

The Methodist Church
South West Tyneside Circuit (2015)
Accounts and Report 2016/2017

Ministers	Revd Alan Bradley Revd Janet Capstick Revd Trevor Capstick Revd Brigitta Steele Deacon Tracey Hume
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Circuit Stewards	Mrs Sue Robson Mr Graeme Herdman Mr Trevor Peacock Mr Trevor Peart
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Circuit Treasurer	Miss Val Burn
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Name of Circuit *South West Tyneside*

Circuit No *20/15*

Statement of Financial Activities (SOFA) for the year ended 31 August 2017

	Notes to the account s	General Fund (Unrestricted) £	Circuit Model Trust (Unrestricted) £	Designated Funds (unrestricted) £	Restricted Funds £	Endowment Funds £	Total 2016-17 £
Income							
1 Donations and legacies							0
2 Income from monetary investments		339	1,139				1,478
3 Income from investment properties		13,300					13,300
4 Assessments on Churches		265,225					265,225
5 Capital Receipts		2,432					2,432
6 Grants received		14,000					14,000
7 Other charitable income		880					880
8 Total income		296,176	1,139	-	-	-	297,315
Expenditure							
9 Grants and donations			5,000				5,000
10 Salaries and associated costs		166,332					166,332
11 Property maintenance		20,310					20,310
12 Connexional assessment & model trust levy			6,953				6,953
13 District Assessment & Levy		54,000					54,000
14 Depreciation		10,000					10,000
15 Office expenses		4,241					4,241
16 Other outgoings		24,998					24,998
17 Total charitable expenditure		279,881	11,953	0	0	0	291,834
18 Gains/(losses) on monetary investments							0
19 Gains/(losses) on investment properties							0
20 Net income/(expenditure)		16,295	-10,814	0	0	0	5,481
21 Transfers between funds							0
22 Other gains/(losses)							0
23 Net movement in funds		16,295	-10,814	0	0	0	5,481
24 Total funds brought forward		111,632	181,788	763			294,183
25 Total funds carried forward		127,927	170,974	763	-	-	299,664

Name of Circuit

Circuit No

Statement of Financial Activities (SOFA) for the year ended 31 August 2016

	Notes to the accounts	Circuit Model					Total 2015-16
		General Fund (Unrestricted)	Trust (Unrestricted)	Designated Funds (unrestricted)	Restricted Funds	Endowment Funds	
		£	£	£	£	£	£
Income							
1 Donations and legacies							0
2 Income from monetary investments		392	1,467				1,859
3 Income from investment properties		10,513					10,513
4 Assessments on Churches		276,550					276,550
5 Capital Receipts		13,322					13,322
6 Grants received							0
7 Other charitable income							
8 Total income		300,777	1,467	-	-	-	302,244
Expenditure							
9 Grants and donations			6,000				6,000
10 Salaries and associated costs		174,583					174,583
11 Property maintenance		30,336					30,336
12 Connexional assessment & model trust levy			7,195				7,195
13 District Assessment & Levy		52,600					52,600
14 Depreciation		5,000					5,000
15 Office expenses		9,436					9,436
16 Other outgoings		14,902	387				15,289
17 Total charitable expenditure		286,857	13,582	0	0	0	300,439
18 Gains/(losses) on monetary investments							0
19 Gains/(losses) on investment properties							0

20 Net income/(expenditure)	13,920	-12,115	0	0	0	1,805
21 Transfers between funds						0
22 Other gains/(losses)						
23 Net movement in funds	13,920	-12,115	0	0	0	1,805
24 Total funds brought forward	97,712	193,903	763			292,378
25 Total funds carried forward	111,632	181,788	763	-	-	294,183

Balance Sheet as at 31 August 2017

Notes to the Accounts	General Fund (Unrestricted) £	Circuit Model Trusts (Unrestricted) £	Designated Funds (Unrestricted) £	Restricted Funds £	Endowment Funds £	Totals 2017 £
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Fixed Assets

Circuit Manses & Equipment						0
Investment properties						0
Investments						0
Total fixed assets	0	0	0	0	0	0

Current Assets

Debtors						0
Loans by the Circuit						0
Investments with TMCP		170,973				170,973
Central Finance Board Deposits	128,711					128,711
Cash at Bank and in hand	26,676			763		27,439
Total current assets	155,387	170,973	0	763	0	327,123

Current liabilities

Creditors (due in under 1 year)						0
Grants payable within 2017-18						0
Total current liabilities	0	0	0	0	0	0
Net current assets/liabilities	155,387	170,973	0	763	0	327,123

Total assets less current liabilities	155,387	170,973	0	763	0	327,123
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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, of which the land component is deemed to be £350,000. 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

The prepayment included in the accounts is in respect of registration fees for the 3 Generate youth event in November 2016.

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

	2016/17	2015/16
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

	2016/17 £	2015/16 £
Independent examiner's or auditors' fees for reporting on the accounts	0	0
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:

	2016/17 £	2015/16 £
Gross wages, salaries and benefits in kind	11580	4817
Employer's National Insurance costs	0	37
Pension costs	619	35
Total staff costs	12199	4889

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

2	2
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7 Capital Commitments and Contingent Liabilities

At the 31 st August 2017 there are no capital commitments.
No Contingent liabilities were identified at 31st August 2017

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

	2016/17 £	2015/16 £
Balance brought forward from last year		
Offerings/Gifts - received for External Organisations	5639	6583
Offerings/Gifts - passed to External Organisations	5639	6583
Balance carried forward	0	0

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	1142547	1945510	25000		3113057
Additions		0				0
Revaluations (+/-)		32010	72056			104066
Disposals (-)						
Transfers * (+/-)						
Balance carried forward	0	1174557	2017566	25000		3217123

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	1142547	1945510	25000		3113057
Carried forward	0	1174557	2017566	25000		3217123

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

2016-17

Restricted Fund Name	Opening Balance	Incoming Resources	Resources Expended	Transfers	Closing Balance	Purpose of the fund
Benevolent Fund	723	0	0		723	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	723	0	0		723	

Comparative analysis of restricted and designated funds 2015-2016

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	

Introduction

South West Tyneside Circuit consists of 13 Methodist Churches with a membership of around 717 together with a fresh expression of church at The Ark Crawcrook, a play area serving food and drinks which offers a warm welcome and many activities. Breakfast Church services are held on a monthly basis.

Aims and organisation

Circuit Mission Statement

Methodist Churches worshipping and witnessing together for Christ in South West Tyneside

We exist to embody the love of God in Christ through the Holy Spirit – we will endeavour to do this by enabling individuals and communities in their worship

We are committed to accountable and responsible discipleship – we will endeavour to do this by encouraging growth in Christian life and faith.

We aim to enable and enliven people in acts of loving service and discipleship – we will endeavour to do this by equipping people to serve.

We aim to see lives changed through the love of Christ – we will endeavour to do this by developing areas of opportunity and mission.

Brief financial review of the year

We have achieved all of the targets that we set at the beginning of the financial year, increasing our reserves and keeping expenditure to a minimum whilst meeting our financial commitments.

Income trends

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

The rental income relates to the rental of a manse on Orchard Road and also a donation from Newcastle Central Circuit re Rev Gavin Hume.

Expenditure trends

Stipend expenditure has increased each financial year in line with conference approved increases, and we have paid the Circuit Administrator and other Youth Workers etc in line with Methodist policy and the Living wage.

18.5% of 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.

The other expenditure includes running costs, manse maintenance, donations to The Ark etc

Fund balances

As at 31 August 2017 the net current assets of the Circuit were £327,123, giving approximately 14 months cover for expenditure

Plans for 2017/18

Circuit financial plans for the coming year have been prepared on the basis that there remains 4.9 full time ordained staff with anticipated cost of living stipend increases combined with an increase in the assessment paid to the district such that on average a 3% assessment increase has been requested from the circuit churches.

Basis of preparation and legal framework

The Charity's annual report and accounts for the year ended 31 August 2017 have been prepared in accordance with the Charities Act 2011 and the Charities: Statement of Recommended Practice 2015 as applicable to the Financial Reporting Standard(FRS) 102

Full Name of Charity: South West Tyneside Methodist Circuit

Registration Charity Number: 1133266

Date of registration 1st September 2009

Main communication address (Circuit office) Strathmore Road Methodist Church,
Rowlands Gill, Tyne & Wear.

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

Fully membership is shown as Appendix A to this report.

"Circuit Ministers and officers

Active Circuit Ministers	Rev Alan Bradley
	Rev Janet Capstick
	Rev Trevor Capstick
	Rev Brigitta Steele
	Deacon Tracey Hume

Circuit Lay Workers Mr

Ms

Circuit Stewards Mrs Sue Robson

Mr Graeme Herdman

Mr Trevor Peacock

Mr Trevor Peart

"

Administrator: Mrs Natalie Clark

Name of treasurer - Valerie Burn acted as the principal officer overseeing the day to day financial management and accounting for the circuit during the year.

Independent examiner Mrs Roz Tench, 18 Southfield Green, Whickham, Newcastle upon Tyne
NE16 4RL

Investment Bankers Central Finance Board of the Methodist Church

Trustees for Methodist Church purposes

CAF Bank

Aims and organisation

Charity objective is to act as a Resource provider within the area around the South West Tyneside area 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, the Circuit Finance and Property Committee and the Circuit Policy 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 Newcastle upon Tyne District and is also accountable to the Methodist Conference.

The following Methodist Churches are linked to the circuit Blaydon, Burnopfield, Centenary Crawcrook, Chopwell, Dunston Hill, Fellside, Greenside, Ravensworth Road, Rowlands Gill, Ryton, Spoor Memorial, Sunnyside, Whitehall Road, the Ark

Any other specific organisations with specific linkage." "

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 half yearly basis to detect trends as part of the risk management process to avoid unforeseen calls on reserves.

"

Safeguarding

Every person has a value and dignity which comes directly from the creation of male and female in God's own 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 Safer 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.

Circuit Funds

Aim

12th September 2016

The aim of this document is threefold:

1. To enable the continuing mission of the South West Tyneside Circuit.
2. To give reassurance that the Circuit, which is a charity, intends to use all of the money coming into its care for the purposes of the charity.
3. To agree priorities for the use of the Circuit Model trust fund.

This document includes all funds held by the Circuit Meeting as charity trustees as at 31st August 2016. 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.

Mission policy

- The Circuit's Mission Policy is set out in a separate document. The Circuit funds essentially provide for:
- The ministerial oversight, pastoral care and mission of the 13 local churches in the Circuit and the development of the ARK as a fresh expression of church.
 - The support of a ministry team of four presbyters and one deacon.
 - The maintenance of five Circuit manses.
 - The resources for lay employees who assist the work of the Circuit.
 - Assistance to the churches in the Circuit to help develop their property for mission and to ensure compliance with fire, health and safety and disability regulations.
 - Grants to the churches to assist in employing lay workers especially with regards to families, children and young people.
 - The expenses related to Local Preaching and the life of the Circuit in worship, mission and care.

Financial Stewardship

The Christian Stewardship Network captured the essence of what it means to be a steward when it said:

"We are followers of Jesus Christ, and we seek to enter into his thinking about wealth and its place in our life and actions both individually and collectively. Continually looking to see if it is producing the fruit of the Spirit and the signs of the Kingdom. Having a sense of gratitude to God for the resources entrusted to us. Applying wisdom in being good stewards of all resources. Deepening a sense of trust in God's ability to provide for our needs rather than depending upon our own sense of financial security. Sustaining a spirit of mutual care and the sharing of resources with one another. Being faithful in using our resources in ways that release new possibilities and care for those who minister on our behalf."

Stewardship Network Good Practice Guide

The Circuit Budget is reviewed annually and presented by the Circuit Stewards to the March Circuit Meeting. The budget covers the costs of the above and the Assessment for each church is based on an agreed formula. The formula is based on membership, attendance, ministerial workload and income.

The Circuit Stewards are developing a schedule of maintenance for the Circuit manses and a budget, currently of £12,000, is made for this work each year.

The Circuit unrestricted general fund balance at year end 31st August 2016 was £110,500.

CFB a/c = 90,813 (*This includes the assessment contribution from the churches for the first quarter*)

CAF a/c = 19,688 (*Current account*)

Under Standing Orders the Circuit must meet its financial obligations in relation to the support of its ministers, the maintenance of the manses and support mission and outreach work in the Circuit. The total cost for the last financial year was £ 284,000 (*unaudited*)

The agreed budget for this financial year is £285,000.

Reserves Policy

The Circuit has the following reserves policy for the General Fund:

The Circuit recognises the need to maintain a small reserve in the general fund to enable it to function effectively and to maintain a balance in the account. Additionally the Circuit needs a reserve as a contingency for unplanned property expenditure and necessary assistance to the churches.

The general fund reserve should be a minimum of £70,000 and no more than six months expenditure.

At present the reserve is about £60,000 and the aim is to increase this reserve over the next 2 years through savings in the annual budget.

The Circuit Stewards and Treasurer will monitor the reserve and review this policy annually.

Circuit Model Trust Fund

Where does the fund come from?

This fund derives from sales of chapels and manses. Following changes to Standing Orders in 2009 Circuit Model Trust Funds are now categorised as unrestricted funds and may be used for property, mission and outreach. (Standing Orders relating directly to CMTF are SO915, 916, 917, 955). The CMTF incurs a levy towards the District Advance Fund. The first £100,000 is at 2½ %, £100,000 to £250,000 is levied at 5 %.

What is the fund for?

The Circuit Stewards propose that this fund should be used to promote the mission of the Circuit, namely to enable our churches to proclaim and affirm God's love, for us and for all people; through our worship, discipleship and care, and through our mission in service and evangelism.

In particular the fund should be used to:

- Develop opportunities for mission and evangelism
- Enliven acts of loving service in the community
- Encourage discipleship and growth in Christian life and faith
- Enable church communities in their worship

THE METHODIST CHURCH

SOUTH WEST TYNESIDE CIRCUIT

How is it managed?

The CMT fund will be managed by the Circuit Leadership Team and applications to the fund should be made through the CLT and be brought with due consideration and discernment to the Circuit meeting. Therefore, churches will be expected to apply for grants in writing and show the benefit of the project in light of the Circuit's mission statement. Please contact a Circuit Steward for an application form. Applications should also highlight what other grant making bodies have been approached. In the planning, factors such as sustainability of funding for on-going work must be included as Circuit Grants will have a finite time period. The Circuit meeting will expect that churches provide updates on the progress of any work enabled by the grant and opportunity to review the objectives.

- Grants will usually be no more than 1/3 of costs.
- The total amount applied for should usually be less than 10% of the CMT fund.
- Grants will not normally be considered for general maintenance of property unless it avails other grant making bodies, such as the District.

Loans may be considered up to a maximum period of 5 years to support work in the short term and so maintain the fund for later use. Loans will be considered under the same criteria as grants.

Given that some projects require a swift response from the Circuit, and Circuit meetings can be 6 months apart, it is proposed that a small grants fund is established and that the CLT is given a limit of £10,000 a year to sanction small grants (up to £2,000) on the same basis as above.

How much is in this fund?

Last year the Circuit granted the following amounts from the CMT fund:

- £3000 Ryton Youth and Families Worker (Approved 16/09/2015)
- £1000 Spoor Together Mission (Approved 15/3/2016)
- £5000 Blaydon Emergency Building Repairs (Approved 17/11/2015)

The balance at year end 31st August 2016 was £181,787.

Money held in the CMT fund has been allocated by the Circuit in 2016/17 for the following purposes:

- £3000 Ryton Youth and Family Worker (Approved 16/09/2015)
- £2000 Fellside Windows (CLT approved 24/5/2016) (£3000 District Grant)

2015

CIRCUIT NAME: South West Tynes

South West Tyneside

Summary of cash and investments at 31 August

2017

[illegible]

* Please indicate what is included in other investments and committed funds on a separate sheet.

Notes:

- 1 If the church has made or received loans, these should be shown in *Other investments*
- 2 Investment Properties (not used for charitable purposes) should be shown in *Other investments*
- 3 All Circuit Treasurers are required to complete the table above each year and submit it to the District Treasurer in compliance with The Methodist Conference directive.

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

W. Burn

Date

01.02.18

Name

VALERIE BURN.

Address

3 MARKET LANE
DUNSTON GATESHEAD
TYNE & WEAR NE11 9NX

Presentation to the *Circuit Meeting for approval.

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

13/9/17.

Signature of the Chair of the meeting

A. Bradley

Name of the Chair of the meeting

Rev. A. Bradley

Date

28/4/2018.

Independent Examiner's Report to the Trustees of the

Circuit

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

2017

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 examination is not required for this year under section 144 of the Charities Act 2011 (the Charities Act) and that an 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

ROSALIND TENCH

Signature

R. Tench

Relevant Professional qualification or body

A.A.T

Address

18 Southfield Green
WILKHAM
NE16 4RL

Date

18/03/18

Circuit Funds

20th May 2018

Aim

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"We are followers of Jesus Christ, and we seek to enter into his thinking about wealth and its place in our life and actions both individually and collectively. Continually looking to see if it is producing the fruit of the Spirit and the signs of the Kingdom. Having a sense of gratitude to God for the resources entrusted to us. Applying wisdom in being good stewards of all resources. Deepening a sense of trust in God's ability to provide for our needs rather than depending upon our own sense of financial security. Sustaining a spirit of mutual care and the sharing of resources with one another. Being faithful in using our resources in ways that release new possibilities and care for those who minister on our behalf."

Stewardship Network Good Practice Guide

The Circuit Budget is reviewed annually and presented by the Circuit Stewards to the March Circuit Meeting. The budget covers the costs of the above and the Assessment for each church is based on an agreed formula. The formula is based on membership, attendance, ministerial workload and income.

The Circuit Stewards are developing a schedule of maintenance for the Circuit manses and a budget, currently of £12,000, is made for this work each year.

The Circuit unrestricted general fund balance at year end 31st August 2017 was £155,387.

CFB a/c = 128,711 (*This includes the assessment contribution from the churches for the first quarter*)

CAF a/c = 26,676 (*Current account*)

Under Standing Orders the Circuit must meet its financial obligations in relation to the support of its ministers, the maintenance of the manses and support mission and outreach work in the Circuit. The total cost for the last financial year was £ 286,857.

The agreed budget for this financial year is £286,000.

Reserves Policy

The Circuit has the following reserves policy for the General Fund:

The Circuit recognises the need to maintain a small reserve in the general fund to enable it to function effectively and to maintain a balance in the account. Additionally the Circuit needs a reserve as a contingency for unplanned property expenditure and necessary assistance to the churches.

The general fund reserve should be a minimum of £70,000 and no more than six months expenditure.

At present the reserve is about £80,000 and the aim is to maintain this reserve.

The Circuit Stewards and Treasurer will monitor the reserve and review this policy annually.

Circuit Model Trust Fund

Where does the fund come from?

This fund derives from sales of chapels and manses. Following changes to Standing Orders in 2009 Circuit Model Trust Funds are now categorised as unrestricted funds and may be used for property, mission and outreach. (Standing Orders relating directly to CMTF are SO915, 916, 917, 955). The CMTF incurs a levy towards the District Advance Fund. The first £100,000 is at 2½ %, £100,000 to £250,000 is levied at 5 %.

What is the fund for?

The Circuit Stewards propose that this fund should be used to promote the mission of the Circuit, namely to enable our churches to proclaim and affirm God's love, for us and for all people; through our worship, discipleship and care, and through our mission in service and evangelism.

In particular the fund should be used to:

- Develop opportunities for mission and evangelism
- Enliven acts of loving service in the community
- Encourage discipleship and growth in Christian life and faith
- Enable church communities in their worship

How is it managed?

THE METHODIST CHURCH

SOUTH WEST TYNESIDE CIRCUIT

The CMT fund will be managed by the Circuit Leadership Team and applications to the fund should be made through the CLT and be brought with due consideration and discernment to the Circuit meeting. Therefore, churches will be expected to apply for grants in writing and show the benefit of the project in light of the Circuit's mission statement.

Please contact a Circuit Steward for an application form.

Applications should also highlight what other grant making bodies have been approached. In the planning, factors such as sustainability of funding for on-going work must be included as Circuit Grants will have a finite time period. The Circuit meeting will expect that churches provide updates on the progress of any work enabled by the grant and opportunity to review the objectives.

- Grants will usually be no more than 1/3 of costs.
- The total amount applied for should usually be less than 10% of the CMT fund.
- Grants will not normally be considered for general maintenance of property unless it avails other grant making bodies, such as the District.

Loans may be considered up to a maximum period of 5 years to support work in the short term and so maintain the fund for later use. Loans will be considered under the same criteria as grants.

Given that some projects require a swift response from the Circuit, and Circuit meetings can be 6 months apart, it is proposed that a small grants fund is established and that the CLT is given a limit of £10,000 a year to sanction small grants (up to £2,000) on the same basis as above.

How much is in this fund?

The Circuit granted the following amounts from the CMT fund in the year 2016-2017

- £3000 Ryton Youth and Family Worker (Approved for 3 years on 16/09/2015)
- £2000 Fellside Windows (CLT approved 24/5/2016)

The balance at year end 31st August 2017 was £170,973.

Money held in the CMT fund has been allocated by the Circuit for the following missional purposes:

- £3000 Ryton Youth and Family Worker (Approved 16/09/2015)
- £18,000 Community Mission Worker (£6,000 a year for 3 years – Approved 9/1/2018)
- £30,000 Strathmore Road Development Project (as required in next 5 years – Approved 15/3/2018)
- £10,000 Loan for Strathmore Road Development Project (contingency purposes – Approved 15/3/2018)

The total funds allocated are £61,000, leaving the unallocated CMT fund at £109,000.