

**Penrith Methodist Circuit**

Registration number: 1133928

**Annual Report and Financial  
Statements**

**31 August 2019**



## **Penrith Methodist Circuit**

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**Penrith Methodist Circuit**  
**Reference and Administrative Details**

<b>Charity name</b>	Penrith Methodist Circuit
<b>Charity registration number</b>	1133928
<b>Principal office</b>	Wordsworth Street PENRITH CA11 7QY
<b>Registered office</b>	Wordsworth Street PENRITH CA11 7QY
<b>Solicitor</b>	Cartmell Shepherd Bishops Yard PENRITH CA11 7XS
<b>Bankers</b>	Barclays Bank PLC Market Square PENRITH CA11 7YB  Central Finance Board of the Methodist Church 9 Bonhill Street LONDON EC2A 4PE
<b>Accountant</b>	Dodd & Co Limited FIFTEEN Rosehill Montgomery Way Rosehill Estate CARLISLE CA1 2RW

**Penrith Methodist Circuit**  
**Reference and Administrative Details**

**Trustees**

Rev Gillian Belford	
David Belford	
Alison Birkett	
Sue Braithwaite	(resigned 28 July 2019)
Bob Braithwaite	(resigned 28 July 2019)
Helen Brunskill	
Rev Michael Cannon	
Audrey Cannon	(resigned 31 August 2019)
Maurice Capstick	
Rev John Carr	
David Conway	
Rev Tim Cooke	
Tracey Cooke	
Patricia Coop	
Joyce Cordingley	
Kathryn Davidson	(resigned 29 November 2018)
Fraser Dickinson	
Sylvia Dufton	
Alan Fox	(appointed 28 July 2019)
Valerie Fox	(appointed 28 July 2019)
Barbara Frenneaux	
Rev Alan Gawthrop	
Lloyd Graham	
Rev Stephen Grieves-Smith	
David Hall	
Joe Hall	
Hilary Harrison	
Kath Houghton	(appointed 1 September 2018)
	(resigned 31 August 2019)
Alan Houghton	(resigned 31 August 2019)
Jayne Hutchinson	
Rev David Johnson	
Keith Jones	(appointed 29 November 2018)
Sheila Mallinson	
Anna Matthews	
Rev David Milner	
Jill Morris	(deceased January 2019)
Lois Morton	
Jean Parker	
Ven Morris Rodham	(appointed 1 September 2019)
Paul Rose	
David Selby	(appointed 1 September 2018)
Jordan Summers	
Malcolm Teed	
Andrew Thorneley	
Gill Williams	
Stephen Williams	
Kathleen Williamson	

**Penrith Methodist Circuit**  
**Trustees' Report for the Year Ended 31 August 2019**

**Structure, governance and management**

The Circuit's governing document is "The Constitution, Practice and Discipline of the Methodist Church". Trustees are appointed annually by the Circuit Meeting. Trustees can be appointed either by virtue of the appointment they hold with their Church, or directly at the meeting. Appointments are made by an open vote.

The constitutions and enumeration of Circuits are set out year by year in stations appointed by the Methodist Conference.

The Financial Statements have been prepared in accordance with the accounting policies set out in the Notes to the Accounts and comply with the Charity's governing document, the Charities Act 2011 and Accounting and Reporting by Charities: Statement of Recommended Practice applicable to Charities preparing their Accounts in accordance with the Financial Standards applicable in the Financial Reporting Standard applicable in the UK and Republic of Ireland on 16 July 2014.

**Objectives and activities**

The circuit is the primary unit in which the Local Churches of the Penrith Methodist Circuit express and experience their interconnection in the Body of Christ, for the purposes of mission, mutual encouragement and help. The purposes of the Circuit include the effective deployment of the resources of the ministry, which include people, property and finance as they relate to churches in the circuit, to churches of other denominations and to participation in the life of communities served by the circuit. In determining these objectives and activities, the Trustees have paid due regard to the Charity Commission guidance on public benefit.

**Achievements and performance**

The circuit had two full time ministers – the Superintendent Minister, Rev David Milner and Rev Tim Cooke.

The Circuit continued to support the work of the seven local Churches or Chapels in matters concerning staffing, finance, property, World Church, safeguarding, Connexional funding, Conference and District Synod. We are pleased to report ongoing and developing work in most places as we reach out to local communities.

The Circuit's Mission Policy is set out in a separate document and was approved by the Circuit Meeting (as the charity trustees) on 20 March 2019 and is reviewed on a regular basis.

Essentially it provides for:-

- a) The ministerial oversight and pastoral care of the seven local churches in the Circuit
- b) The Support of a ministry team of two presbyteral ministers, six supernumerary ministers and eighteen local preachers plus one local preacher on trial.  
supernumerary ministers and eighteen local preachers plus one local preachers on trial.
- c) The support of employees including the Circuit Administrators
- d) The maintenance of the two Circuit manses and one other Circuit owned property

**Financial review**

Our financial aim is twofold

1. To secure and sustain the Circuit viability and future.
2. To give reassurance to the general public that the Circuit, which as a charity, intends to use all of the money coming into its care for the purposes of the charity.

Under standing orders the Circuit must meet its financial obligations in relation to the support of its ministers and lay workers and the maintenance of the manses. The total cost for the last financial year was £191,232, leaving total reserves at the year end of £840,363, all of which is unrestricted in nature. However free unrestricted reserves of the Charity stand at £119,205 after deducting the net book value of tangible fixed assets held on the balance sheet.

The Circuit Assessment is reviewed annually to ensure that it covers the costs above and is shared between the churches.

**Penrith Methodist Circuit**  
**Trustees' Report for the Year Ended 31 August 2019**

Provision for our property maintenance programme has been made by allocating an annual budget of £6,200 and ring-fencing £10,000 of reserves to meet short and medium term expenditure on three properties and to meet the cost of Quinquennial Inspection Reports of Church buildings within the Circuit.

**Reserves policy**

This document includes all funds held by the Circuit Meeting as charity trustees.

Our Reserves Policy is to hold at least six months expenditure in hand from Unrestricted Funds which, including all the cash deposits held by the Circuit, now stands at £115,260. Income is received on a quarterly basis (Aug, Nov, Feb and May) leading to significant fluctuations in the balances in hand.

The Model Trust Fund which derives from sales of chapels and manses has been redesignated as Unrestricted Funds in accordance with the policy of the Methodist Connexion following a relaxation in the conditions of use.

Grants may be made available to the Churches of the Circuit as the need arises dependent on the availability of funds.

The trustees review the risks to which the charity is exposed on a regular basis. They ensure that systems are in place to mitigate those risks.

Approved by the Trustees on 28 November 2019 and signed on their behalf by:

A handwritten signature in dark ink, appearing to read 'D Milner', written over a horizontal dotted line.

Rev David Milner  
Trustee

## **Penrith Methodist Circuit**

### **Trustees' Responsibilities in relation to the Financial Statements**

The trustees are responsible for preparing the Trustees' Report and the 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 trustees to prepare financial statements for each financial 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 these financial statements, the trustees are required to:

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

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



**Independent Examiner's Report to the Trustees of  
Penrith Methodist Circuit**

I report on the accounts of the charity for the year ended 31 August 2019, which are set out on pages 7 to 16.

Your attention is drawn to the fact that the Charity has prepared the financial statements in accordance with Accounting and Reporting by Charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) in preference to the Accounting and Reporting by Charities: Statement of Recommended Practice issued on 1 April 2005 which is referred to in the extant regulations but has since been withdrawn.

We understand that this has been done in order for the accounts to provide a true and fair view in accordance with the Generally Accepted Accounting Practice effective for reporting periods beginning on or after 1 January 2015.

**Respective responsibilities of trustees and examiner**

The Charity's trustees are responsible for the preparation of the accounts. The trustees consider that an audit is not required for this year under section 144(2) of the Charities Act 2011 (the 2011 Act) and that an independent examination is needed.

It is my responsibility to:

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

**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 presented with those records. It also includes consideration of any unusual items or disclosures in the accounts, and seeking explanations from you as trustees concerning any such matters. The procedures undertaken do not provide all the evidence that would be required in an audit and consequently no opinion is given as to whether the accounts present a 'true and fair view' and the report is limited to those matters set out in the statement below.

**Independent examiner's statement**

In connection with my examination, no matter has come to my attention:

- (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; and
  - to prepare accounts which accord with the accounting records, comply with the accounting requirements of the 2011 Acthave 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.

  
.....  
Faye Armstrong FCA  
Dodd & Co Limited  
Chartered Accountants

28 November 2019

FIFTEEN Rosehill  
Montgomery Way  
Rosehill Estate  
CARLISLE  
CA1 2RW



**Penrith Methodist Circuit**  
**Statement of Financial Activities for the Year Ended 31 August 2019**

		Unrestricted Funds	Total Funds 2019	Total Funds 2018
	Note	£	£	£
<b>Income and endowments from:</b>				
Donations and legacies	2	165,722	165,722	160,034
Investments	3	768	768	524
Charitable activities		-	-	-
Other	4	22,607	22,607	29,272
Total income		<u>189,097</u>	<u>189,097</u>	<u>189,830</u>
<b>Expenditure on:</b>				
Charitable activities		191,232	191,232	189,258
Total expenditure		<u>191,232</u>	<u>191,232</u>	<u>189,258</u>
Net (outgoing)/incoming resources before transfers		(2,135)	(2,135)	572
<b>Transfers</b>				
Gross transfers between funds		-	-	-
Net movements in funds		(2,135)	(2,135)	572
<b>Reconciliation of funds</b>				
Total funds brought forward		842,498	842,498	841,926
Total funds carried forward		<u>840,363</u>	<u>840,363</u>	<u>842,498</u>

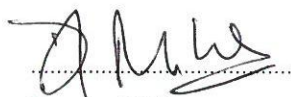
The notes on pages 9 to 16 form an integral part of these financial statements.

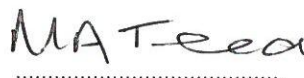
**Penrith Methodist Circuit**  
**Balance Sheet as at 31 August 2019**

		2019		2018	
	Note	£	£	£	£
<b>Fixed assets</b>					
Tangible assets	13		721,158		721,443
<b>Current assets</b>					
Debtors	14	5,865		5,646	
Cash at bank and in hand		115,260		117,329	
		<u>121,125</u>		<u>122,975</u>	
<b>Creditors: Amounts falling due within one year</b>	15	<u>(1,920)</u>		<u>(1,920)</u>	
<b>Net current assets</b>			<u>119,205</u>		<u>121,055</u>
<b>Net assets</b>			<u><u>840,363</u></u>		<u><u>842,498</u></u>
<b>The funds of the charity:</b>					
<b>Unrestricted funds</b>					
Unrestricted income funds			<u>840,363</u>		<u>842,498</u>
<b>Total charity funds</b>			<u><u>840,363</u></u>		<u><u>842,498</u></u>

The financial statements have been prepared in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102).

Approved by the Board on 28 November 2019 and signed on its behalf by:

  
 Rev David Milner  
 Trustee

  
 Malcolm Teed  
 Trustee

The notes on pages 9 to 16 form an integral part of these financial statements.

## **Penrith Methodist Circuit**

### **Notes to the Financial Statements for the Year Ended 31 August 2019**

#### **1 Accounting policies**

##### **Statement of compliance**

The accounts (financial statements) have been prepared in accordance with the Statement of Recommended Practice: Accounting and Reporting by Charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) issued on 16 July 2014 and the Financial Reporting Standard applicable in the United Kingdom and Republic of Ireland (FRS 102) and the Charities Act 2011 and UK Generally Accepted Practice as it applies from 1 January 2015.

The accounts (financial statements) have been prepared to give a 'true and fair' view and have departed from the Charities (Accounts and Reports) Regulations 2008 only to the extent required to provide a 'true and fair view'. This departure has involved following Accounting and Reporting by Charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) issued on 16 July 2014 rather than the Accounting and Reporting by Charities: Statement of Recommended Practice effective from 1 April 2005 which has since been withdrawn.

##### **Basis of preparation**

The charity 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 notes.

##### **Cash flow statement**

The charity opted to adopt Bulletin 1 published on 2 February 2016 and have therefore not included a cash flow statement in these financial statements.

##### **Going concern**

These financial statements have been prepared on a going concern basis.

##### **Fund accounting policy**

Unrestricted income funds are general funds that are available for use at the trustees' discretion in furtherance of the objectives of the charity.

Designated funds are unrestricted funds set aside at the discretion of the trustees for specific purposes.

Further details of each fund are disclosed in note 18.

##### **Income and endowments**

Donations and grants that provide core funding or are of a general nature is recognised where there is entitlement, certainty of receipt and the amount can be measured with sufficient reliability.

Income from tax reclaims are included in the statement of financial activities at the same time as the gift to which they relate.

Investments income is recognised on a receivable basis.

Income from charitable activities includes income recognised as earned (as the related goods or services are provided) under contract.

## Penrith Methodist Circuit

### Notes to the Financial Statements for the Year Ended 31 August 2019

..... continued

#### **Expenditure**

Liabilities are recognised as soon as there is a legal or constructive obligation committing the charity to the expenditure. All expenditure is accounted for on an accruals basis and has been classified under headings that aggregate all costs related to the category.

Charitable expenditure comprises those costs incurred by the charity in the delivery of its activities and services for its beneficiaries. It includes both costs that can be allocated directly to such activities and those costs of an indirect nature necessary to support them.

Grants payable are payments made to third parties in the furtherance of the charitable objectives. Where the charity gives a grant with conditions for its payment being a specific level of service or output to be provided, such grants are only recognised in the SoFA once the recipient of the grant has provided the specific service or output.

Grants payable without performance conditions are only recognised in the accounts when a commitment has been made and there are no conditions to be met relating to the grant which remain in the control of the charity.

Provisions for grants are made when the intention to make a grant has been communicated to the recipient but there is uncertainty about either the timing of the grant or the amount of grant payable.

#### **Support costs**

Support costs include central functions and have been allocated to activity cost categories on a basis consistent with the use of resources, for example, allocating property costs by floor areas, or per capita, staff costs by the time spent and other costs by their usage.

#### **Fixed assets**

Individual fixed assets costing £100 or more are initially recorded at cost.

#### **Depreciation**

Depreciation is provided on tangible fixed assets so as to write off the cost or valuation, less any estimated residual value, over their expected useful economic life as follows:

Land and buildings	Not depreciated
Plant and machinery	3 years straight line basis or 15% reducing balance basis

#### **Cash and Cash Equivalents**

Cash and cash equivalents comprise cash on hand and call deposits, and other short-term highly liquid investments that are readily convertible to a known amount of cash and are subject to an insignificant risk of change in value.

#### **Pensions**

The charity operates a defined contribution pension scheme. Contributions are charged in the statement of financial activities as they become payable in accordance with the rules of the scheme.

**Penrith Methodist Circuit**  
**Notes to the Financial Statements for the Year Ended 31 August 2019**

..... continued

**2 Donations and legacies**

	Unrestricted Funds £	Total Funds 2019 £	Total Funds 2018 £
<b>Fees receivable</b>			
Assessments - Chapels	29,388	29,388	28,013
Assessments - PMC	103,624	103,624	102,696
	<u>133,012</u>	<u>133,012</u>	<u>130,709</u>
 <b>Donations and gifts</b>			
Sundry donations	945	945	385
PMC administration contribution	22,765	22,765	20,440
	<u>23,710</u>	<u>23,710</u>	<u>20,825</u>
 <b>Grants</b>			
Methodist Connexion	9,000	9,000	8,500
	<u>165,722</u>	<u>165,722</u>	<u>160,034</u>

All of the donations and legacies income in 2018 related to unrestricted funds.

**3 Investments**

	Unrestricted Funds £	Total Funds 2019 £	Total Funds 2018 £
CFB account interest	321	321	192
Circuit Advance account interest	447	447	332
	<u>768</u>	<u>768</u>	<u>524</u>

All of the investment income in 2018 related to unrestricted funds.

**4 Other**

	Unrestricted Funds £	Total Funds 2019 £	Total Funds 2018 £
<b>Other income</b>			
Reimbursed salary costs	22,607	22,607	29,272

All of the other income in 2018 related to unrestricted funds.

**Penrith Methodist Circuit**

**Notes to the Financial Statements for the Year Ended 31 August 2019**

..... continued

**5 Total resources expended**

	<b>Mission and ministry</b>	<b>Total 2019</b>	<b>Total 2018</b>
	<b>£</b>	<b>£</b>	<b>£</b>
<b>Direct costs</b>			
Grants payable - institutions	9,000	9,000	8,500
Staff costs	40,102	40,102	50,037
Minister's expenses	262	262	310
Employer's national insurance	2,506	2,506	3,414
Employer's pension contributions	9,782	9,782	2,476
Stipend costs	68,310	68,310	66,268
In-service training	300	300	300
Travel expenses	4,030	4,030	4,060
District levy assessments	27,967	27,967	27,292
Rates, water and power	2,087	2,087	2,109
Advertising	1,180	1,180	1,258
Accountancy fees	1,520	1,520	1,520
Independent examiner's fee	400	400	400
	<u>167,446</u>	<u>167,446</u>	<u>167,944</u>
<b>Support costs</b>			
Premises costs	11,026	11,026	10,185
Office expenses	7,760	7,760	7,805
Charitable donations	910	910	-
Sundry expenses	3,695	3,695	2,730
Interest and charges	110	110	115
Depreciation	285	285	479
	<u>23,786</u>	<u>23,786</u>	<u>21,314</u>
	<u><u>191,232</u></u>	<u><u>191,232</u></u>	<u><u>189,258</u></u>

All of the expenditure in 2018 related to unrestricted funds.

**Penrith Methodist Circuit**  
**Notes to the Financial Statements for the Year Ended 31 August 2019**

..... continued

**6 Grantmaking**

	<b>Grants to institutions £</b>
Mission and ministry	<u>9,000</u>

The support costs associated with grant making are -.

**7 Grants to institutions**

<b>Name of Institution</b>	<b>Activity</b>	<b>£</b>
Grants payable - institutions	Mission and ministry	<u>9,000</u>

**8 Governance costs**

	<b>2019</b>	<b>2018</b>
	<b>£</b>	<b>£</b>
Accountancy fees	1,520	1,520
Independent examiner's fee	400	400
	<u>1,920</u>	<u>1,920</u>

**9 Trustees' remuneration and expenses**

In accordance with normal practice, Rev D Milner and Rev T Cooke, who are both trustees of the charity were paid a stipend during the year. The total cost to the Charity of these stipends plus employer's national insurance and pension contributions was £67,992.

During the year expenses of £5,441 were reimbursed to 8 trustees for travel and other costs incurred by them.

**10 Net (outgoing)/incoming resources**

Net (outgoing)/incoming resources is stated after charging:

	<b>2019</b>	<b>2018</b>
	<b>£</b>	<b>£</b>
Depreciation of owned assets	285	479
Accountancy fees	1,520	1,520
Independent examiner's fee	<u>400</u>	<u>400</u>



# Penrith Methodist Circuit

## Notes to the Financial Statements for the Year Ended 31 August 2019

..... continued

### 11 Employees' remuneration

The monthly average number of persons (including senior management) employed by the charity during the year, analysed by category, was as follows:

	2019 No.	2018 No.
Circuit ministers	2	2
Youth Co-ordinator	-	1
Outreach worker (part time)	1	1
Circuit Administration Officer	1	1
Administrative assistant (part time)	1	1
	<u>5</u>	<u>6</u>

The aggregate payroll costs of these persons were as follows:

	2019 £	2018 £
Salaries	40,102	50,037
Employer's national insurance	2,506	3,414
Employer's pension contributions	9,782	2,476
Stipend costs	68,310	66,268
	<u>120,700</u>	<u>122,195</u>

No employee received emoluments of more than £60,000 during the year.

**Penrith Methodist Circuit**

**Notes to the Financial Statements for the Year Ended 31 August 2019**

..... continued

**12 Taxation**

The registered charity is exempt from taxation on income and gains.

**13 Tangible fixed assets**

	Land and buildings £	Plant and machinery £	Total £
<b>Cost</b>			
As at 1 September 2018 and 31 August 2019	<u>720,000</u>	<u>12,967</u>	<u>732,967</u>
<b>Depreciation</b>			
As at 1 September 2018	-	11,524	11,524
Charge for the year	<u>-</u>	<u>285</u>	<u>285</u>
As at 31 August 2019	<u>-</u>	<u>11,809</u>	<u>11,809</u>
<b>Net book value</b>			
As at 31 August 2019	<u>720,000</u>	<u>1,158</u>	<u>721,158</u>
As at 31 August 2018	<u>720,000</u>	<u>1,443</u>	<u>721,443</u>

**14 Debtors**

	2019 £	2018 £
Prepayments and accrued income	<u>5,865</u>	<u>5,646</u>

**15 Creditors: Amounts falling due within one year**

	2019 £	2018 £
Accruals and deferred income	<u>1,920</u>	<u>1,920</u>

**16 Pension scheme**

**Defined contribution pension scheme**

The charity operates a defined contribution pension scheme. The pension cost charge for the period represents contributions payable by the charity to the scheme and amounted to £9,782 (2018 - £2,476).

There were no outstanding or prepaid contributions at either the beginning or end of the financial year.

**Penrith Methodist Circuit**

**Notes to the Financial Statements for the Year Ended 31 August 2019**

..... continued

**17 Related parties**

**Controlling entity**

The charity is controlled by the trustees.

**18 Analysis of funds**

	At 1 September 2018	Incoming resources	Resources expended	At 31 August 2019
	£	£	£	£
<b>Designated Funds</b>				
Property repairs fund	10,000	-	-	10,000
<b>General Funds</b>				
Unrestricted income fund	777,697	188,650	(188,659)	777,688
Model Trust Fund	54,801	447	(2,573)	52,675
	<u>832,498</u>	<u>189,097</u>	<u>(191,232)</u>	<u>830,363</u>
	<u>842,498</u>	<u>189,097</u>	<u>(191,232)</u>	<u>840,363</u>

The Unrestricted Income Fund exists to ensure the Circuit meets its financial obligations in relation to support of the ministers and lay workers and the maintenance of the manses.

Property repairs fund - The trustees made the decision to ring fence £10,000 to enable them to manage the medium term property repair costs potentially incurred by the Circuit.

**19 Net assets by fund**

	Unrestricted Funds	Total Funds 2019	Total Funds 2018
	£	£	£
Tangible assets	721,158	721,158	721,443
Current assets	121,125	121,125	122,975
Creditors: Amounts falling due within one year	(1,920)	(1,920)	(1,920)
Net assets	<u>840,363</u>	<u>840,363</u>	<u>842,498</u>