

CAMBRIDGE METHODIST CIRCUIT

FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST AUGUST 2018

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TRUSTEES (Circuit Stewards)

A full list of Trustees is shown on page 4/5

Mike Sharpe (Senior Steward)
Richard Elcock
Steve Acklam
Margaret Wilson
Angus Campbell (Treasurer)
Michael Simmonds
Ruth Levine

CIRCUIT MINISTERS

The Reverend Colin Smith (Superintendent)
Deacon Ian Murray
The Reverend Simon Oliver
The Reverend Barbara Garwood
The Reverend Alison Walker
The Reverend Charity Nzegwu

REGISTERED OFFICE

Wesley Methodist Church
Christ's Piece
Cambridge
CB1 1LG

CHARITY REGISTRATION NUMBER

1134226

AUDITORS

Prentis & Co LLP
Chartered Accountants and Statutory Auditors
115c Milton Road
Cambridge
CB4 1XE

BANKERS

Lloyds Bank Plc
University of Cambridge Branch
PO Box 1000
BX1 1LT

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

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

FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST AUGUST 2018

REPORT OF THE TRUSTEES

The Trustees present their annual report together with the financial statements of the charity for the year ended 31st August 2018.

The financial statements comply with the Charities Act 2011, the Deed of Union and Methodist Church Act, and Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (effective 1 January 2015).

BACKGROUND

The aims and purposes of the Cambridge Methodist Circuit are set out in the Circuit Policy Statement. Each year, the Statement is considered and revised when appropriate, achievements in the past year are reviewed, and goals set for the coming year. The Circuit Policy Statement takes as its starting point the Calling of the Methodist Church as approved by the Methodist Conference.

The full Statement is reproduced below:

CAMBRIDGE CIRCUIT POLICY STATEMENT

The Calling of the Methodist Church is to respond to the gospel of God's love in Christ and to live out its discipleship in worship and mission. It has four dimensions:

Worship - to increase awareness of God's presence and to celebrate God's love;

Learning and Caring - to help people to learn and grow as Christians through mutual support and care;

Service - to be a good neighbour to people in need and to challenge injustice;

Evangelism - to make more followers of Jesus Christ *(Methodist Conference 1996 and 2000)*

This calling is shared with the whole Church of Jesus Christ.

The Cambridge Circuit

1. The Circuit's policy is framed in the light of the Methodist Church's calling. Through the structures of the Circuit local churches assist each other to respond to their calling, seeking to deploy shared resources effectively to that end.

Partnerships

2. The Circuit will encourage churches, where possible, to work together in partnership with other Christian churches, and in particular to develop the potential of the Methodist Church's covenant with the Church of England. It will continue to support Local Ecumenical Partnerships.

3. It will maintain effective links with Wesley House, The Leys School, the Universities, students, and with the regional authorities of other churches and will respond positively to Connexional and District initiatives.

Inclusiveness

4. In its witness to the inclusive nature of the love of God, the Circuit is committed to ensuring, so far as circumstances allow, that buildings and activities are open and welcoming to all, regardless of age, gender, sexual orientation, ethnic origin or physical or mental impairment, and that all can contribute their particular gifts to the common life.

5. The Circuit is committed to providing a safe environment for all, including children, young people and vulnerable adults, and to ensuring that each church has an adequate policy and procedures which are observed and regularly reviewed through the monitoring of safeguarding procedures. A Circuit Steward has this particular responsibility.

Church Life

6. The Circuit will encourage churches, preachers and other leaders of worship to develop worship that is creative, outward-looking and relevant to local needs, as well as being faithful to the Christian tradition. To that end regular training and conferences are attended.

7. The Circuit will ensure that there is adequate provision of pastoral care, especially for all who are members of, or on the community roll of, the churches.

8. The Circuit will promote training that enables members to be more confident of their faith, equips them to share it effectively and develops their gifts for service within and beyond the church.

FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST AUGUST 2018

REPORT OF THE TRUSTEES/CONTINUED

The Wider Community

9. The Circuit will support initiatives to share the Christian faith with others, and especially with young people.

10. The Circuit, in partnership where possible with other Christian churches, will seek to respond, as circumstances and resources allow, to the opportunities and needs presented by population growth and housing development in the area.

11. The Circuit will encourage churches to make their premises available for wider community use.

12. The Circuit will support initiatives to promote justice and equality throughout the world, and in particular will encourage churches to follow a fair trade policy.

13. The Circuit will encourage local churches to use natural resources responsibly.

Staffing

14. The Circuit is committed to maintaining the number of Ministers and lay workers required for its present and anticipated future needs. Reverend Barbara Garwood continues to be employed part-time as an associate minister at Wesley.

Accountability

15. The Circuit will ensure responsible management and accountability for buildings, money and other resources and will comply with relevant government and local authority legislation.

ACHIEVEMENTS AND PERFORMANCE

Among important achievements during the year were:

Worship

Pioneering work at Cottenham, including The Roost, Community Cinema and Arts and Faith Night, fosters inclusive spaces in which people from a variety of backgrounds can explore issues of life and faith from a Christian perspective.

An informal film discussion group at Haslingfield brought together 6-8 younger women from a variety of religious and philosophical perspectives, and was supported by an essential crèche run by church volunteers. A new form of worship is being planned which is intended to introduce in 2019.

The number of attendees worshipping at Chesterton grew slightly during the year.

The outstanding 'Science Meets Faith' programme of monthly lectures, addressed by nationally acclaimed speakers, continues to flourish at Wesley Church. As well as theological/scientific topics there were sessions on cancer treatment for children, mud, xenotransplantation, and managing type 2 diabetes in India. In addition, the 'Centenary' lecture was given by Dr Tim Macquiban, a former minister of the church and presently the Methodist representative to the Vatican.

A South Korean Church continued to use the Castle Street premises for worship, prayer and Bible study on six days per week. Fellowship between the two congregations is growing.

The Local Ecumenical Partnership with the Anglican Church at Toft is under review and is expected to continue. Plans continue to introduce a new form of worship in 2019. Regular Bible Study classes have been supported by members of both denominations.

A memorial stone is being designed to commemorate Toft's standing as a 'Thankful Village' after the First World War.

A Christmas Tree Festival at Orwell attracted over 100 people to the Church and provided an opportunity to share prayers for local and world organisations.

Work with Young People and Families

A weekly 'First Friends' activity for children up to age four operated at Wesley, Castle Street and Royston Churches. About 110 children from a range of ethnic and cultural backgrounds attended these weekly activities which included Bible stories and songs with Christian themes. The sessions were supported by a paid worker and Church volunteers.

FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST AUGUST 2018

REPORT OF THE TRUSTEES/CONTINUED

The number of youngsters attending Sunday School at Castle Street continued to grow to reach an average of 15 children and divided into two classes. This weekly activity was augmented in some school holiday periods by an 'I Wonder' event based on Godly Play and publicised widely to include children from non-church going families.

The weekly 'Table Talk' fellowship group for young adults, including students, has continued to meet at Castle Street for worship, discussion, spiritual study and food.

Monthly Messy Church at Haslingfield attracts families from churched and non-churched backgrounds. Messy Church commenced at Royston and attracted an average of about 25 attendees.

A Girls' Brigade at Chesterton continued to offer fun and stimulating activities for around 15 girls each week. Grant funding from the National Foundation for Youth Music continues to enable 40 to 50 families each week to join in the Little Music Makers groups for under 5's. The Deacon, based at Chesterton, continued to support local primary schools through school governance and leading assemblies.

The educational support for a young Asian girl has continued at Toft. Six children associated with the Toft Sunday Monday Club raised funds and collected material for Methodist Mission work.

Work with the Elderly

Coffee mornings were held at least weekly at Histon, Royston, Castle Street and Wesley, which provided a welcome opportunity for the elderly to mix with people of different age groups.

Volunteer support was provided to monthly meetings of two health related groups at Chesterton.

A weekly exercise class for the elderly at Castle Street grew during the year and attracted an average participation of 15 people drawn from the local community.

A weekly Lunch Club for the elderly was held at Wesley Church, and a monthly Fireside Club met to hear speakers and to share fellowship.

Work with Vulnerable People

Chesterton Church acted as a weekly foodbank storage and distribution centre throughout a year which witnessed an increase in the number of food parcels issued to families and to individuals. Churches at Castle Street, and Haslingfield, Sawston and Toft were food collection points for the Cambridge Foodbank project and Royston Church collected for the Foodbank in that town.

Chesterton provided accommodation for a charity which works with people suffering from brain injuries. Castle Street provided similar help for a charity which supports those recovering from mental illness. Wesley supported a charity which provided care to the bereaved.

Castle Street and Wesley have continued to provide up to 16 rough sleepers with a hot meal, overnight accommodation and breakfast on one night per week through four winter months. Some ten volunteers, drawn ecumenically, are present at each session. Wesley provided accommodation for a group which supports people who were formerly homeless.

Wesley Church worked with the FoodCycle charity to provide free lunches on Saturdays.

The Simple Sewing Knit and Natter group at Toft generated significant funds for a variety of charities.

Improving our Premises for Mission

Phases 1 and 2 of a major improvement and refurbishment scheme were completed at Histon and have been regarded highly by users.

Chesterton continued to explore ways in which its refurbished premises could be enhanced further.

Smaller improvement works were undertaken at Castle Street, Wesley, Haslingfield and Toft.

FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST AUGUST 2018

REPORT OF THE TRUSTEES/CONTINUED

FINANCIAL REVIEW

The General Fund (unrestricted) showed a deficit of £13,360 before gains on investments (2017: surplus of £16,178).

The principal source of income for the Circuit is a quarterly assessment levied on all the churches in the Circuit (based partly on unrestricted income and partly on membership), which forms a first charge on the income of the churches under Methodist Standing Orders.

During the year grants paid out for expenditure on Circuit property amounted to £25,000 (2017: £470,509).

All the Circuit subsidiary accounts, together with the Circuit Advance Fund, are held with the Central Finance Board of the Methodist Church.

Members of the Circuit were involved in a range of fund raising activities on behalf of Methodist and other charities.

RESERVES POLICY

It is the policy of the Circuit Meeting to maintain a balance on the unrestricted General Fund equivalent to approximately at least 6 months turnover. In recent years the general reserve has fallen below this level. However, the General Fund reserve is backed up by the fact that the majority of the Circuit Advance Fund is unrestricted. The total reserves available are thus well in excess of the minimum requirement. At a Circuit Meeting held after the financial year end on 11th October 2016 it was resolved that the General Fund reserve be reduced to 3 months over a period of several years by careful and well planned allocation of resources.

GOVERNANCE ISSUES

The Circuit Meeting is constituted in accordance with Methodist Standing Order 510 and consists essentially of the ministerial staff of the Circuit, Circuit Stewards and other Circuit officers appointed by the Circuit Meeting, and representatives appointed by each Church in the Circuit, the number of representatives being related to Church membership. The responsibilities of the Circuit Meeting are set out in Methodist Standing Order 515. The Circuit Meeting met on three occasions during the year. Proposals are prepared for consideration by the Circuit Meeting by the Circuit Leadership Team, consisting of all Ministers and Circuit Stewards, and other Circuit committees.

A Safeguarding Office keeps all relevant statutory obligations under review and reports to the Circuit Meeting.

New Trustees are appointed when new Ministers are appointed to the Circuit, the local churches appoint representatives to the Trustee body (the Circuit Meeting) or when the Trustee body recruits and appoints new Circuit officers including the Circuit Stewards. The membership of the Trustee body is constituted according the relevant standing orders of the Methodist Church determined by the Methodist Conference, which are legally binding on each Circuit and local Church. The Circuit will review its training and induction procedures in the coming year.

The Trustees are aware of and regularly review the Charity Commission guidance on public benefit and consider the Circuit's activities compliant.

KEY MANAGEMENT REMUNERATION

The Methodist Conference reviews the stipends each year taking into account inflation.

LIST OF CHARITY TRUSTEES 2017/18**Trustees**Circuit Stewards

Mr Mike Sharpe (Senior Steward)

Mr Angus Campbell (Treasurer)

Mr Richard Elcock (Steward)

Mr Steve Acklam (Steward)

Mrs Margaret Wilson (Steward)

Mr Michael Simmonds (Steward)

Mrs R Levine (Steward)

FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST AUGUST 2018

REPORT OF THE TRUSTEES/CONTINUED

LIST OF CHARITY TRUSTEES 2017/18 - continuedRepresentatives from the Circuit

Rev Dr Jane Leach (representing Wesley House Theological College)
 Mrs Sheila Turner (rep. Action For Children)
 Mrs Wendy Timbs (Haslingfield)
 Mrs Christine Mead (Foxton)
 Mrs Joyce Goodall (Royston)
 Mr Paul Harris (Royston)
 Dr Paul Ashley (treasurer Wesley)
 Mr Geoff Batty (Wesley)
 Mr Jim Chapman (Orwell)
 Dr Phil Dale (Haslingfield)
 Mrs Sheila Elcock (Junior Mission for All)
 Mr David Griffiths (Foxton)
 Mr Gordon Heald (Sawston)
 Mr Ross McEwan (Cambourne)
 Mrs Frances Pascoe (Orwell)
 Mr Roger Pepper (Foxton)
 Mr Chris Rayson (Castle Street)
 Miss Phyllis Salmon (Haslingfield)
 Miss Elsie Salmon (Haslingfield)
 Mrs Diana Tebbit (Toft)

Rev Bruce Waldron (Sawston)
 Mrs Rosemary Watson (Histon)
 Mrs Judy Wynn (Local Preachers)
 Mr David Mackenzie (Toft)
 Rev Dr Peter Graves
 Mrs Tricia Graves (MHA)
 Rev Charles Mather
 Mr James Taylor
 Rev Jean Simmonds
 Miss K Coles
 Dr Ann Keep
 Mr Michael Simmonds
 Ms Margaret Wilson

Key Management PersonnelCircuit Staff

Rev Colin Smith (Superintendent and Chair)
 Revd Barbara Garwood (Wesley & Chesterton)
 Deacon Ian Murray (Wesley & Chesterton)
 Revd Simon Oliver (Histon)
 Revd Alison Walker (Castle St, Haslingfield, Toft)
 Revd Charity Nzegwu (Orwell, Foxton, Royston)

STATEMENT OF TRUSTEES RESPONSIBILITIES

The charity Trustees are responsible for preparing a Trustees' annual report and financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

The law applicable to charities in England and Wales requires the charity Trustees to prepare financial statements for each year which give a true and fair view of the state of affairs of the charity and of the incoming resources, and application of resources, of the charity for that period. In preparing the financial statements, the Trustees are required to:

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in the applicable Charities SORP;
- make judgements and estimates that are reasonable and prudent;
- state whether applicable accounting standards have been followed, subject to any material departures that must be disclosed and explained in the financial statements;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charity will continue in business.

FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST AUGUST 2018

REPORT OF THE TRUSTEES/CONTINUED

The Trustees are responsible for keeping proper accounting records that disclose with reasonable accuracy at any time the financial position of the charity and to enable them to ensure that the financial statements comply with the Charities Act 2011, the applicable Charities (Accounts and Reports) Regulations, and the provisions of the Deed of Union. They are also responsible for safeguarding the assets of the charity and taking reasonable steps for the prevention and detection of fraud and other irregularities.

Approved by the Trustees on *21st March 2019* and signed on their behalf by:

A.F. Campbell

.....
A F CAMPBELL
TRUSTEE

FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST AUGUST 2018

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF CAMBRIDGE METHODIST CIRCUIT

We have audited the financial statements of Cambridge Methodist Circuit for the year ended 31st August 2018 which comprise the Statement of Financial Activities, the Balance Sheet, Statement of Cash Flows and the related notes. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" (United Kingdom Generally Accepted Accounting Practice).

This report is made solely to the Trustees, as a body, in accordance with the Charities Act 2011. Our audit work has been undertaken so that we might state to the charity's Trustees those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the charity and the charity's Trustees as a body, for our audit work, for this report, or for the opinion we have formed.

In our opinion the financial statements:

- give a true and fair view of the state of the charity's affairs as at 31st August 2018, and of its outgoing resources and application of resources for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Charities Act 2011.

BASIS OF OPINION

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the charity in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and the provisions available for small entities, in the circumstances set out in note 6 to the financial statements, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

CONCLUSION RELATING TO GOING CONCERN

We have nothing to report in respect of the following matters in relation to which the ISAs (UK) require us to report to you where:

- the Trustees' use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the Trustees have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the charity's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

OTHER INFORMATION

The other information comprises the information included in the Report of the Trustees, other than the financial statements and our auditor's report thereon. The Trustees are responsible for the Report of the Trustees.

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the Report of the Trustees and, in doing so, consider whether the Report of the Trustees is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST AUGUST 2018

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF CAMBRIDGE METHODIST CIRCUIT

MATTERS ON WHICH WE ARE REQUIRED TO REPORT BY EXCEPTION

We have nothing to report in respect of the following matters to which the Charities (Accounts and Reports) Regulations 2008 require us to report to you if, in our opinion:

- the information given in the financial statements is inconsistent in any material respect with the Report of the Trustees; or
- sufficient accounting records have not been kept; or
- the financial statements are not in agreement with the accounting records and returns; or
- we have not received all the information and explanations we require for our audit.

RESPONSIBILITIES OF TRUSTEES

As explained more fully in the Trustees' responsibilities statement set out on page 5, the Trustees are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the Trustees determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the Trustees are responsible for assessing the charity's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Trustees either intend to liquidate the charity or to cease operations, or have no realistic alternative but to do so.

AUDITOR'S RESPONSIBILITIES FOR THE AUDIT OF THE FINANCIAL STATEMENTS

We have been appointed as auditor under section 144 of the Charities Act 2011 and report in accordance with the Act and relevant regulations made or having effect thereunder.

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at www.frc.org.uk/auditorsresponsibilities. This description forms part of our auditor's report.



PRENTIS & CO LLP
CHARTERED ACCOUNTANTS
& STATUTORY AUDITORS
115c Milton Road
Cambridge
CB4 1XE

11th April 2019

Prentis & Co LLP is eligible to act as an auditor in terms of section 1212 of the Companies Act 2006.

FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST AUGUST 2018

SUMMARY OF FINANCIAL ACTIVITIES

	Note	Circuit Model				
		General Fund	Trust Fund	Restricted Funds	Total Funds	Total Funds
		(Unrestricted)				
		2018	2018	2018	2018	2017
		£	£	£	£	£
INCOME						
Income from charitable activities:						
Assessment or share		188,948	-	32,200	221,148	224,423
Capital receipts	2	-	-	-	-	26,914
Grants	3	43,105	-	23,304	66,409	42,240
Other income		3,875	-	1,237	5,112	40,725
Investment income:						
Interest and investment income	4	-	2,344	1,046	3,390	5,799
Lettings		14,536	-	-	14,536	17,224
TOTAL INCOME		<u>250,464</u>	<u>2,344</u>	<u>57,787</u>	<u>310,595</u>	<u>357,325</u>
EXPENDITURE						
Expenditure on charitable activities:						
Stipends, salaries, NIC and pension costs	5	161,172	-	-	161,172	161,648
District assessment		61,573	-	-	61,573	54,298
Methodist Church Fund		-	21,180	-	21,180	62,843
Telephone, travel and office		6,640	813	17,498	24,951	20,864
Insurance, utilities etc.		17,690	-	-	17,690	17,223
Maintenance and rental of manses		15,529	-	11,237	26,766	54,988
Grants and donations		1,220	-	-	1,220	4,505
Grants for expenditure on other circuit property		-	24,428	25,000	49,428	470,509
Other costs		-	-	-	-	31,662
Venture FX		-	-	-	-	604
TOTAL EXPENDITURE		<u>263,824</u>	<u>46,421</u>	<u>53,735</u>	<u>363,980</u>	<u>879,144</u>
Net income/(expenditure) before gains/(losses) on investments		(13,360)	(44,077)	4,052	(53,385)	(521,819)
Gains and (losses) on revaluation of investment assets		-	(178)	-	(178)	93,126
NET INCOME/(EXPENDITURE) BEFORE TRANSFERS		<u>(13,360)</u>	<u>(44,255)</u>	<u>4,052</u>	<u>(53,563)</u>	<u>(428,693)</u>
Transfers between funds		-	-	-	-	-
NET MOVEMENT IN FUNDS		<u>(13,360)</u>	<u>(44,255)</u>	<u>4,052</u>	<u>(53,563)</u>	<u>(428,693)</u>
RECONCILIATION OF FUNDS						
TOTAL FUNDS AT 1ST SEPTEMBER 2017		3,539,306	398,946	74,242	4,012,494	4,441,187
TOTAL FUNDS AT 31ST AUGUST 2018		<u>3,525,946</u>	<u>354,691</u>	<u>78,294</u>	<u>3,958,931</u>	<u>4,012,494</u>

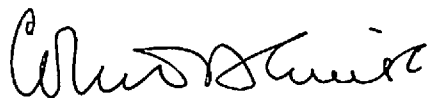
The notes on pages 12 to 17 form part of these financial statements.

FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST AUGUST 2018

BALANCE SHEET

	Notes	2018 £	2017 £
FIXED ASSETS			
Tangible fixed assets	7	2,749,900	2,749,900
Investments	8	691,241	670,419
TOTAL FIXED ASSETS		<u>3,441,141</u>	<u>3,420,319</u>
CURRENT ASSETS			
Debtors		2,250	-
Central Finance Board - Deposit Accounts		574,274	659,665
Cash at bank and in hand		13,060	13,784
TOTAL CURRENT ASSETS		<u>589,584</u>	<u>673,449</u>
CREDITORS: amounts falling due within one year	9	<u>52,090</u>	<u>52,971</u>
NET CURRENT ASSETS		537,494	620,478
TOTAL ASSETS LESS CURRENT LIABILITIES		<u>3,978,635</u>	<u>4,040,797</u>
Provisions for liabilities and charges	10	19,704	28,303
NET ASSETS		<u>3,958,931</u>	<u>4,012,494</u>
THE FUNDS OF THE CHARITY			
Unrestricted income funds		3,880,637	3,938,252
Restricted income funds	11	78,294	74,242
TOTAL CHARITY FUNDS		<u>3,958,931</u>	<u>4,012,494</u>

Approved by the Trustees on *21st Nov 2019* and signed on their behalf by:



REVEREND C A SMITH
TRUSTEE



A F CAMPBELL
TRUSTEE

The notes on pages 12 to 17 form part of these financial statements.

FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST AUGUST 2018

STATEMENT OF CASH FLOWS

	Notes	2018 £	2017 £
CASH USED IN OPERATING ACTIVITIES			
Net cash used in operating activities	14	(83,041)	(578,322)
CASH FLOWS FROM INVESTING ACTIVITIES			
Interest received		3,390	5,799
Lettings income		14,536	17,224
Additions to investments		(21,000)	-
NET CASH PROVIDED BY INVESTING ACTIVITIES		<u>(3,074)</u>	<u>23,023</u>
CHANGE IN CASH AND CASH EQUIVALENTS IN THE YEAR		(86,115)	(555,299)
CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE YEAR		673,449	1,228,748
CASH AND CASH EQUIVALENTS AT THE END OF THE YEAR		<u>587,334</u>	<u>673,449</u>

FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST AUGUST 2018

NOTES TO THE FINANCIAL STATEMENTS

1. ACCOUNTING POLICIES

(a) BASIS OF PREPARATION

The financial statements have been prepared in accordance with the Statement of Recommended Practice: Accounting and Reporting by Charities preparing their financial statements in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (effective 1 January 2015) - (Charities SORP (FRS 102)) and the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102).

The Cambridge Methodist Circuit meets the definition of a public benefit entity under FRS 102.

Assets and liabilities are initially recognised at historical cost or transaction values unless otherwise stated in the relevant accounting policy notes.

(b) ASSESSMENT OF GOING CONCERN

The Trustees consider that there are no material uncertainties about the Circuit's ability to continue as a going concern.

(c) INCOME

Income is recognised in the year in which the charity is entitled to the receipt, and the amount can be measured with reasonable certainty. Income is only deferred when the charity has to fulfil conditions before becoming entitled to it or where the donor has specified that the income is to be expended in a future year.

Assessment or share

Assessment income is recognised upon the Circuit notifying assessable churches in writing of both the amount and settlement date. Assessments for local churches under the Circuit are reviewed on an annual basis dependent on income and membership levels of each assessable church. The purpose of the income is to cover various ministerial costs associated with each church.

Capital receipts

Capital receipts are recognised when the Circuit has legal entitlement to the funds, and where relevant, upon completion date. Capital receipts relate directly to the sale of donated land and buildings where the Circuit is given entitlement.

(d) EXPENDITURE AND IRRECOVERABLE VAT

Expenditure is recognised once there is a legal or constructive obligation to make a payment to a third party, it is probable that settlement will be required and the amount of the obligation can be measured reliably. All expenditure is accounted for on an accruals basis. All expenses including support costs and governance costs are allocated or apportioned to the following expenditure headings as follows:

Charitable activities:

Expenditure on charitable activities includes the costs of activities undertaken to further the purposes of the Circuit and their associated support costs. Costs relating to a particular activity are allocated directly, others are apportioned on an appropriate basis.

Governance costs include all expenditure not directly related to the charitable activity or fundraising ventures. This includes an appropriate proportion of costs of staff salaries for administration staff and audit fees.

Irrecoverable VAT is charged as a cost against the activity for which the expenditure was incurred.

No further analysis of expenditure is provided in the notes as the Trustees deem suitable analysis is provided on the Statement of Financial Activities.

(e) OPERATING LEASES

Rentals applicable to operating leases where substantially all of the benefits and risks of ownership remain with the lessor, are charged against income as incurred.

FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST AUGUST 2018

NOTES TO THE FINANCIAL STATEMENTS

(f) TANGIBLE FIXED ASSETS

The Trustees consider that the market value of the freehold properties is in excess of its cost as shown in the financial statements, and that in view of this there is no necessity to charge depreciation on them.

(g) INVESTMENT FIXED ASSETS

Investments are a form of basic financial instrument and are initially recognised at their transaction value and subsequently measured at their fair value as at the balance sheet date using the most recent professional valuation.

The Statement of Financial Activities includes the net gains and losses arising on revaluation and disposals throughout the year.

The Circuit does not acquire put options, derivatives or other complex financial instruments.

The main form of financial risk faced by the charity is that of volatility in property markets due to wider economic conditions, the attitude of investors to investment risk, and changes in sentiment concerning property investment and within particular sectors or sub sectors.

(h) PENSIONS

The Circuit pays pension contributions for the five Circuit Ministers to the Methodist Ministers' Pension Scheme, which is a final salary defined benefit scheme. The pension charge represents the amounts payable by the Circuit to the fund in respect of the year.

(i) FUND ACCOUNTING

Unrestricted Funds	are available for use at the discretion of the Circuit in furtherance of the objectives of the Circuit
Designated Funds	are funds set aside by the Circuit in order to undertake specific projects, or equalise anticipated major expenditure on maintenance of fixed assets in future years.
Restricted Funds	are monies subject to regulation by the donors of the funds as to their use.

2.	CAPITAL RECEIPTS	Circuit Model			2018	2017
		General Fund	Trust Fund	Restricted Funds	Total Funds	Total Funds
		£	£	£	£	£
	TMCP Trust	-	-	-	-	26,914
<hr/>						
3.	GRANTS RECEIVED	Circuit Model			2018	2017
		General Fund	Trust Fund	Restricted Funds	Total Funds	Total Funds
		£	£	£	£	£
	Connexional Diaconal Grant	43,000	-	-	43,000	-
	Venture FX	-	-	23,304	23,304	10,000
	District grant	-	-	-	-	25,000
	The Leys	105	-	-	105	-
	Other grants	-	-	-	-	7,240
		<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
		43,105	-	23,304	66,409	42,240
<hr/>						
4.	INTEREST AND INVESTMENT INCOME	Circuit Model			2018	2017
		General Fund	Trust Fund	Restricted Funds	Total Funds	Total Funds
		£	£	£	£	£
	Interest on deposits	-	2,344	1,046	3,390	5,799
		<hr/>	<hr/>	<hr/>	<hr/>	<hr/>

FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST AUGUST 2018

NOTES TO THE FINANCIAL STATEMENTS

5.	TRUSTEE AND STAFF REMUNERATION	2018	2017
	The staff costs were:	£	£
	Trustees (Circuit Ministers) and support staff		
	Salaries	128,742	129,563
	Social security costs	9,930	9,318
	Pension costs	22,500	22,267
		<u>161,172</u>	<u>161,148</u>
	Average weekly number of staff employed during the year:		
	Full time	5	5
	Part time	2	2
		<u>7</u>	<u>7</u>

The Circuit Ministers are also Trustees of the Circuit, Reverend C Smith, Deacon I Murray, Reverend S Oliver, Reverend A Walker and Reverend C Nzegwu.

No member of staff received remuneration of more than £60,000 during the year.

Four Circuit Ministers live in properties wholly owned by the Circuit. Expenses totalling £15,048 (2017: £14,597) were reimbursed to trustees.

The Trustees consider they are the key management and the Circuit Ministers are remunerated. The total compensation received including benefits is £128,742 (2017: £129,563).

6.	NET MOVEMENT IN FUNDS FOR THE YEAR	2018	2017
	The net movement in funds for the year is stated after charging:	£	£
	Audit fee	<u>2,833</u>	<u>2,750</u>

In common with other small entities of our size and nature we use our auditors to assist with the preparation of our financial statements.

7.	TANGIBLE FIXED ASSETS	Freehold property (manse)s
	COST	£
	Balance at 1st September 2017 and 31st August 2018	<u>2,749,900</u>
	DEPRECIATION	
	Balance at 1st September 2017 and 31st August 2018	<u>-</u>
	NET BOOK VALUE at 31st August 2018	<u>2,749,900</u>
	NET BOOK VALUE at 31st August 2017	<u>2,749,900</u>

GAINS AND LOSSES	Book Value @ 01.09.2017	Book Value @ 31.08.2018
	£	£
68 Melbourn Road, Royston	488,300	488,300
12 Moss Drive, Haslingfield	565,400	565,400
37 Maids Causeway, Cambridge	1,028,000	1,028,000
1a Radegund Road, Cambridge	668,200	668,200
	<u>2,749,900</u>	<u>2,749,900</u>

The properties were revalued by Admiral Estates, the charity's property management agents. The values are fair value based on open market value.

FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST AUGUST 2018

NOTES TO THE FINANCIAL STATEMENTS

8.	INVESTMENTS			2018	2017
				£	£
	Circuit Finance Board managed fund			1,825	2,219
	2 Mowlam Close, Impington			668,200	668,200
	Investment account			21,216	-
				<u>691,241</u>	<u>670,419</u>
	GAINS AND LOSSES	Book Value			Book Value
		@		Gains	@
		01.09.2017	Additions	/(Losses)	31.08.2018
		£	£	£	£
	2 Mowlam Close, Impington	668,200	-	-	668,200
	Circuit Finance Board managed fund	2,219	-	(394)	1,825
	Investment account	-	21,000	216	21,216
		<u>670,419</u>	<u>21,000</u>	<u>(178)</u>	<u>691,241</u>
9.	CREDITORS			2018	2017
	Due within one year:			£	£
	Pension contributions			600	-
	Assessment income			48,715	48,909
	Audit fee accrual			2,775	2,750
	PAYE due			-	598
	Expenses claims			-	714
				<u>52,090</u>	<u>52,971</u>

FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST AUGUST 2018

NOTES TO THE FINANCIAL STATEMENTS

10.	PROVISIONS FOR LIABILITIES	2018	2017
		£	£
	Balance at 1st September 2017	28,303	36,704
	Movement in provision	(8,599)	(8,401)
	Balance at 31st August 2018	<u>19,704</u>	<u>28,303</u>

The Circuit is an employer participating in a pension scheme known as the Methodist Ministers' Pension Scheme. This scheme is a defined benefits pension scheme.

The introduction of FRS 102 necessitates the inclusion of a provision to account for the full liability of any pension deficit catch up plan. The liability is based on the additional expected payments required over the life of the catch up plan, discounted by the rate of return of a good quality corporate bond.

An actuarial valuation as at 1st September 2014 identified a shortfall in assets in the pension scheme. The employers agreed a catch up plan designed to eliminate the shortfall over a period of 6 years and 4 months from 1st September 2014. Under this plan the employer pays a contribution of 26.9% of salary and stipends of which 17.1% represents normal contributions and 9.8% to eliminate the shortfall. Members of the scheme (employees) contribute 9.3% of salary or stipends. The main financial assumptions underlying the valuation were as follows:

Pre Retirement Discount Rate	4.7%
Post Retirement Discount Rate	3.7%
Pensionable Earnings Increases	3.25% p.a.
Pension Increase	RPI (2.8% used)

Commutations were assumed at 15% of members pensions for lump sums.

Mortality - the latest up to date tables and improvement factors were used.

The pension scheme is a multi employer pension scheme so the Circuit (or any other employer) is unable to identify its share of scheme assets and liabilities. The actuarial valuation identified a shortfall in assets in the scheme of £40 million at 1st September 2014.

As at 1st September 2017 the scheme was revalued. The actuarial valuation has now identified the scheme to be in surplus this year.

The next valuation is due to take place on 1st September 2020.

11.	RESTRICTED FUNDS	Brought forward	Income	Expenditure	Transfers	Carried forward
		£	£	£	£	£
	Youth Work	25,347	262	5,782	-	19,827
	Harry Jackson Fund	16,371	262	-	-	16,633
	Venture FX	7,178	24,802	22,953	-	9,027
	CAF Local	25,346	32,461	25,000	-	32,807
		<u>74,242</u>	<u>57,787</u>	<u>53,735</u>	<u>-</u>	<u>78,294</u>

Youth work - supporting youth work in the Cambridge Area.

Harry Jackson Fund - supports capital projects in the churches.

Venture FX - supports a range of projects in Cottenham with the community and other local churches.

CAF Local - provides funds for maintaining the manses.

FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST AUGUST 2018

NOTES TO THE FINANCIAL STATEMENTS

12.	ANALYSIS OF NET ASSETS BETWEEN FUNDS	Unrestricted Funds £	Restricted Funds £	Total Funds £
	Tangible fixed assets	2,749,900	-	2,749,900
	Investments	691,241	-	691,241
	Net current assets	455,008	82,486	537,494
	Provisions for liabilities and charges	(19,704)	-	(19,704)
		<u>3,876,445</u>	<u>82,486</u>	<u>3,958,931</u>
13.	RELATED PARTIES			
	The Methodist Church is a related party and during the year a contribution or levy of £21,180 (2017: £62,843) was paid to it out of the capital receipts received by the Circuit.			
	The Leys is a related party and during the year a donation was received of £105.			
14.	RECONCILIATION OF NET MOVEMENT IN FUNDS TO NET CASH FLOW FROM OPERATING ACTIVITIES		2018 £	2017 £
	Net movement in funds		(53,563)	(428,693)
	Adjustments for:			
	Increase in debtors		(2,250)	-
	Deduct: Losses on revaluation of fixed assets		178	(93,126)
	Deduct: Interest and rents from investments		(17,926)	(23,023)
	Decrease in creditors		(881)	(25,079)
	Decrease in pension provision		(8,599)	(8,401)
	Net cash provided by operating activities		<u>(83,041)</u>	<u>(578,322)</u>