

Circuit Accrual Accounts 2019-2020

THE METHODIST CHURCH
TEMPLATE REPORT AND ACCOUNTS
(ACCRUALS BASIS)
for the year ended 31st August 2020

North Shields and Whitley Bay Circuit

Registered Charity - Registration Number 1132438

District Number / Circuit Number - 20 / 05

Ministers

Rev David Wynd

Rev Eva Walker

Rev John Mason

Circuit Stewards

Carol Baggaley

Pat Brown

Martin Shaw

Circuit Treasurer

Colin Raistrick

North Shields & Whitley Bay Methodist Circuit TRUSTEES ANNUAL REPORT

FOR THE YEAR ENDED 31ST AUGUST 2020

Aims and Organisation

The Circuit resources the work of seven churches, Network and three different ways of being church ("fresh expressions") in the geographical area covered by the North Shields and Whitley Bay Methodist Circuit. The Circuit is one of twelve circuits in the Newcastle upon Tyne District, which in turn is one of thirty districts in the Methodist Connexion.

When planning our activities for the year, the trustees have considered the Charity Commission's guidelines on public benefit and, in particular, the specific guidance on charities for the advancement of religion. Our main activity, however, is to resource the constituent local churches in their local application of the general purpose of advancing religion.

In particular, we try to enable ordinary people to live out their faith as part of our community through the four core activities of "Our Calling" namely worship; learning and caring; service and evangelism.

The purposes of the Methodist Church are and shall be deemed to have been since the Date of Union the advancement of:-

- a) The Christian faith in accordance with the doctrinal standards and discipline of the Methodist Church;
- b) Any charitable purpose for the time being of any Connexional, District, Circuit, local or other organisation of the Methodist Church;
- c) Any charitable purpose for the time being of any society or institution subsidiary or ancillary to the Methodist Church;
- d) Any purpose for the time being of any charity being a charity subsidiary or ancillary to the Methodist Church

The organising and resourcing of regular public acts of worship open to members of the church and non members alike. The teaching of Christianity through sermons, courses and small groups. The resourcing of pastoral work including visiting the sick and bereaved. Taking religious assemblies in local schools. Promotion of Christianity through the staging of events and services. Provision of chaplaincy services to a range of local institutions.

Additional details:

The Trustees are committed to enabling as many people as possible to worship at our churches and in our organised activities. Thus we provide a varied menu of worship opportunities which are open to everyone, ranging across the spectrum of style from traditional liturgical/reflective to contemporary/celebratory and from all-age worship to children's praise parties. We also encourage participation in ecumenical and circuit/district-wide worship opportunities. We are thus putting our faith into practice through the shared benefit of prayer, scriptural review, preaching, music and sacrament.

The Trustees are committed to enabling as many people as possible to become involved in the various activities of the constituent churches and fresh expressions of church which are community-enriching and character-forming, through personal development and/or community service and/or mission/outreach work.

The Trustees are committed to encouraging all the people with whom we come into contact in any way to participate in activities which might influence their faith-journey, thus creating better citizens and promoting wholeness in all levels of society/community.

The Trustees are committed to supporting the constituent churches as they maintain and manage and improve their premises of which they are managing trustees for use by the wider community.

We employ a part-time administrator; all other workers are voluntary except for three ministers, three lay employees (a Fresh Expressions Worker, a Community Worker with the Elderly and a primary school worker).

We are responsible for the care of ministers appointed to our circuit, both in the provision and maintenance of housing for them, in raising money to provide a stipend, and in providing support equivalent to that of an employer to employees.

Review of the year

The year was blessed with a full complement of Presbyters. At the end of 2019, Members and friends knitted Christmas Angels. Hundreds of these greeted earlier morning passers-by in Monkseaton. From feedback we know this initiative is taken up by other churches in the region, nationally and internationally resulting in many people responding to the message of Christmas hope. The God Play material at Seaton Sluice Methodist Church was well used and good links were made with Seaton Sluice First School. Parish Nursing expanded its reach across the Circuit and has started work on where its strategic future should be. Network continued to provide a place for young people to meet and have fun. The Oxford Street premises were also used for the Severe Weather Emergency Provision for North Tyneside, run by Chris Lincoln and his team from Street Pastors. Our lay worker team engaged with hundreds of people in non-church settings. This included Messy Church activities, Praise Parties, Sunday at the pub and pastoral support. Beachcomber fx introduced forest church. Many people took part in updated and refresher training on Safeguarding topics. Our Circuit Stewards provided many hours of voluntary work in the essential administration of the Circuit. Our Circuit Administrator worked tirelessly on minutes and publications that help in the communication of what we do. Our Presbyter Team, Supernumerary team, Local preachers and Worship Leaders enabled worship to be celebrated in the seven churches throughout the Circuit. An ecumenical Good Friday Service was held in Monkseaton Village. The Circuit strategy development further evolved as members were asked to consider where God was leading us during the pandemic. What was clear was that when we get back face to face, we will not be going back to what was, but a new; spirit prompted, way of doing. During the year we started to implement a Circuit wide property group as a means of sharing fresh thinking, vetted contractors and doing when churches may not have the personnel.

Covid-19

The coronavirus pandemic resulted in the physical closure of churches from the 23rd March 2020. This action resulted in the Circuit investing resources to enable virtual meetings and greater input into physical resources for those who possessed no IT. Churches have lost a considerable amount of hire income and this may limit their ability to pay the Circuit assessment. The Circuit Leadership Team along with the Circuit Resources Committee are assessing the situation on a month by month basis. At the present time the Charity continues to be viable.

The Circuit have invested in Zoom licences and technology resources to enable services to be broadcast over the internet. Our Circuit Service and daily prayer meetings were well received by people locally and around the world. Great efforts were made to keep those isolated connected and assisting with practical needs. We were supported in developing this work by grants from Karbon Homes and the National Government via the National Lottery. People not able to connect to online resources were posted printed support material and over time this extended to cds of services. The cds were also welcomed by our work in Care homes. Many thanks to all those who have enabled everyone to remain connected in these challenging times.

Structure, Governance and Management

The governing document of the Circuit is the Deed of Union (1932) and Methodist Church Act (1976). Detailed governance arrangements are outlined within the Constitutional Practice and Discipline

(CPD) of the Methodist Church by order of the annual conference. Day to day management of the circuit is undertaken by the Circuit Leadership Team (CLT) along with the Local Preachers meeting and the Circuit Resources Committee. Occasional task and finish groups are established which report back to the Circuit Meeting.

Trustee Training

A range of guidance is produced by the Methodist Connexion to support the effective running of the Circuit. The Regional Training Team provides specific support and specific roles are supported at meetings arranged by the Newcastle upon Tyne Methodist District.

Related Parties

The Circuit is part of Newcastle upon Tyne Methodist District and is accountable to the Methodist Conference. The following Methodist Churches are linked to the Circuit. North Shields Methodist Church, Cullercoats Methodist Church, St John's Methodist Church, Monkseaton Methodist Church, Earsdon Methodist Church, Seaton Sluice Methodist Church. Fishermen's Mission, Network. Coast Congregational Church meets at Fishermen's Mission and are licenced with the Circuit to receive worship support.

Risk Management

The major risks have been identified and recorded by the Circuit Leadership Team with professional advice taken as required. There is a regular annual review process undertaken and recorded. Income and Expenditure is being monitored in total and compared with the approved annual budget to avoid unforeseen calls on reserves.

Safeguarding

Every person has a value and dignity which comes directly from the creation of male and female in God's own image and likeness. Christians see this potential as fulfilled by God's recreation 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 practices 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 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 good practice.

The North Shields & Whitley Bay Methodist Circuit commits itself to ensuring the implementation of

Connexional Safeguarding Policy; government legislation, guidance and safe practice in the circuit and in the churches. The North Shields & Whitley Bay Methodist 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.

During the year Rev Linda Eccles and team delivered new Safeguarding training that reflects the revised training implemented by the Methodist Conference. A review of appointment roles within the Churches of the Circuit, reflected our good compliance with regular training and updates. A regular meeting of Church Safeguarding Officers was held.

Reserves Policy

The Reserves Policy for the Circuit is to hold a minimum sum equivalent to 3 months average expenditure. This should be sufficient to meet any unforeseen item of major expenditure on manses and / or to be able to continue, in the short term, funding planned activities in the event of any inability to raise the full Circuit Assessment from churches.

Finance and Governance

Basis of account preparation and legal framework.

The Charity's annual report and accounts for the year ended 31st August 2020 have been prepared in accordance with the Charities Act 2011.

Full name of Charity: North Shields and Whitley Bay Methodist Church Circuit.

Registration Charity Number: 1132438

Date of Registration: 4th November 2009

Registered address: Circuit Office, Cullercoats Methodist Church. Broadway, North Shields. Tyne and Wear. NE30 3LJ

The members of the North Shields and Whitley Bay Methodist Circuit Meeting are the Charity Trustees, membership being made up of Circuit Officer holders, ministers and representatives appointed by local churches.

Circuit Ministers and Officers

Active Circuit Ministers	Rev David Wynd * Rev Eva Walker * Rev John Mason * Supported by an additional team of retired Ministers.
Circuit Lay Workers	Claire Earl John Morley * Rob Wylie
Circuit Stewards	Carol Baggaley * (Senior Steward) Pat Brown * Martin Shaw *
Circuit Treasurer	Colin Raistrick *
Circuit Local Preachers & Worship Leaders Representatives	Margaret Stephenson John Bedigan
Circuit Safeguarding Coordinator	Rev Linda Eccles

Administrator

Julie Esson

Members

Alan Bainbridge, John Brown, Pat Brown, Jan Boylan, Andrina Davison, Carol Davidson, Joan Davidson, Andrew Esson, Rev Tony Farrar, Sandra Fenwick, Margaret Gannie, Rev Enid Gordon, Roger Gordon, Bill Hastie, Rob Hufton, Peter Hutton, Moya Jobson, Andrew Lowe, Brenda Purvis, Ian Lamont, Owen Lumsdon, Pat Maddison, Sue Mason, Marian Taws, Lesley Thompson, Graham Tipple, Catherine Walker, Pauline Wright, Rob Wylie.

* Denotes member of the Circuit Leadership Team (CLT)

Colin Raistrick acted as principal officer overseeing the day to day financial management and accounting for the Circuit during the year.

Independent Examiner Jeff Corrigan

Investment Bankers Central Finance Board of the Methodist Church (CFB)
Trustees for Methodist Church Purposes (TMCP)

Year ended 31st August 2020 income trends

Circuit income is primarily drawn from the assessment paid by Circuit churches. Network project income relates to flat income from 41 Oxford Street and room rent from the Oxford Street premises. Talks are ongoing with Depaul UK on their lease arrangement and whilst much work happened during the year, additional work is needed to come to a satisfactory conclusion as we await decisions from the Trustees of Methodist Church Property. De Paul didn't pay their £6,500 within the previous accounting year and paid double during this year. The rent of £7,157 from Western Way manse letting was used to reduce general expenses. The total is down on the previous year due to the renters reducing rent due to furlough. The difference will be clawed back in future months. £16,434 of Circuit assessment funding was not collected in August at CFB. We hope to reclaim this in the coming year. £10,000 grant from the District re lay worker salary support was also not received during the year. Local churches have challenged the Circuit to find ways of reducing their Circuit Assessment, work which is ongoing. We were pleased to receive a grant of £1,000 from Karbon Homes to assist with our work with the elderly and vulnerable during Covid-19. We also made use of the Job Retention Scheme furloughing a lay worker.

Year ended 31st August 2020 expenditure trends

During the year our income was £230,492 we spent £261,296 in line with the budget. Stipend expenditure has increased each financial year in line with Conference approved increases. There was no call on the Building Fund.

Fund balances

As at 31st August 2020 net cash assets of the Circuit were £118,299 (£146,783 previous year) giving approximately 5 months cover for expenditure.

Plans for 2020/2021

Circuit financial plans for the coming year have been prepared on the basis that there are 3 full time ordained staff with anticipated costs of living stipend increases combined with an increase in the assessment paid to the District. Local churches are requested to increase their assessment. Work continues to look at each element of spending to see where we can reduce costs and seek new sources of income, to reduce the pressure on stretched local church finances. We will relook at where we wish to be as a Circuit as we invest time in developing a new Strategic Plan for the coming years.

Notes to the Accounts

1 Basis of accounting

The financial statements have been prepared under the Charities Act 2011 in accordance with the 2014 version of Accounting and Reporting by Charities: Statement of Recommended Practice (SORP) applicable to charities preparing their accounts in accordance with FRS102 – the Charities SORP (FRS102) and taking note of the Update Bulletin 1 issued in 2016.

2 Funds

The funds held constitute: General Funds held for any purpose of the Circuit which are Unrestricted. The Circuit Model Trust Fund has wide purposes defined in Standing Orders and is categorised as unrestricted. Restricted funds which are held for a narrower purpose. There are no Endowment funds. Details of each material fund are disclosed in the final note to these accounts. Any funds may be represented by more than just cash.

3 Accounting policies

Basis

These accounts have been prepared on the basis of historical cost except that investments are shown at their market value at the end of the year, on the accruals basis to show a true and fair view of the Circuit's financial position and activities.

Incoming Resources

Income is included in the Statement of Financial Activities (SOFA) when the Circuit becomes entitled to the resources, and the trustees are reasonably certain they will receive the resources; and the monetary value can be measured with sufficient reliability.

Resources Expended

This is recognised when a liability is incurred, or a constructive obligation arises, that results in the payment being unavoidable. Liabilities are recognised as soon as an outflow of economic benefit is considered more likely than not under the legal or constructive obligation committing the Circuit to pay out resources.

Grants

Grants made by the Circuit from its own funds are recognised in full at the time of agreement or when the Circuit accepts that there is a legal or operational obligation to make the payment.

VAT

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

Tangible fixed assets for use by the Circuit

Tangible fixed assets are capitalised if they can be used for more than one year, and cost at least £500. The freehold property is shown in the accounts at 2020 insurance values. The insurance value of the manses is £1,070,544. No depreciation is provided on the building because the trustees consider the current residual fair value of the manse buildings (on the assumption that it had reached the end of its useful economic life by the year-end) to be not less than its current value. Any depreciation would not be material. The property has been reviewed for impairment.. The valuation for Oxford Street is £3,077,533.

Investment Properties

Investment properties - no property is currently deemed to not be held for the long term purposes of the charity. Western Way manse and 41 Oxford Street are let for investment income.

Investments

Investments are valued in the balance sheet at market value at the year end. Investment income is included in the accounts when receivable and any gains or losses on revaluation at the year end are shown in the SOFA.

Debtors and Prepayments

There were none.

Creditors

We have adjusted when we receive the 1st quarter assessment so it is received in September rather than late August. £16,434.14 is due from 3 circuit churches due to a missed August CFB payment. £10,000 is due from the District re Lay worker support grant.

4 Payment to Trustees

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

	2019/20	2018/19
Number of Trustees	38	38
Total amount	£0	£0

5 Fees for examination or audit of the accounts

	2019/20	2018/19
	£	£
Independent examiner's or auditors' fees for reporting on the accounts	0	0
Other fees (eg: advice, accountancy services) paid to the independent examiner or auditor	NIL	NIL

6 Paid employees

Staff Costs paid during the year were:	2019/20	2018/19
Gross wages, salaries and benefits in kind	£ 128,159	128,816

Employer's National Insurance costs	£	9,916	6,683
Pension costs	£	22,851	23,504
Total staff costs	£	160,926	159,003
Average number of full-time equivalent employees in the year were:		7	7

7 Capital Commitments and Contingent Liabilities

At the 31st August 2020 there are no capital commitments.

No Contingent liabilities were identified on 31st August 2020.

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

	2019/20	2018/19
	£	£
Balance brought forward from last year		
Offerings/Gifts - received for External Organisations	262	7,390
Offerings/Gifts - passed to External Organisations	262	7,390
Balance carried forward	0	0

9 Tangible Fixed Assets

Cost or valuation

	Land	Manses	Other buildings Network Oxford Street	Fixtures, fittings and equipment	Payments on account and assets under construction	Total
	£	£	£	£	£	£
Balance brought forward	0	1,035,338	2,872,909	50,000		3,958,247
Additions		0				0
Revaluations (+/-)		35,206	204,624	23,189		263,019
Disposals (-)						

Transfers * (+/-)						
Balance carried forward	0	£1,070,544.	3,077,533	73,189		4,221,266

Accumulated depreciation

Balance brought forward		£1,070,544.	3,077,533	73,189		4,221,266
Depreciation charge for year (-)						
Revaluations (+/-)						
Disposals (-)						
Transfers* (+/-)						
Balance carried forward		£1,070,544.	3,077,533	73,189		4,221,266

Net book value

Brought forward	0	1,035,338	2,4872,909	50,000		3,958,247
Carried forward	0	1,070,544	3,077,533	73,189		4,221,266

The additions relate to revaluation of fixtures and fittings following the new insurance company taking over. Fixtures now cover PA and lighting equipment, computers and tuck shop stock.

10 Investment assets

The circuit has no Investment properties

The circuit has no common investment fund holdings

11 Loans

The Circuit has no loans

12 Analysis of restricted and designated funds

2019-20

Restricted Fund Name	Opening Balance	Incoming Resources	Resources Expended	Transfers	Closing Balance	Purpose of the fund
Building Fund	6,016	0	0		6,016	Support for building

				0		development and mission projects
Totals	6,016	0	0			

The Circuit agreed to provide hand sanitising equipment for all Circuit Churches to meet Covid-19 regulations. These expenses will be assigned to this fund, some expenses were received in the 2020/2021 financial year.

Name of Circuit North Shields & Whitley Bay Number 20/05

Declarations and Scrutiny

I confirm that these accruals-based accounts for the year to 31 August 2020 have been prepared from the records of the Circuit and that they include all funds under the control of the Circuit meeting.

Signature of Treasurer *Colin Raistrick* Date 10th June 2021

Presentation to the Circuit meeting

I confirm that the annual report and accounts for the year ended 31 August 2020 will be presented to the Circuit meeting held on 23rd June 2021

Signature of the Chair of the meeting *Rev Eva Walker*

Name of the Chair of the meeting Rev Eva Walker Date 23rd June 2021

**Independent Examiner's Report to the Trustees of the
North Shields & Whitley Bay Circuit
Charity Number 1132438**

Responsibilities and basis of report

I report to the trustees on my examination of the accounts of the North Shields & Whitley Bay Circuit for the year ended 31 August 2020.

As the Circuit's trustees, you are responsible for the preparation of the accounts in accordance with the requirements of the Charities Act 2011 ('the Act').

I report in respect of my examination of the Circuit's accounts carried out under section 145 of the Act and, in carrying out my examination, I have followed all the applicable Directions given by the Charity Commission under section 145(5)(b) of the Act.

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, 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

(1) which gives me cause to believe that in, any material respect:

- the accounting records were not kept in accordance with Section 130 of the Charities Act: or
- the accounts did not accord with the accounting records; or the accounts did not comply with the applicable requirements concerning the form and content of accounts set out in the Charities (Accounts and Reports) Regulations 2008 other than any requirement that the accounts give a 'true and fair' view which is not a matter considered as part of an independent examination. I have NO concerns and have come across no other matters in connection with the examination to which attention should be drawn in this report in order to enable a proper understanding of the accounts to be reached.

(2) I have 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.

Name of Independent Examiner

Jeff Corrigan

Signature of Independent Examiner

Jeff Corrigan

Date

10th June 2021

To the Circuit Meeting, being the Board of Trustees of the North Shields & Whitley Bay Circuit of the Methodist Church

I hereby confirm that, to the best of my knowledge and belief, on the basis of the transaction-listing for the year that has been provided to me by the Circuit, and after making such further enquiries as seemed reasonable in my capacity as a charity trustee, I am not aware of any financial transactions of the Circuit for the financial year ended 31 August 2020 that are required under the Charities SORP(FRS102) to be disclosed in the annual accounts as either 'trustee-benefits' or 'related party' transactions in connection with myself, including any donations direct to the Circuit during the financial year.

Signed *Colin Raistrick*

Name of Trustee Colin Raistrick

Dated 10th June 2021

List here the transactions of North Shields & Whitley Bay Circuit to be disclosed in this year's accounts in connection with myself and persons closely connected with me:

Not Applicable

Explanatory Notes:

1. Under FRS102, for all accounts purporting to show a true and fair view (as is required by the Charities SORP), it is *mandatory*, and for *non-company* charities (eg the District) also a *statutory requirement*, to disclose:

'such particulars of the related party transactions of the charity, or of any institution or body corporate connected with the charity, as may be required by the SORP to be disclosed.'

– SI 2008/629, Sch 2, para 1(e)

2. The following individuals and bodies all count as 'related parties' for the required disclosure of the charity's transactions with them regardless of financial size:

- the Circuit trustees
 - any custodian trustee(s) of the Circuit
 - a donor of land to the Circuit (at any time)
 - a child, parent, grandchild, grandparent, brother or sister of any of the above
 - an officer or agent or one of the Circuit's "key management personnel"
 - the spouse or civil partner of any of the above
 - a business partner of any of the above
 - anyone* with sole or joint control or else significant influence over the Circuit - thus also including the District or Connexion
- (*including their close family: children, spouse (or domestic partner) and that person's children, step children or illegitimate children or any other dependents)

- the Circuit's *subsidiary/associated* undertakings and any *fellow* subsidiaries or associates (or corporate joint ventures, in each case) – the SORP overrides FRS102's disclosure exemptions for those included in group accounts
- another *charity* with any trustees in common if it is subordinated to the charity
- a *pension fund* for the charity's staff or for any of its related parties
- a company or other entity (whether or not under charity control) in which any of the above individuals alone or collectively have a 'substantial interest or significant influence' (presumed if having 20% of the equity or of the voting rights in it)

SORP(FRS102), Glossary

Note

These forms, when completed, will be made available to the Independent Examiner of North Shields & Whitley Bay Circuit. It is not expected that any content will be made available to any other parties except where there is a statutory or *quasi* statutory requirement to do so.