



# The Methodist Church

## LIVERPOOL NORTH CENTRAL METHODIST CIRCUIT



## TRUSTEES' ANNUAL REPORT AND ACCOUNTS YEAR ENDED 31 AUGUST 2017

Registered Charity No 1163418  
c/o Oakfield Methodist Church  
Oakfield Road  
Liverpool  
L4 0UQ

[mail@liverpoolnorthcentral.org.uk](mailto:mail@liverpoolnorthcentral.org.uk)  
[www.liverpoolnorthcentral.org.uk](http://www.liverpoolnorthcentral.org.uk)

**Liverpool North Central Methodist Circuit (Number 18/03)**  
**Year Ended 31 August 2017**

**1 OBJECTIVES AND ACTIVITIES**

In setting our objectives and planning our activities, the Circuit Meeting which meets four times in each year, has given careful consideration to the Charity Commissioners' general guidance on public benefit and, in particular, to its supplementary public benefit guidance on advancing our objectives and conforms to the Charities Act 2011.

Our mission is to be a powerful spiritual influence in the Circuit and a visible expression of God's inclusive love. We aim to achieve this by encouraging, through the Churches in our Circuit, the worship, social, and outreach activities that currently exist, and by seeking new ways to extend to others the fellowship of the Church family.

The Circuit endeavours to lead and support the churches to live out their Christian faith through worship, prayer and practical support and initiatives which serve the needs of its community. The four buildings which make up the properties in the Circuit are extensively used for a variety of activities ranging from multiple worship sessions to lettings to community groups.

The Circuit's mission objective is focused on four Mission Centres of Excellence. The four areas are; volunteering, worship, faith development and children and families.

- Worship (Oakfield) – Exploring new styles of worship, providing training for young and lay people
- Service (County) – Engaging with children and families to find new ways of being church and developing support for local communities
- Learning and caring (Kensington) – Develop and support young people and volunteering. Supporting the work of volunteers to enable young people to be involved.
- Evangelism (West Derby) – Develop individuals' spiritual knowledge and understanding through learning and sharing hope. Provide training for pastoral leaders.

Each Centre seeks to be a hub for training and development, thus making best use of the limited resources available.

**2 ACHIEVEMENTS AND PERFORMANCE**

**Centres of excellence**

The Circuit continues to seek ways of developing its four mission centres of excellence and to identify and develop funding applications for additional workers.

**Children and Family work**

Following a successful funding application the Circuit employed a Children and Family worker to work across the circuit churches and communities for three years from August 2016. Work has included:

- Working alongside the existing uniformed organisations in two of our churches – Boys' Brigade (for both boys and girls) at West Derby and Girls' Brigade at Kensington. At Boys' Brigade, focus is upon developing ongoing relationships with parents and carers. Many parents regularly attend Café Church and a number are volunteering at church activities. At Kensington Girls' Brigade, focus is on young people's development in

**Liverpool North Central Methodist Circuit (Number 18/03)**  
**Year Ended 31 August 2017**

particular through use of technology. Young people wrote and recorded an Easter sketch based on 'Bake Off' shown at Kensington's Easter Day service.

- At County Methodist, strong relationships have developed with a children's playgroup operated as an independent charity. Weekly activities take place with parents, grandparents and carers as well as special activities and worship services at festival times of year.
- Special assemblies for Advent, Christmas, Lent and Easter have taken place at secular schools and a small 'Open the Book' team has been formed to go into local schools to lead assemblies based on Bible stories.
- 'One off' activities for local families with young children have included a *Pumpkin Party* (an alternative to Halloween); *Jesus' Birthday Party* (an Advent journey through childrens' party games and a birthday cake for Jesus); *Easter!* (re-telling of the Easter Story through crafts, song and an Easter Egg Hunt), *Celebrate* (Pentecost crafts and games) and *'Rise and Shine!'* (a three week breakfast club for local children and their parents during the summer school holidays).
- Following a very successful Film Club at County (with 33 children and 18 adults from the local community attending), and using equipment loaned from another church, funding is being sought to help enhance the circuit's in-house equipment resources.
- Seeking to develop links with churches from other denominations in order to pool skills and resources. This has included; sharing craft ideas at an ecumenical Advent afternoon in Kensington; working with parents from a Church of England congregation in Walton; providing adult literacy training in association with 'That Reading Thing' at a local independent church; meeting with The British Red Cross to discuss volunteering opportunities for asylum seekers.
- Engaging with 3Generate, the Methodist Children and Youth Assembly. This provides a wonderful opportunity for young people to develop as individuals alongside the opportunity to explore and develop their faith. Nineteen children and young people will attend this year's event along with leaders from each of the churches.
- Encouraging circuit churches to think about how they may become more family-friendly.

### **Community lunch**

The Community lunch has continued at Kensington on Wednesdays. Lunch has been served on 39 occasions. Numbers attending each week have ranged from 21 to 39 with an average attendance of 29. A total of 1,142 lunches have been served this year. 87% of those attending live within 2 miles of the church and 63 % within one mile.

The majority of visitors continue to be male, although we have had a number of females attending this year. All visitors continue to present a variety of needs; some have housing needs; some are in supported living; some have learning difficulties; some have mental health problems; some have issues relating to the misuse of drugs or alcohol and some are asylum seekers. Many of them have little support from family or friends and are socially isolated.

**Liverpool North Central Methodist Circuit (Number 18/03)**  
**Year Ended 31 August 2017**

There is a core group who come regularly each week. Changes and cuts in welfare benefits have continued to affect many of the people attending Community Lunch. Many of our visitors are encountering problems, sanctions or delays with their benefit claims and are being left destitute with no money. We have been able to provide temporary assistance with food parcels from Kensington's Fareshare, clothes and directions to food banks or other services.

Our intercessory prayer ministry where prayer cards are placed on the tables and our visitors can ask for prayers for themselves or for family or friends has continued to be well used.

The faithful team of volunteers comes from circuit churches, other churches, former and current asylum seekers and university students. All volunteers offer their time, energy and commitment each week for which we are very grateful.

Additional volunteers together with donations of money, food or other items continue to be sought to support this work.

### **Tuesday drop-in**

Based at Kensington Methodist Church the circuit hosts "Tuesday drop-in" where those desperate or in need are helped with food (approximately 400 bags a year) and other items such as clothes, baby-stuff and even prams.

### **Church re-structuring**

The Circuit has continued to be active in the legal and financial process and pastoral support required as trustee responsibility has been transferred from County Methodist Church to Oakfield Methodist Church. This work is ongoing as mission work and worship remains active across both locations.

## **2.1 Plans for future years**

The Circuit continues to implement and carry out the decisions taken during its last strategic review in 2014. Specific plans include:

- To develop further the work with children and families across the Circuit
- To seek ways of furthering work with a range of adults including older people and those facing loneliness and isolation.
- To encourage further development in each of the centres of excellence seeking funding and resources where necessary.
- To identify and address the need for structural change of governance at church and circuit without affecting the delivery of Ministry and Mission.
- To further develop the circuit worship plan ensuring that all members receive a worthwhile worship experience.
- To continue to seek closer working relationships and mergers with potential partners and other Circuits.

## **3 FINANCIAL REVIEW**

During the year the Circuit received total income of £197k (2015-16: £92k) and dispersed £100k (2015-16 £96k). The resulting excess of income was added to by an unrealised gain of £1k (2015-16: £2k) on the restricted reserves and endowments to produce a net excess

**Liverpool North Central Methodist Circuit (Number 18/03)**  
**Year Ended 31 August 2017**

of income of £98k (2015-16: excess of expenditure of £2k) and total reserves carried forward of £524k (2015-16: £427k).

The Circuit's main source of funding was the assessments obtained from each Church within the Circuit based on financial capabilities of the Churches and this was used to defray most of the cost of administering the Circuit. This sum amounted to £61,808 (2015-16: £60,300).

The income from properties relates to the rental of manses, one to a private tenant under an assured tenancy agreement and the other to the Liverpool City Centre Circuit under an agreement relating to the sharing of costs of the Superintendent Minister.

Grants received are from the Liverpool District Advance Fund towards the general operating costs of the Circuit and from Joseph Rank Benevolent Trust and Liverpool District Advance Fund towards the cost of a Children and Family worker.

The unrestricted general account shows an improvement on the balanced budget due to lower manse repair and administration costs. There were no significant events during the year.

Stipend expenditure has increased each financial year in line with conference approved increases.

20% of general fund expenditure is the Circuit contribution to the District and Connexion of which a significant part is used to fund the work of the wider Methodist church.

The trustees of the Circuit have every reason to believe that the Circuit is a going concern, principally because Churches continue to meet their assessments and the Circuit has adequate reserves to cover a shortfall in anticipated income. There are no subsidiary undertakings. Trustees do not foresee any factors that will significantly affect the financial performance or position in the next year or two.

The Circuit continues to hold two freehold properties being the Manses in Priory Road and Eaton Road, Liverpool.

### **3.1 Investment Policy and Performance**

To comply with Methodist Standing Orders, monies for long term investment are lodged with the Trustees for Methodist Church Purposes (TMCP). TMCP acts as custodian trustee for all real estate held by Circuits and for all large (over £20k) bequests and for the proceeds of sale of any property formerly owned by the Circuit. These sums are invested in unitised investments or held on deposit. The investment returns are close to tracking the movements in the FTSE100 index. The deposit income mirrors the deposit rates available elsewhere. The Circuit's trustees' investment policy is aligned with that of the CFB and TMCP because these organisations take into consideration the social, environmental and ethical considerations, both negatively and positively, that make investments suitable for the Methodist Church.

Short term deposits are lodged directly with the Central Finance Board (CFB) and attract good rates of interest. There are no bench marks for the expected returns or appreciation on investments at TMCP and CFB. It is the Circuit's policy to manage the cash and investment resources of the Circuit so that a rate of return on investment – both by way of

**Liverpool North Central Methodist Circuit (Number 18/03)**  
**Year Ended 31 August 2017**

dividend and capital appreciation – is obtained at least as good as market rate considering the Circuit's low appetite for risk.

### 3.2 Reserves level and policy

The Circuit 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. The aims are:

- to secure and sustain the Circuit's viability and future.
- to give reassurance to 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.

The reserves held at the end of the year were as follows:

	£
<i>Unrestricted funds</i>	
General Fund	423,568
Circuit Model Trust Fund	67,769
<i>Designated funds</i>	
Minibus Fund	<u>4,899</u>
<b>Total unrestricted funds</b>	<b><u>496,236</u></b>
<i>Restricted funds</i>	
Mission Income	61
Mission Capital	23,461
Kensington Outreach	(437)
CFW Mission	<u>1,869</u>
<b>Total restricted funds</b>	<b><u>24,954</u></b>
<b>Total endowment funds</b>	<b><u>3,305</u></b>
<b>Total funds</b>	<b><u>524,495</u></b>
<b>Available Reserves</b>	
Total undesignated and unrestricted funds	496,236
Less: invested in the manse	<u>(430,000)</u>
<b>Uncommitted reserves, readily available</b>	<b><u>66,236</u></b>

There are no funds materially in deficit. All funds are separately invested either with CFB or TMCP. No money is directly invested in property, securities or other forms of investment.

The minimum policy level of the readily available part of the General Fund is such as to pay for:

- three months' payroll costs and closing costs of staff redundancies - £18k
- three months administration and staff expense costs - £ 3k
- manse repair reserve - £25k
- three months connexional and district assessment - £ 4k

At 31 August 2017 this sum amounted to £50k against actual readily available reserves of £66k as stated above. Actual readily available reserves were thus in excess of policy at the year end by £16k. The trustees are, however, mindful that future income from the churches is not secure and it is judged prudent to retain a buffer against this funding volatility.

**Liverpool North Central Methodist Circuit (Number 18/03)**  
**Year Ended 31 August 2017**

**3.3 Plans for 2017/18**

Circuit financial plans for the coming year have been prepared on the basis that there remains one and a half full time ordained staff and a part time lay worker with anticipated cost of living stipend increases combined with a small increase in the assessment paid to the district and connexion such that on average a 0% assessment increase has been requested from the circuit churches.

**4 Trustees' responsibilities**

For each financial year ending on 31 August the Trustees are required to prepare financial statements that give a true and fair view of the Circuit's financial activities during the year and of its financial position at the end of the year. In preparing these financial statements, the Trustees must:

- select suitable accounting policies and applied them consistently using the accruals method
- make judgements and estimates that are reasonable and prudent
- follow applicable accounting standards
- prepare accounts to comply with the Charities SORP

The Trustees are responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the Circuit and enables them to ensure that the financial statements comply with the law. They are also responsible for safeguarding the assets of the Circuit and hence taking reasonable steps for the prevention and detection of fraud and other irregularities.

The Trustees are responsible for the maintenance and integrity of the corporate and financial information included on the Circuit's website. Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

**4.1 Training**

Training in the responsibilities of trustees is offered to all new trustees soon after their appointment. A range of guidance produced by Methodist Connexion to support the effective running of the Circuit and the role of Trustees is given to the Circuit Trustees at various meetings and / or training sessions.

**4.2 Risk**

The major risks have been identified and recorded by the Trustees with professional advice taken as required. There is a regular annual review process undertaken and recorded.

Risks are managed by being aware of them, quantifying their impact not only in cost terms but in possible reputational or structural damage, laying them off through an insurer and minimising them by not taking them or by setting up control systems that timeously report any significant change in the risk.

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.

**4.3 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

**Liverpool North Central Methodist Circuit (Number 18/03)**  
**Year Ended 31 August 2017**

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.
- In all these principles we will follow legislation, guidance and recognised good practice

The Circuit commits itself to ensuring the implementation of Connexional Safeguarding Policy; government legislation, guidance and safe practice. The Circuit commits itself to the provision of support, advice and training for lay and ordained people that will ensure people are clear and confident about their roles and responsibilities in safeguarding and promoting the welfare of children and adults who may be vulnerable.

## **5 Structure, governance and management**

### **5.1 Structure**

Circuits are the coordinating charities for local groups of Churches; Circuits pay the stipends of the ministers and employ lay staff to serve the Churches in the Circuit; most decisions are made at or ratified by the Circuit Meeting. A District is the coordinating charity for a group of contiguous Circuits and makes its decisions at the half yearly synods. The Methodist Conference meets once each year as the supreme denominational body for all Methodist Churches.

- Overall regulatory authority rests with the Methodist Conference.
- The Connexional Office implements decisions made by Conference and is also responsible for the stationing of presbyters and deacons (collectively known as ministers) in individual Circuits within the District.
- Connexional decisions are passed to the Chair of the District and the appropriate officers of the District for implementation.
- The District passes control down to Circuit level for local implementation by the Superintendent Minister, ministerial staff and Circuit Stewards, and authority is delegated to the Circuit Meeting for certain matters.



**Liverpool North Central Methodist Circuit (Number 18/03)**  
**Year Ended 31 August 2017**

- The Circuit Meeting passes regulatory control down to Church Councils for local implementation by the presbyter, the Church Stewards, and other officers, and this regulatory authority is then exercised by Church Councils as Managing Trustees of their charity.

## **5.2 Purposes of the Methodist Church**

The purposes of the Methodist Church are and shall be deemed to have been since the date of the union the advancement of:

- the Christian faith in accordance with the doctrinal standards and the discipline of the Methodist Church
- any charitable purposes for the time being of any connexional, District, Circuit, local or other organisation of the Methodist Church
- any charitable purpose for the time being of any society or institution subsidiary or ancillary to the Methodist Church
- any purpose for the time being of any charity being a charity subsidiary or ancillary of the Methodist Church.

## **5.3 Governance**

The Circuit is an unincorporated association and is governed by the Methodist Church Act 1976, the Deed of Union and the Model Trust Deeds of the Methodist Church and was registered with the Charity Commissioners on 4 September 2015.

The Circuit operates within a statutory framework of regulation and seeks to ensure that it follows Methodist Standing Orders. It relies on the Connexional Office at 25 Marylebone Road, London NW1 5JR to provide guidance on changes that could affect the Circuit.

The appointment of Trustees and other officers follows the Constitutional Practice and Discipline of the Methodist Church (CPD). The primary governing body of the Circuit is the Circuit Meeting (the trustees), which is responsible for the general oversight of the Circuit. The Trustees receive no remuneration or other financial benefits.

The members of the Circuit Meeting are the Charity Trustees, membership being made up of Circuit office holders, ministers and representatives appointed by the churches. The Circuit Meeting normally meets four times per year and deals with routine and exceptional matters.

## **5.4 Management**

Day to day management of the circuit is undertaken by the Circuit Leadership team along with the Local Preachers meeting and the Circuit Property Committee.

**Liverpool North Central Methodist Circuit (Number 18/03)**  
**Year Ended 31 August 2017**

**6 REFERENCE AND ADMINISTRATION DETAILS**

**6.1 Charity Name**

Liverpool North Central Methodist Circuit

**6.2 Charity Registration Number**

1163418, registered in England and Wales

**6.3 Principal Office**

c/o Oakfield Methodist Church

Oakfield Road

Liverpool

L4 0UQ

E-mail [mail@liverpoolnortcentral.org.uk](mailto:mail@liverpoolnortcentral.org.uk)

Web Site [www.liverpoolnorthcentral.org.uk](http://www.liverpoolnorthcentral.org.uk)

**6.4 Superintendent Minister**

The Revd Ian Hu

**6.5 Secretary of the Circuit Meeting**

Mrs Ruth Stirrup

**6.6 Circuit Minister**

Deacon Flip den Uil

**6.7 Circuit Stewards**

Mr Frank McFarlane (Managerial)

Mr David K Smith

**6.8 Property Secretary**

Mr Ian Culshaw

**6.9 Names of trustees**

The following served as trustees throughout part or all of the year 2016-17 or were trustees at the time of this report being approved:

Mr Paul Ackers

Mr Don Ashton

Mrs Gillian Culshaw

Mr Ian Culshaw

Mr William Eales

Miss Mary Fairhurst

The Revd Ian Hu

Mrs Brenda Jones until August 2017

Mr Brian Kiel

Ms Joan Lewis

Mr Frank McFarlane

Mrs Patricia McGinty

Ms Lorraine Oram

Ms Glenys Perry until August 2017

Mr Stanley Povall

**Liverpool North Central Methodist Circuit (Number 18/03)**  
**Year Ended 31 August 2017**

Ms Eileen Rigby until August 2017  
Mr David K Smith  
Mr David Stirrup  
Mrs Ruth Stirrup  
Mrs Jill Stubbs  
Ms Joycelyn Thompson  
Mrs Alison Twist  
Mr Steve Twist  
Mr David Williamson

No trustee claims exemption from disclosure of his or her name here.

**6.10 Children and Family Worker**

Mrs Alison Twist

**6.11 Bankers**

HSBC plc  
99 – 101 Lord Street  
LIVERPOOL  
L2 6PG

Central Finance Board of the Methodist Church  
9 Bonhill Street  
London  
EC2A 4PE

**6.12 Investment managers and custodian trustees**

Trustees for Methodist Church Purposes  
Central Buildings  
Oldham Street  
Manchester  
M1 1JQ

**6.13 Independent Examiner**

Mr Anthony Kletz FCA  
46 Talbot Street  
Southport  
PR8 1HS

**Approvals**

The Trustees' Report and the Financial Statements were approved by the Circuit Meeting on 21 May 2018.

Signed on behalf of the Circuit Meeting, as authorised:

Ian Hu (signed)

David K Smith (signed)

Rev Ian Hu

Superintendent

Date: 21 May 2018

David K Smith

Circuit Treasurer

Date: 21 May 2018

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

	Notes to the accounts	General Fund (Unrestricted) £	Circuit Model Trust Fund (Unrestricted) £	Designated Funds (Unrestricted) £	Restricted Funds £	Endowment Funds £	Totals 2016-17 £	Totals 2015-16 £
<b>Income and Endowments</b>								
Donations and legacies	7				757		757	907
Income from monetary investments		15			617	51	683	699
Income from investment properties	3	5,850					5,850	3,900
Assessments on Churches	4	61,808					61,808	60,300
Capital Receipts								
Grants received	5	16,000			19,124		35,124	17,000
Other charitable activities	6	4,424	84,820	3,145			92,389	9,455
<b>Total from charitable activities</b>		<b>88,097</b>	<b>84,820</b>	<b>3,145</b>	<b>20,498</b>	<b>51</b>	<b>196,611</b>	<b>92,261</b>
Other income								
<b>Total income and endowments</b>		<b>88,097</b>	<b>84,820</b>	<b>3,145</b>	<b>20,498</b>	<b>51</b>	<b>196,611</b>	<b>92,261</b>
<b>Expenditure</b>								
Grants and donations	8				525		525	647
Salaries and associated costs	9	52,797			14,784		67,581	52,550
Property maintenance	11	2,831		270			3,101	9,518
Connexional assessment	13	12,324					12,324	13,996
District Assessment	14	3,028					3,028	4,076
Office and administration costs	12	5,751			2,958	13	8,722	10,931
Other charitable activities	15			4,027	1,000		5,027	4,522
<b>Total charitable expenditure</b>		<b>76,731</b>		<b>4,297</b>	<b>19,267</b>	<b>13</b>	<b>100,308</b>	<b>96,240</b>
Gains/(losses) on monetary investments					1,301	(33)	1,268	1,571
<b>Net income/(expenditure)</b>		<b>11,366</b>	<b>84,820</b>	<b>(1,152)</b>	<b>2,532</b>	<b>5</b>	<b>97,571</b>	<b>(2,408)</b>
Transfers between funds	17	(199)	(17,051)	17,051	236	(37)		
<b>Net movement in funds</b>		<b>11,167</b>	<b>67,769</b>	<b>15,899</b>	<b>2,768</b>	<b>(32)</b>	<b>97,571</b>	<b>(2,408)</b>
<b>Reconciliation of funds:</b>								
Total funds brought forward		<b>412,401</b>		<b>(11,000)</b>	<b>22,186</b>	<b>3,337</b>	<b>426,924</b>	429,332
<b>Total funds carried forward</b>		<b>423,568</b>	<b>67,769</b>	<b>4,899</b>	<b>24,954</b>	<b>3,305</b>	<b>524,495</b>	<b>426,924</b>

## Balance Sheet as at 31 August 2017

	Notes to the accounts	General Fund (Unrestricted) £	Circuit Model Trust Fund (Unrestricted) £	Designated Funds (Unrestricted) £	Restricted Funds £	Endowment Funds £	Total 2017 £	Total 2016 £
<b>Fixed Assets</b>								
Circuit Manse	18	150,000					150,000	150,000
Investment property	19	280,000					280,000	280,000
Investments					20,688	1,131	21,819	20,549
<b>Total fixed assets</b>		<b>430,000</b>			<b>20,688</b>	<b>1,131</b>	<b>451,819</b>	<b>450,549</b>
<b>Current Assets</b>								
Debtors	20	8,201			1,000		9,201	10,892
Investments with TMCP Central Finance Board	21	3,274	67,769		2,773	2,174	75,990	8,186
Deposits	22	18,996					18,996	632
Cash at Bank and in hand		17,939		4,899	493		23,331	20,422
<b>Total current assets</b>		<b>48,410</b>	<b>67,769</b>	<b>4,899</b>	<b>4,266</b>	<b>2,174</b>	<b>127,518</b>	<b>40,132</b>
<b>Current liabilities</b>								
Creditors (due in under 1 year)	23	54,842					54,842	63,757
<b>Net current assets/liabilities</b>		<b>(6,432)</b>	<b>67,769</b>	<b>4,899</b>	<b>4,266</b>	<b>2,174</b>	<b>72,676</b>	<b>(23,625)</b>
<b>Total assets less current liabilities</b>		<b>423,568</b>	<b>67,769</b>	<b>4,899</b>	<b>24,954</b>	<b>3,305</b>	<b>524,495</b>	<b>426,924</b>
<b>Net assets</b>		<b>423,568</b>	<b>67,769</b>	<b>4,899</b>	<b>24,954</b>	<b>3,305</b>	<b>524,495</b>	<b>426,924</b>
<b>Funds of the Circuit</b>								
General Fund (Unrestricted)		423,568					423,568	412,401
Circuit Model Trust Fund (Unrestricted)			67,769				67,769	
Designated Funds (Unrestricted)				4,899			4,899	(11,000)
<b>Total Unrestricted Funds</b>		<b>423,568</b>	<b>67,769</b>	<b>4,899</b>			<b>496,236</b>	<b>401,401</b>
Restricted Funds					24,954		24,954	22,186
Endowment Funds						3,305	3,305	3,337
<b>Total Funds</b>		<b>423,568</b>	<b>67,769</b>	<b>4,899</b>	<b>24,954</b>	<b>3,305</b>	<b>524,495</b>	<b>426,924</b>

**Liverpool North Central Methodist Circuit (Number 18/03)**  
**Notes to the Accounts For The Year Ended 31 August 2017**

**1 Accounting framework and accounting policies**

**i Accounting framework**

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 applicable in the UK and Republic of Ireland (FRS 102) (effective from 1 January 2015) – (the Charities SORP (FRS 102) as amended by Update Bulletin 1) – 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.

**ii Public benefit entity**

The Liverpool North Central Methodist Circuit (“Circuit”) meets the definition of a public benefit entity under FRS 102. Assets and liabilities are initially recognised at historical cost or transaction value unless otherwise stated in the relevant accounting policy note(s) below.

**iii 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.

**iv Content**

The financial information presented is relevant, reliable, comparable and complete. Where estimates are used these are based on experience, research and judgement. The accounts are expressed in £Sterling, rounded to the nearest pound.

**v Going concern**

Based on the monetary assets and human resources available at 31 August 2017, the trustees believe that the Circuit is a going concern.

**vi Consolidation**

The Circuit has denominational regulatory oversight in respect of the work of the Churches within the Circuit but has no legal or operational control of those Churches and their governing bodies except in extreme circumstances. For this reason, the financial statements of Churches within the circuit are not consolidated into these financial statements.

**vii Income recognition**

Income is brought into account when it is more likely than not that the economic benefit of the income will accrue to the Circuit. No attempt is made to measure the value of services donated by volunteers.

Individual amounts categorised as *Other income* in the SOFA will be shown separately if they are considered material.

The Circuit acts as agent in two matters:

- the collection from Churches and payment over of their contributions to various Funds controlled and administered by The Methodist Church – “Connexional Funds”.

**Liverpool North Central Methodist Circuit (Number 18/03)**  
**Notes to the Accounts For The Year Ended 31 August 2017**

- the payment of accounts to the Property Caretaker and church cleaner on behalf of West Derby Methodist Church.

In both these matters the transactions are not reflected in the SOFA because they are the income and expenditure of either the Connexion or church as appropriate.

In accordance with the Charities SORP (FRS 102), the time of volunteers is not recognised. Further information on this matter is provided in the Trustees' Annual Report. If goods are donated, a value will be shown in the SOFA or notes where the value is considered material.

**viii Expenditure**

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.

**ix VAT**

Since the Circuit is not VAT registered, all input VAT is charged with the expenses to which it refers.

**x Tangible fixed assets**

These are capitalised if they can be used for more than one year, and individually cost at least £1,000. The freehold properties are shown in the accounts at 2015 deemed values, of which the land component is deemed to be £100,000. No depreciation is provided on the buildings because the trustees consider the current residual fair value of the manse buildings (on the assumption that it had reached the end of its useful economic life by the year-end) to be not less than its cost to date. The properties have been reviewed for impairment.

**xi Investments**

The investments of the Circuit are held by the Trustees for Methodist Church Purposes (TMCP) as custodian trustees. The valuations, at market value, are those provided by TMCP. The unrealised gains arising on investments at the end of the year are shown in the SOFA and in Note 26 below.

**xii Receivables and Payables; Bank and Cash**

Debtors are stated at the amounts owed to the Circuit or prepaid. Creditors are initially recognised at settlement amount after any trade discounts, where normal credit terms apply, or amount advanced to the Circuit. Subsequently creditors that are current liabilities are measured at the cash or other consideration expected to be paid. The liquid funds of bank balances and deposit account balances are shown at the realisable values.

**xiii Methodist Connexional Funds**

The Methodist Church Connexion raises assessments against Circuits and these are paid quarterly to their Districts. The Circuits raise assessments against Churches in the Circuit. The District quarterly remits to the Methodist Church Fund most of the sum received from Circuits. A small sum is retained by the District to meet its own costs. The Circuit may act as agent for ad hoc collections for various funds controlled and administered by the Methodist Church.

**Liverpool North Central Methodist Circuit (Number 18/03)**  
**Notes to the Accounts For The Year Ended 31 August 2017**

**xiv Endowment funds**

Where the Circuit holds money that may not be spent and must be retained (as capital) to generate an income the money or assets to be retained are classified as an Endowment Fund. The capital will be shown in the balance sheet in the column for endowment funds. The income may be restricted or unrestricted depending on the terms of the endowment.

**xv Ministers' manse costs**

The Circuit is required to provide accommodation for each minister in the Circuit and their families and this is seen as a benefit to the Circuit. Ministers are expected to occupy the manse provided for them. The Circuit bears the cost of repairs, maintenance, buildings insurance, Council Tax and water charges. These figures are not separately disclosed as benefits in kind for ministers as HMRC does not seek to tax these receipts in the hands of the ministers.

**2 Glossary of terms**

**CFB:** Central Finance Board of the Methodist Church manages a Common Deposit Fund and a series of pooled investment funds for Methodist entities in Great Britain and provides investment advice to those entities

**Church:** a group of members from fewer than 10 to more than 300

**Circuit:** a group of Methodist Churches near each other

**CMTF:** Circuit Model Trust Fund

**Connexion:** The Methodist Church in GB which includes the Head Office at Methodist Church House, all Methodist Circuits, Circuits and Churches in Great Britain

**District:** a group of contiguous Circuits

**DAF:** District Advance Fund

**FRS:** Financial Reporting Standard

**HMRC:** Her Majesty's Revenue and Customs

**JRBT:** Joseph Rank Benevolent Trust

**MCF:** Methodist Church Fund

**MMPS:** Methodist Ministers' Pension Scheme

**MWIB:** Methodist Women in Britain (Liverpool Circuit)

**Pensions Trust:** The Pensions Trust, the organisation through which the Circuit arranges a pension scheme for its lay employees

**RMG:** Resourcing Mission Group. The policy committee of the Circuit

**SOFA:** Statement of Financial Activities

**SORP:** Statement of Recommended Practice

**TCC:** Transforming Church and Communities

**TMCP:** Trustees for Methodist Church Purposes, the legal owner and Custodian Trustee of all Methodist Model Trust property, including Legacies, Endowments and Accumulated Funds



**Liverpool North Central Methodist Circuit (Number 18/03)**  
**Notes to the Accounts For The Year Ended 31 August 2017**

### 3 Income from Investment Property

The trustees have determined that the property listed below is unlikely to be returned to use as a manse in the foreseeable future and have therefore classified the same as an Investment Property. Letting income is shown gross of fees and commissions

	General	CMTF	Desig	Restricted	Endow	Total	2016
Letting Income:							
25 Eaton Road	5,850					<b>5,850</b>	3,900
<b>Totals</b>	<b><u>5,850</u></b>					<b><u>5,850</u></b>	<b><u>3,900</u></b>

### 4 Assessments on Circuits

The Circuit comprises of 4 churches and each is assessed for a contribution to meet the overall net costs of the Circuit. In making its assessment budgeted income from investment income (including property letting) and confirmed external grants is taken into account. The Circuit aims to cover all its net core costs from the Assessment.

	General	CMTF	Desig	Restricted	Endow	Total	2016
Assessments:							
Oakfield	26,344					<b>26,344</b>	16,900
County							8,800
Kensington	13,428					<b>13,428</b>	13,100
West Derby	<u>22,036</u>					<b><u>22,036</u></b>	<u>21,500</u>
<b>Totals</b>	<b><u>61,808</u></b>					<b><u>61,808</u></b>	<b><u>60,300</u></b>

An assessment on churches is annually determined based on church income and ability to pay. Assessments on churches are quarterly in advance and are treated as pre-payments on a receivable basis. If any church has not paid its assessment by the due date the sum in question is treated as a creditor.

All churches paid their assessments to the Circuit during the year or shortly after its end.

County church transferred trustee responsibilities to Oakfield church from September 2016.

**Liverpool North Central Methodist Circuit (Number 18/03)**  
**Notes to the Accounts For The Year Ended 31 August 2017**

## 5 Grants received

	General	CMTF	Desig	Restricted	Endow	Total	2016
<b>Circuit Ministry</b>							
District Advance Fund	16,000					<b>16,000</b>	16,000
<b>CFW Ministry</b>							
Joseph Rank Ben. Trust				10,000		<b>10,000</b>	1,000
District Advance Fund				8,422		<b>8,422</b>	
CFW Projects				<u>702</u>		<u>702</u>	
<b>Totals</b>	<b><u>16,000</u></b>			<b><u>19,124</u></b>		<b><u>35,124</u></b>	<b><u>17,000</u></b>

The District Advance Fund grant towards circuit ministry is year two of a five year priority grant to support ministry and mission work in deprived inner city communities within the circuit.

The grants from Joseph Rank Benevolent Trust and District Advance Fund towards Children and Family work (CFW ministry) are for year one of a three year grant to support children and family work across the Circuit.

CFW Project grants are one-off grants received to fund specific project work being undertaken by the Children and Family worker.

## 6 Other charitable activities

	General	CMTF	Desig	Restricted	Endow	Total	2016
<b>Manse contribution</b>							
Liverpool City Centre Circuit	4,424					<b>4,424</b>	4,410
<b>Minibus Fund</b>							
Contributions from other charities / community groups			3,145			<b>3,145</b>	5,045
<b>Circuit Model Trust Fund</b>							
Transfer in from net proceeds of sale of Trinity Methodist Church		<u>84,820</u>				<u>84,820</u>	
<b>Totals</b>	<b><u>4,424</u></b>	<b><u>84,820</u></b>	<b><u>3,145</u></b>			<b><u>92,389</u></b>	<b><u>9,455</u></b>

The disposal of Trinity Methodist Church was completed in the year at sale price of £135,000. Selling costs of £3,366, refundable property fund grants of £23,600 and Connexional property fund levy of £23,214 were all deducted from this amount with the balance of £84,820 transferred to Circuit Model Trust Fund.

**Liverpool North Central Methodist Circuit (Number 18/03)**  
**Notes to the Accounts For The Year Ended 31 August 2017**

## 7 Donations and legacies

	General	CMTF	Desig	Restricted	Endow	Total	2016
<b>Kensington Outreach</b>							
Personal donations				182		<b>182</b>	260
<b>CFW Projects</b>							
Personal donations				50		<b>50</b>	
<b>MWIB</b>							
Donations				25		<b>25</b>	143
At Home Days				251		<b>251</b>	230
Easter Offerings				<u>249</u>		<u>249</u>	<u>274</u>
<b>Totals</b>				<u><b>757</b></u>		<u><b>757</b></u>	<u><b>907</b></u>

## 8 Grants and donations

	General	CMTF	Desig	Restricted	Endow	Total	2016
<b>MWIB</b>							
Project Donations				525		<b>525</b>	<u>647</u>
<b>Totals</b>				<u><b>525</b></u>		<u><b>525</b></u>	<u><b>647</b></u>

## 9 Salaries and associated costs

Stipends paid to one full time (2015-16: one) and one part time (2015-16: one) employees were as follows:

### Stipends

	General	CMTF	Desig	Restricted	Endow	Total	2016
Stipends	39,559					39,559	39,064
National Insurance contributions	3,883					3,883	3,711
Pension Fund contributions	<u>9,355</u>					<u>9,355</u>	<u>9,223</u>
<b>Totals</b>	<u><b>52,797</b></u>					<u><b>52,797</b></u>	<u><b>51,998</b></u>

The Circuit employs one part time Children & Family Worker, (2015-16: one commenced August 2016) lay staff as follows:

	General	CMTF	Desig	Restricted	Endow	Total	2016
Salary				13,250		13,250	552
National Insurance contributions				706		706	
Pension Fund contributions				828		828	
<b>Totals</b>				<u><b>14,784</b></u>		<u><b>14,784</b></u>	<u><b>552</b></u>

Contracted Hours (pw)

20

<b>Salaries and associated costs Totals</b>	<u><b>52,797</b></u>			<u><b>14,784</b></u>		<u><b>67,581</b></u>	<u><b>52,550</b></u>
---	----------------------	--	--	----------------------	--	----------------------	----------------------

**Liverpool North Central Methodist Circuit (Number 18/03)**  
**Notes to the Accounts For The Year Ended 31 August 2017**

No employees received employee benefits that totalled more than £60,000. There is no accrual for holiday pay as it is immaterial; the holiday year ends on 31 August. All staff are paid at or above the living wage.

### **Pensions**

Most ordained presbyters and deacons are members of the Methodist Ministers' Pension Scheme (MMPS). This is a defined benefit scheme. The Supreme Court held in 2014 that Methodist ministers (which term includes presbyters and deacons) are not employees of the Church. For simplicity, however, when dealing with National Insurance Contributions and pension contributions, the terms 'employer' and 'employee' are used as they would be in an employing body.

On the other hand lay employees are contractually employees and may have the option of joining The Pensions Trust in accordance with Auto-enrolment legislation.

The Connexion accounts for the MMPS pension scheme and shows the figures in the annual Methodist Church in Great Britain accounts. The MMPS is in deficit but a plan for removal of the deficit has been proposed and is being implemented. Details of the deficit on this scheme can be found in the Annual Report and Accounts of The Methodist Church at [www.methodist.org.uk](http://www.methodist.org.uk)

## **10 Cost of Superintendent, Ministers and Trustees**

The Superintendent of the Circuit, the other ministers and the remaining members of the CLT are considered as 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.

The manses are provided by the Circuit and the Circuit maintains the property. The value of the Council Tax and water charges paid by the Circuit is not disclosed here as HMRC does not regard this as a benefit in kind in the hands of the minister.

Each Minister is entitled to a three month sabbatical every five years and the expenses incurred by the Minister are met by the Connexion with the Circuit continuing to pay the stipend. During the year there has been 1 sabbatical. The Circuit does not accrue for holiday pay cover as the remaining staff cover the holidays as needed and without extra pay.

	Total	2016
	£	£
Stipends of Ministers	39,559	39,064
Employer's National Insurance contributions	3,883	3,711
Employer's Pension contributions to a defined benefit pension scheme	<u>9,355</u>	<u>9,223</u>
<b>Total cost</b>	<b><u>52,797</u></b>	<b><u>51,998</u></b>

**Liverpool North Central Methodist Circuit (Number 18/03)**  
**Notes to the Accounts For The Year Ended 31 August 2017**

**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. The Ministers of the Circuit undertake the primary executive roles within the Circuit. Apart from the Ministers and the children and Family worker 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 re-imbursed in relation to specific projects.

One trustee (Circuit Children and Family worker) is an employee of the Circuit and is in receipt of a salary and other employment related expenses.

Travel and administration costs of £nil (2015-16: £1,658) were paid to one non-ministerial trustee.

## **11 Property maintenance**

The Circuit is managing trustee for two manses, one of which is occupied by a minister stationed in the Circuit. One manse (25 Eaton Road) is let on an Assured Shorthold Tenancy. With the exception of the let manse, the Circuit is responsible for the payment of Council Tax, Utilities, Water charges and Insurance.

<b>Manse costs</b>	General	CMTF	Desig	Restricted	Endow	Total	2016
Repairs and maintenance							
131 Priory Road	-					-	2,379
25 Eaton Road	396					396	366
Council Tax	1,002					1,002	1,064
Water Rates	655					655	635
Insurance	<u>778</u>					<u>778</u>	<u>754</u>
<b>Totals</b>	<b><u>2,831</u></b>					<b><u>2,831</u></b>	<b><u>5,198</u></b>

The Circuit covers the cost of quinquennial and electrical inspections in the circuit churches. Since 2008 the Circuit has been responsible for the sale of Trinity Methodist Church. The sale of the building was completed in the year. The following costs were incurred:

<b>Other property costs</b>	General	CMTF	Desig	Restricted	Endow	Total	2016
Trinity MC Insurance							1,620
Trinity MC Repairs			270			270	
Trinity MC Legal Fees							2,700
Quinquennials							
<b>Totals</b>			<b><u>270</u></b>			<b><u>270</u></b>	<b><u>4,320</u></b>

<b>Property maintenance Totals</b>	<b><u>2,831</u></b>		<b><u>270</u></b>			<b><u>3,101</u></b>	<b><u>9,518</u></b>
------------------------------------	---------------------	--	-------------------	--	--	---------------------	---------------------

**Liverpool North Central Methodist Circuit (Number 18/03)**  
**Notes to the Accounts For The Year Ended 31 August 2017**

## 12 Office and administration costs

	General	CMTF	Desig	Restricted	Endow	Total	2016
Administrator	792					792	1,658
PPSA	749			137		886	875
Sundries	(1,053)			732		(321)	156
Training				335		335	
Telephone	297			183		480	1,005
Travel	4,966			378		5,344	4,664
Contribution to Kensington MC costs							2,000
Preaching and worship expenses				1,149		1,149	518
TMCP charges				<u>44</u>	<u>13</u>	<u>57</u>	<u>53</u>
<b>Totals</b>	<b><u>5,751</u></b>			<b><u>2,958</u></b>	<b><u>13</u></b>	<b><u>8,722</u></b>	<b><u>10,931</u></b>

## 13 Connexional Assessment

The Connexional Assessment is calculated relative to the proportion of staffing (ministerial and lay), church members, church attendances and total relevant income of all circuits in the Liverpool District. One third of the overall cost is calculated using staffing proportions, one third income proportions, one sixth attendance proportions and one sixth membership proportions.

	General	CMTF	Desig	Restricted	Endow	Total	2016
Methodist Church Fund (MCF)	<u>12,324</u>					<u>12,324</u>	<u>13,996</u>
<b>Totals</b>	<b><u>12,324</u></b>					<b><u>12,324</u></b>	<b><u>13,996</u></b>

## 14 District Assessment

The District Assessment is calculated relative to the proportion of staffing (ministerial and lay), church members, church attendances and total relevant income of all circuits in the Liverpool District. One third of the overall cost is calculated using staffing proportions, one third income proportions, one sixth attendance proportions and one sixth membership proportions.

	General	CMTF	Desig	Restricted	Endow	Total	2016
District assessment	<u>3,028</u>					<u>3,028</u>	<u>4,076</u>
<b>Totals</b>	<b><u>3,028</u></b>					<b><u>3,028</u></b>	<b><u>4,076</u></b>

**Liverpool North Central Methodist Circuit (Number 18/03)**  
**Notes to the Accounts For The Year Ended 31 August 2017**

**15 Other charitable activities**

	General	CMTF	Desig	Restricted	Endow	Total	2016
Minibus costs			4,027			<b>4,027</b>	<b>3,322</b>
Kensington projects running costs				<u>1,000</u>		<u>1,000</u>	<u>1,200</u>
<b>Totals</b>			<u><b>4,027</b></u>	<u><b>1,000</b></u>		<u><b>5,027</b></u>	<u><b>4,522</b></u>

**16 Investment management**

During the year the Circuit paid £57 to TMCP, the custodians of the Circuit's investments (Circuit Model Trust Fund and various endowment funds (2015-16: £53). The sum of £57 was levied at 0.2% on the value of the funds at the end of the year and is shown as allocated. See Note 12 above.

**17 Transfers between funds**

During the year transfers of £37 were made between endowment funds and restricted funds being income earned on endowments available for restricted use. In addition £1,000 was transferred between restricted funds and general fund being the agreed management charge for the children and family worker. In addition £17,051 was transferred between circuit model trust fund and general designated fund being costs incurred since 2008 in respect of the property of Trinity Methodist Church. In addition £1,200 was transferred between general fund and restricted funds being mission project costs.

**18 Manse and other property**

The value of the Circuit manse in Priory Road, Liverpool is shown in the accounts at 2015 deemed values, of which the land component is deemed to be £30,000. There is no depreciation on the manse as the impairment review at the end of the year confirmed that the current residual market value of the building was greater than the carrying value of that part of the asset's cost to date.

	Land	Buildings	Total
	£	£	£
<b>Cost or valuation</b>			
Balance brought forward at 1 September, at cost	<u>30,000</u>	<u>120,000</u>	<u>150,000</u>
<b>Balance carried forward at 31 August 2017</b>	<b>30,000</b>	<b>120,000</b>	<b>150,000</b>

**19 Investment property**

The trustees have determined that the property in Eaton Road, Liverpool is unlikely to be returned to use as a manse in the foreseeable future and have therefore classified the same as an Investment Property. The value of the property is shown in the accounts at 2015 deemed values, of which the land component is deemed to be £70,000. There is no depreciation on the property as the impairment review at the end of the year confirmed that

**Liverpool North Central Methodist Circuit (Number 18/03)**  
**Notes to the Accounts For The Year Ended 31 August 2017**

the current residual market value of the building was greater than the carrying value of that part of the asset's cost to date.

	Land	Buildings	Total
	£	£	£
<b>Cost or valuation</b>			
Balance brought forward at 1 September, at cost	<u>70,000</u>	<u>210,000</u>	<u>280,000</u>
<b>Balance carried forward at 31 August 2017</b>	<b>70,000</b>	<b>210,000</b>	<b>280,000</b>

## 20 Debtors and prepayments

<b>Debtors were made up as follows:</b>		
	2016-17	2015-16
	£	£
<b>Trade debtors</b>		
Connexional Grant		
Training costs – Liverpool District		685
Rent arrears – 25 Eaton Road	3,900	7,800
Payroll costs – West Derby MC	<u>2,407</u>	<u>2,407</u>
	6,307	10,892
<b>Prepayments and accrued income</b>		
Payments in advance	<u>1,894</u>	
<i>Unrestricted Prepayments:</i>	<u>1,894</u>	
Grants outstanding - JRBT	<u>1,000</u>	
<i>Restricted Prepayments:</i>	<u>1,000</u>	
<b>Total (net)</b>	<b>9,201</b>	<b>10,892</b>

With the exception of items marked thus (\*) all sums shown as Debtors at 1 September 2016 were received during the following year. All sums paid in advance at 1 September 2016 were for activities that have been held during 2016-17.

## 21 Trustees for Methodist Church Purposes

The funds that support the Mission Capital 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.



**Liverpool North Central Methodist Circuit (Number 18/03)**  
**Notes to the Accounts For The Year Ended 31 August 2017**

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

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

## 23 Creditors and accrued expenses

<b>Creditors were made up as follows:</b>	2016-17	2015-16
	£	£
<b>Trade creditors</b>		
Liverpool District	11,532	12,345
Sankey Valley Circuit	2,500	2,500
Stipends – Methodist Church	4,454	
Payroll – Liverpool District		5,024
Minister's expenses	2,375	1,476
<i>Total trade creditors</i>	<i>20,861</i>	<i>21,345</i>
<b>Other creditors</b>		
Advance payment	<u>17,000</u>	<u>17,000</u>
<i>Other creditors</i>	<i>17,000</i>	<i>17,000</i>
<b>Accruals and deferred income</b>		
Assessments received in advance	15,452	15,452
Various accruals	<u>1,529</u>	<u>960</u>
<i>Unrestricted Accruals:</i>	<i>16,981</i>	<i>16,412</i>
Grants received in advance - JRBT		<u>9,000</u>
<i>Restricted Accruals:</i>		<i>9,000</i>
<b>Total</b>	<b>54,842</b>	<b>63,757</b>

<b>Maturity analysis of financial liabilities</b>				
	Accrued at		Accrual made	Accrued at
	01-Sep-16	Paid in year	in year	31-Aug-17
<b>Trade creditors</b>				
Liverpool District	12,345	12,345	11,532	11,532
Sankey Valley Circuit	2,500*			2,500
Payroll – Liverpool District	5,024	5,024		
Minister's expenses	1,476	1,476	2,375	2,375
Stipends – Methodist Church			4,454	4,454
<i>Total trade creditors</i>	<i>21,345</i>	<i>18,845</i>	<i>18,361</i>	<i>20,861</i>
<b>Other creditors</b>				
Advance payment	<u>17,000*</u>			<u>17,000</u>
<i>Other creditors</i>	<i>17,000</i>			<i>17,000</i>

**Liverpool North Central Methodist Circuit (Number 18/03)**  
**Notes to the Accounts For The Year Ended 31 August 2017**

<b>Accruals and deferred income</b>				
Assessments received in advance	15,452	15,452	15,452	15,452
Various accruals	<u>960</u>	<u>960</u>	<u>1,529</u>	<u>1,529</u>
<i>Unrestricted Accruals:</i>	16,412	16,412	16,981	16,981
Grants received in advance - JRBT	<u>9,000</u>	<u>9,000</u>		
<i>Restricted Accruals:</i>	9,000	9,000		
<b>Total</b>	<b>63,757</b>	<b>44,257</b>	<b>35,342</b>	<b>54,842</b>

With the exception of items marked thus (\*) all sums shown as Creditors at 1 September 2016 were paid during the following year. It is expected that all sums accrued at 31 August 2017 will be paid during the year to 31 August 2018.

## **24 Unrestricted Funds**

### **24.1 General Fund – balance £423,568 at 31 August 2017 (2016: £412,401)**

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. About 110% of this fund is held as freehold properties, the Circuit manse and Investment property.

### **24.2 Other Designated Funds – balance £4,899 at 31 August 2017 (2016: overdrawn £11,000)**

These funds are to serve specific purposes but are not restricted by any document or deed to that purpose alone. These funds comprise:

The Minibus Fund – balance £4,899 (2016: £5,781) is available to meet the repair and maintenance costs of the Circuit minibus. Total income in the year was £3,145 with total expenditure of £4,027.

The Trinity Fund – balance nil (2016: overdrawn £16,781) was accumulating costs relating to the management of the property of Trinity Methodist Church during the time taken to sell the property. Total expenditure in the year was £270. The property is now sold and a transfer from circuit model trust fund made to cover the balance.

## **25 Restricted Funds - balance £24,954 at 31 August 2017 (2016: £22,186)**

The Worship and Mission income Fund, balance £61 (2016 overdrawn £598), is used principally to support worship and preaching costs in the circuit. Total expenditure in the year was £1,149. A capital amount, £23,461 at 31 August 2017, is invested to provide income to support the purposes of the fund.

The Methodist Women in Britain Liverpool Circuit account – balance £nil (2016: nil) is prepared and controlled independently making donations to projects at home and overseas. Total income in the year was £525 and expenditure was £525.

**Liverpool North Central Methodist Circuit (Number 18/03)**  
**Notes to the Accounts For The Year Ended 31 August 2017**

The Kensington Outreach Fund – overdrawn £437 (2016: balance of £381) provides funds for the circuit projects at Kensington Methodist church including the weekly community lunch. Total income in the year was £182 and expenditure was £1,000.

The CFW Fund – balance £1,869 (2016: £244) is a project to fund a Children and Family worker supported by Joseph Rank Trust and the District Advance Fund. This project commenced in August 2016.

The market valuations for the various funds have been provided by TMCP. The funds of the CFW project are held on deposit at HSBC and CFB.

## 26 Summary of movements on significant individual funds

	Balance at					Balance at
<b>Fund</b>	01-Sep-16	Income	Expenditure	Transfers	Gains/ Losses	31-Aug-17
	£	£	£	£	£	£
General Fund	412,401	88,097	(76,731)	(199)		423,568
Circuit Model Trust Fund	-	84,820		(17,051)		67,769
Minibus (Designated)	5,781	3,145	(4,027)			4,899
Trinity Property	(16,781)		(270)	17,051		
<i>Total other designated</i>	<u>(11,000)</u>	<u>3,145</u>	<u>(4,297)</u>	<u>17,051</u>		<u>4,899</u>
<b>Total unrestricted</b>	<b>401,401</b>	<b>176,062</b>	<b>(81,028)</b>	<b>(199)</b>		<b>496,236</b>
Worship and Mission	(598)		(1,149)	1,808		61
Mission Capital (Restricted)	22,159	617	(44)	(572)	1,301	23,461
Kensington Outreach	381	182	(1,000)			(437)
MWIB Circuit		525	(525)			
CFW	244	19,174	(16,549)	(1,000)		1,869
<b>Total restricted</b>	<b>22,186</b>	<b>20,498</b>	<b>(19,267)</b>	<b>236</b>	<b>1,301</b>	<b>24,954</b>
Circuit Account (Trust 822)	196	1		(1)		196
Hugh Rowlands (Trust 280)	378	5	(2)	(3)		378
J Edmondson Bequest (Trust 867)	2,334	39	(9)	(29)	(33)	2,302
Edith Rimmer Bequest (Trust 5243)	429	6	(2)	(4)		429
<b>Total endowment</b>	<b>3,337</b>	<b>51</b>	<b>(13)</b>	<b>(37)</b>	<b>(33)</b>	<b>3,305</b>
<b>Total Funds</b>	<b>426,924</b>	<b>196,611</b>	<b>(100,308)</b>		<b>1,268</b>	<b>524,495</b>

## 27 Connected organisations and related parties

All of the Circuit trustees are members of one or another Church within the Circuit and may be trustees in their Churches.

**Liverpool North Central Methodist Circuit (Number 18/03)**  
**Notes to the Accounts For The Year Ended 31 August 2017**

Connected organisations include the Methodist Connexion, Liverpool Methodist District, Churches within the Circuit, other Methodist Circuits in Great Britain, CFB and TMCP. All of these entities have their own trustees or directors and autonomous administration such that the Circuit has no significant influence over any of them, nor they over the Circuit. They are, therefore, not considered related parties.

Names of Connected Organisations	Receipts £	Payments £
Donee: Liverpool Methodist District – District assessment		(3,028)
Donee: The Methodist Church Fund – connexional assessment		(12,324)
Donor: Churches within Liverpool North Central Circuit (assessments on Churches)	61,808	
Donor: Liverpool Methodist District – Grant from District Advance Fund	16,000	
Donor: Liverpool Methodist District – Grant from District Advance Fund	8,422	
Donor: Liverpool City Centre Circuit – Manse contribution	4,424	
Donor: Methodist Church – Income on proceeds of sale of Trinity Methodist Church	84,820	

There were no related party transactions.

## **28 Volunteer contributions**

Every entity (Connexion, Circuit, District, and 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.

## **29 Capital commitments and contingent liabilities**

There were no capital commitments or contingent liabilities at the year end (2015-16: nil).

## **30 Lease commitments**

The Circuit has no lease commitments

## **31 Independent examiner**

No accrual has been made for the fee of the independent examiner who has provided his services free of charge (2015-16: Nil). The independent examiner provided no additional services during the year.

## Declarations and Scrutiny

I confirm that these accruals-based accounts for the year to 31 August 2016 have been prepared from the records of the Circuit and that they include all funds under the control of the Circuit Policy Committee.

Signature of treasurer .....David K Smith.....Date.....21 May 2018..

Name of treasurer ,,,**DAVID K SMITH**,,,,,,,,,,,,,,

Address ...**16 DALEGARTH AVENUE, LIVERPOOL L12 0AJ**.....

## Presentation to the Circuit Meeting

I confirm that the annual report and accounts for the year ended 31 August 2017 were presented to the Circuit Meeting at its meeting on ...21 May 2018

Signature of the Chair of the meeting ..... Ian Hu.....

Name of the Chair of the meeting .....**REVD IAN HU...** Date ...**21 May 2018**

**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 2016 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.

## Liverpool North Central Methodist Circuit (Number 18/3)

### 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 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.....Anthony M Kletz.....

Name of independent examiner ...**MR ANTHONY M KLETZ**.....

Relevant professional qualification of independent examiner ...**FCA**.....

Address ...**46 TALBOT STREET, SOUTHPORT PR8 1HS** .....

Date .....1 June 2018.....