing: we will encourage members to hear the call to preach and to lead worship; we will consider how we can offer acts of worship which are less dependent upon preachers; we will explore the possibility of having 'worship centres' for clustered worship.
- Develop a Circuit mission focus with Primary schools, in particular seeking to expand the use of the 'Open the Book' programme (from Bible Society).
 - We will continue to develop our work with those in the Third Age of life, through mission, service and spirituality.

The Circuit produces a quarterly preaching plan to ensure regular acts of worship take place at each of the 21 Methodist Churches in its geographical area. These are open to all people, without charge.

The Circuit is directly involved with the provision of a chaplaincy service at the Cornerstone (in the centre of Lancaster) and at the University of Lancaster.

North Lancashire Methodist Circuit

The Circuit Model Trust Fund had a balance at the year end of £159,618. This fund derives from sales of churches and manse and is restricted by the Conference. This restriction is an internal regulation though the fund can be used for a variety of purposes. The Circuit Leadership team has drawn up a set of ground rules, which have been accepted by the Circuit Meeting, to ensure grants made from the Circuit Model Trust Fund are used effectively for mission and capital works. Grants amounting to £33,000 have been made during the year.

North Lancashire Methodist Circuit

Achievements and performance

Staffing

The year began with a welcome service for Rev David Philo (as the new Minister for Torrisholme and Heysham) and for Gordon Lee (as Youth and Family Team Leader at Brookhouse). David has become an important member of the Circuit Staff team. Gordon had a difficult year and towards the end of the year the decision was made that he would leave at the end of August.

At Methodist Conference in Birmingham, Rev Emma Holroyd was Ordained - a number of Circuit Members were able to travel to attend the significant service.

Deacon Jane became a Supernumerary at the end of the year and so we spent some of the year dealing with the stationing process to find her successor.

Preaching

The difficulty of finding preachers for all the services in the Circuit has continued to be a challenge. Only a couple of churches have managed to be creative and find alternative ways of providing worship with less demands for preachers. We envisage that things are going to become more challenging as a number of our preachers are becoming increasingly frail.

On a positive note, we have had 2 new preachers begin training.

Review of Tewitfield

The membership of Tewitfield increased to 12 members making it a 'viable' church according to our Constitution, however, the Circuit has continued to need to provide a few members of the Circuit Meeting to ensure that enough Trustees are present at the Tewitfield Church Councils. The Tewitfield Church Council is working on making the building more accessible and is also seeking to create a sustainable mission and ministry.

North Lancashire Methodist Circuit

Finance

We have continued to use a 'Fair Share' method for calculating each church's contribution to the Circuit to cover all the financial costs associated with the Circuit. While this has been challenging for some churches, it has been agreed that this is the fairest way of sharing the costs.

The sale of the GYM building was completed and proceeds from the sale were transferred to the Circuit Accounts.

Thy Kingdom Come

A number of churches across the circuit were involved in the global time of prayer and commitment.

North Lancashire Methodist Circuit

Financial Review

The Reserves Policy

The Reserves Policy for the North Lancashire Circuit is to hold a sum equivalent to 6 months' average expenditure. 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 an inability to raise the full Circuit Assessment from churches. It is necessary to hold sufficient working capital to enable the payment of stipends and business expenses for 6 ministers and a part time Administrator and our contribution to the District.

In the 2018/19 Accounts:

75% of the Circuit's income was provided by the local churches

63% of expenditure was on pay and related costs

10.5% of expenditure was on property.

15% of expenditure is our contribution to the District, of which part is used to fund the work of the wider Methodist Church.

North Lancashire Methodist Circuit Declaration

The trustees declare that they have approved the trustees' report
above

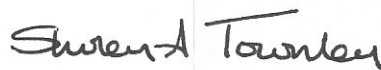
Signed on behalf of the charity's trustees

Signature



Rev Stephen J Charman
Chair (Superintendent Minister)

Signature



Mrs Shirley A Townley
Secretary of Circuit Meeting

Date

2nd March 2020

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

	Notes to the accounts	General Fund (Unrestricted)	Circuit Model Trust (Unrestricted)	Designated Funds (unrestricted)	Restricted Funds	Endowment Funds	Total 2018-19
		£	£	£	£	£	£
Income							
1 Donations and legacies		1,100					1,100
2 Income from monetary investments		445	1,169				1,614
3 Income from investment properties		5,343					5,343
4 Assessments on Churches		336,961					336,961
5 Capital Receipts			65,901				65,901
6 Grants received		32,242					32,242
7 Other charitable income		5,297			790		6,087
8 Total income		381,388	67,070	-	790	-	449,248
Expenditure							
9 Grants and donations		4,853	30,000				34,853
10 Salaries and associated costs	6	277,972					277,972
11 Property maintenance		41,483					41,483
12 Connexional assessment & model trust levy			15,043				15,043
13 District Assessment & Levy		65,700					65,700
14 Depreciation							-
15 Office expenses		1,353					1,353
16 Other outgoings		6,893			438		7,331
17 Total charitable expenditure		398,254	45,043	-	438	-	443,735
18 Gains/(losses) on monetary investments							-
19 Gains/(losses) on investment properties							-
20 Net income/(expenditure)		16,866	22,027	-	352	-	5,513
21 Transfers between funds		21,931	21,931				-
22 Other gains/(losses)							-
23 Net movement in funds		5,065	96	-	352	-	5,513
24 Total funds brought forward		1,669,034	159,522		580		1,829,136
25 Total funds carried forward		1,674,099	159,618	-	932	-	1,834,649

Statement of Financial Activities (SOFA) for the year ended 31 August 2018

Notes to the accounts	General Fund (Unrestricted)	Circuit Model Trust (Unrestricted)	Designated Funds (unrestricted)	Restricted Funds	Endowment Funds	Total 2017-18
	£	£	£	£	£	£
Income						
1 Donations and legacies						-
2 Income from monetary investments	402	762				1,165
3 Income from investment properties	13,332					13,332
4 Assessments on Churches	341,686					341,686
5 Capital Receipts						-
6 Grants received	16,122					16,122
7 Other charitable income	9,148			580		9,728
8 Total income	380,690	762	-	580	-	382,033
Expenditure						
9 Grants and donations	780	7,500				8,280
10 Salaries and associated costs	269,475					269,475
11 Property maintenance	22,870					22,870
12 Connexional assessment & model trust levy		2,416				2,416
13 District Assessment & Levy	67,750					67,750
14 Depreciation						-
15 Office expenses	2,822					2,822
16 Other outgoings	3,619	260				3,879
17 Total charitable expenditure	367,316	10,176	-	-	-	377,493
18 Gains/(losses) on monetary investments						-
19 Gains/(losses) on investment properties						-
20 Net income/(expenditure)	13,374 -	9,414	-	580	-	4,540
21 Transfers between funds	14,000 -	14,000				-
22 Other gains/(losses)						-
23 Net movement in funds	27,374 -	23,414	-	580	-	4,540
24 Total funds brought forward	1,641,660	182,936				1,824,596
25 Total funds carried forward	1,669,034	159,522	-	580	-	1,829,136

Balance Sheet as at 31 August 2019

Notes to the Accounts	General Fund (Unrestricted)	Circuit Model Trusts (Unrestricted)	Designated Funds (Unrestricted)	Restricted Funds	Endowment Funds	Totals 2018/19	Totals 2017/18
	£	£	£	£	£	£	£
Fixed Assets							
Circuit Manses & Equipment	1,512,216					1,512,216	1,512,216
Investment properties						-	
Investments						-	
Total fixed assets	1,512,216	-	-	-	-	1,512,216	1,512,216
Current Assets							
Debtors	49,382					49,382	21,343
Loans by the Circuit		33,375				33,375	38,675
Investments with TMCP		126,243				126,243	120,647
Central Finance Board Deposits	102,852					102,852	95,390
Cash at Bank and in hand	95,730			932		96,662	109,678
Total current assets	247,964	159,618	-	932	-	408,514	385,932
Current liabilities							
Creditors (due in under 1 year)	86,081					86,081	69,012
Grants payable within 2018-19						-	-
Total current liabilities	86,081	-	-	-	-	86,081	69,012
Net current assets/liabilities	161,883	159,618	-	932	-	322,433	316,920
Total assets less current liabilities	1,674,099	159,618	-	932	-	1,834,649	1,829,136
Long term liabilities (due after more than one year)							
Grants payable after 2018-19						-	-
Loans to the Circuit						-	-
Net assets	1,674,099	159,618	-	932	-	1,834,649	1,829,136
Funds of the Circuit							
General Fund (Unrestricted)	1,674,099					1,674,099	1,669,034
Circuit Model Trust Fund (Unrestricted)		159,618				159,618	159,522
Designated Funds (Unrestricted)			-			-	-
Total Unrestricted Funds						1,833,717	1,828,556
Restricted Funds				932		932	560
Endowment Funds						-	-
Total Funds	1,674,099	159,618	-	932	-	1,834,649	1,829,136

Notes to the Accounts

1 Basis of accounting

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 FRS102 – the Charities SORP (FRS102) and taking note of the Update Bulletin 1 issued in 2016.

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. Restricted funds which are held for a narrower purpose. There are no 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 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.

Incoming Resources

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.

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

Tangible fixed assets are capitalised if they can be used for more than one year, and cost at least £500. The freehold property is shown in the accounts at 2015 deemed values. 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 - no property is currently deemed to not be held for the long term purposes of the charity.

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 include church assessments owed and grants receivable due. Prepayments are September stipends paid in August.

Creditors

Creditors include both sundry expenses and specifically the 1st quarter assessment received in August.

4 Payment to Trustees

There were no payments made to trustees for additional services provided to the Circuit by agreement with the Circuit Meeting, this excludes stipends.

Trustee expenses

	2018/19	2017/18
Number of Trustees	0	0
Total amount	£0	£0

Expense payments primarily relate to reimbursement for travel and computing costs

5 Fees for examination or audit of the accounts

	2018/19	2017/18
	£	£
Independent examiner's or auditors' fees for reporting on the accounts	1,056	1,032
Other fees (eg: advice, accountancy services) paid to the independent examiner or auditor	NIL	NIL

6 Paid employees**Staff Costs paid during the year were:**

Gross wages, salaries and benefits in kind
Employer's National Insurance costs
Pension costs
Total staff costs

	2018/19	2017/18
£	167,903	167,324
£	15,133	14,521
£	40,255	38,306
£	219,391	220,151

Average number of full-time equivalent employees in the year were:

	8	8
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7 Capital Commitments and Contingent Liabilities

At the 31st August 2019 there are no capital commitments.
No Contingent liabilities were identified at 31st August 2019.

8 For information only Money received and passed on to External Organisations

	2018/19	2017/18
	£	£
Balance brought forward from last year	30	30
Offerings/Gifts - received for External Organisations	5,696	5,929
Offerings/Gifts - passed to External Organisations	5,696	5,929
Balance carried forward	30	30

9 Tangible Fixed Assets**Cost or valuation**

	Land £	Manse £	Other buildings £	Fixtures, fittings and equipment £	Payments on account and assets under construction £	Total £
Balance brought forward	0	1,512,216	0	0		0
Additions						0
Revaluations (+/-)						
Disposals (-)						
Transfers * (+/-)						
Balance carried forward	0	1,512,216		0		0

Accumulated depreciation

Balance brought forward				00		0
Depreciation charge for year (-)				0		0
Revaluations (+/-)						
Disposals (-)						
Transfers* (+/-)						
Balance carried forward				0		0

Net book value

Brought forward	0	1,512,216	0	0		0
Carried forward	0	1,512,216	0	0		0

10 Investment assets

The circuit has no Investment properties

The circuit has no common investment fund holdings

11 Loans

The Circuit currently has no loans

12 Analysis of restricted and designated funds**2018-19**

Restricted Fund Name	Opening Balance	Incoming Resources	Resources Expended	Transfers	Closing Balance	Purpose of the fund
Benevolent Fund	0	0	0		0	Support for individuals in specific need
Development Fund	0	0	0		0	Available for funding outreach and development work
Circuit resource centre	0	0	0		0	Fund designated for the maintenance of the centre.

Totals	0	0	0		0
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*****Comparative analysis of restricted and designated funds 2017-18*

Restricted Fund Name	Opening Balance	Incoming Resources	Resources Expended	Transfers	Closing Balance	Purpose of the fund
Benevolent Fund	0	0	0		0	Support for individuals in specific need
Development Fund	0	0	0		0	Available for funding outreach and development work
Circuit resource Fund	0	0	0		0	Fund designated for the maintenance of the centre.

Totals	0	0	0		0
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Declarations and Scrutiny

I confirm that these accruals-based accounts for the year to 31 August 2019 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 Shirley A Townley Date 24/6/20

Name and address of treasurer SHIRLEY TOWNLEY

..... KNOWSLEY FARM, OVER WYRESDALE Post Code LA2 9BB

Presentation to the Circuit Meeting

I confirm that the annual report and accounts for the year ended 31 August 2019 were, or will be, * presented to the Circuit Meeting at its meeting on 2 MARCH 2020

Signature of the Chair of the meeting [Signature]

Name of the Chair of the meeting REV STEVE CHARMAN Date 24/6/20

Independent Examiner's Report to the Trustees of the Circuit, named above

The Circuit's trustees are responsible for ensuring that the annual report and accounts for the year to 31 August 2019 present a true and fair view of the Circuit's income and expenditure for the year and of its assets and liabilities at the balance sheet date. The trustees consider that an audit is not necessary for this year under section 144 of the Charities Act 2011 and that an independent examination is needed.

It is my responsibility to:

- examine the accounts under section 145 of the Charities Act 2011
- follow the procedures laid down in the general directions given by the Charity Commission under section 145(5)(b) of the Charities Act 2011
- state whether particular matters have come to my attention.

* delete or circle as appropriate

Basis of Independent Examiner's Report

My examination was carried out in accordance with the 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 with those records. It also includes consideration of any unusual items, in nature or scale, or disclosures in the accounts, seeking explanations from the trustees concerning 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. My 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 as 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 2011
 - to prepare accounts which accord with the accounting records and comply with the accounting requirements of the Charities Act 2011
- 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.
- (3) I have/have not* obtained independent verification of all investments with the Trustees for Methodist Church Purposes or held in other trusts, bank balances and funds at the Central Finance Board of the Methodist Church which are individually in excess of £10,000 (ten thousand pounds) at the balance sheet date.

Signature of independent examiner.....

Name of independent examiner

Relevant professional qualification of independent examiner

Name of firm (where appropriate)

Address

Date

* delete or circle as appropriate

Post Code