

# Burnley & Pendle Methodist Circuit

Annual Report and Financial Statements

for the Year Ended 31 August 2020

Draft

# **Burnley & Pendle Methodist Circuit**

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Draft

## **Burnley & Pendle Methodist Circuit**

### **Reference and Administrative Details**

**Principal Office** Central Methodist Church  
Hargreaves Street  
Burnley  
Lancashire  
BB11 1DU

**Charity Registration Number** 1132972

**Bankers** Yorkshire Bank  
25 Manchester Road  
Burnley  
Lancashire  
BB11 1HX

**Independent Examiner** KM  
1st Floor, Block C  
The Wharf  
Manchester Road  
Burnley  
Lancashire  
BB11 1JG

# **Burnley & Pendle Methodist Circuit**

## **Trustees' Report**

The trustees present the annual report together with the financial statements of the charity for the year ended 31 August 2020.

### **Objectives and activities**

#### **Objects and aims**

The Circuit shares the same charitable objectives as the rest of the Methodist Church. The purposes of the Methodist Church are and shall be deemed to have been since the date of union the advancement of – (a) the Christian faith in accordance with the doctrinal standards and the 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.

#### **Staffing**

The Circuit staffing in the year was as follows:

Ordained staffing: Superintendent: Rev Philip Taylor, with Presbyters Rev Mark Jason & Rev Marian Taylor (50%).

Lay Pastors: Richard Hoyle, serving four churches (Brunshaw, Greenbrook, Parkside and Higherford and is a full time appointment; Kathryn Lamport (part time), Chrisvin Edbarg Johnson Kirubakara Pandian (full time).

Lay workers in the following roles: Kelly Fort (part time Family and Youth Worker) and Wendy Fryer (part time Community and Outreach Worker ).

#### **Circuit Leadership Team**

The Circuit is overseen by a leadership team comprising of the Superintendent, Presbyters and Lay Pastors; Stewards (C Dugdale, K Heyworth, A Snell, B Oliver and G Campbell), Treasurer Miss J Harrison and Lay Workers as invited.

# **Burnley & Pendle Methodist Circuit**

## **Trustees' Report**

### **Mission Statement**

The staff and stewards team continued to use the mission statement 'Sharing God's grace in word and action' following up four priorities:

- A. Growing disciples of Jesus Christ.
- B. Outreach to our town and neighbourhoods.
- C. Alongside those in greatest spiritual and material need
- D. Resourcing work among children, young people and families.

These continue to be our priorities.

### **Activities**

The national lockdown as a result of the Coronavirus pandemic resulted in our churches being closed for most of the year under review. Ordained and Lay Staff continued to ensure that weekly worship was provided on Zoom, along with other faith-based events during the week. Congregations were supported pastorally via phone and email during this difficult year.

During this period, church property stewards ensured that the buildings were regularly cleaned and the water systems monitored for legionella. Every church put in place a Risk Assessment based on connexional guidelines, that ensured our buildings were Covid Secure and ready to reopen. The circuit carried out a complete inspection of every building to ensure that the Risk Assessment and Covid Secure measures had been adhered to.

This period also provided us with the opportunity to develop our online presence and provide resources for our congregations. New projects during this period included the development of a mobile App, a Circuit YouTube Channel, FaceBook and Twitter accounts, as well as a new website.

Methodist Primary Schools at Hapton, Wellfield (both joint with the Church of England) and Wheatley Lane require substantial staff input on their governing bodies and in frequent assemblies and classroom work. There is tangible benefit to our Circuit from these links.

The Circuit continues to recognise the need to have satisfactory accommodation for its ministers and a suitable manse currently surplus to requirements has been let and income generated for the Circuit.

### **Public benefit**

The trustees have had regard to Charity Commission guidance on public benefit in carrying out the activities of the charity.

### **Financial review**

A surplus on the general fund was generated amounting to £11k. General reserves at the year end are £77k.

Due to the closure of the churches in the circuit during the second half of the year, churches were allowed to defer payment of their assessments.

The Circuit Model Trust Fund balance stands at £329k.

## **Burnley & Pendle Methodist Circuit**

### **Trustees' Report**

#### **Policy on reserves**

The Trustees have reviewed the Charity's needs for reserves in line with the guidance issued by The Charity Commission and have agreed to hold a general reserve in respect of unrestricted funds in the region of at least £20,000 over and above those reserves represented by unrestricted fixed assets and the Circuit Model Trust fund. The general reserve at the year end stands at £77,708 which is in excess of the agreed reserve. Excess funds are held for the future development of the charity.

#### **Principal funding sources**

The Circuit's primary funding source is income from churches by way of the annual assessment.

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

##### **Recruitment and appointment of trustees**

Each of the Churches within the Circuit are eligible to appoint members of the Circuit Meeting; other members are appointed to fulfil specific roles. Members bring with them expertise and experience from the wider church and no specific programme of induction or training is currently in place for the majority of trustees, although the Methodist Church does provide occasional courses and handbooks for specific roles.

Trustees include those called to Ministry both stipendiary and lay.

At any point in time there are over eighty potential members of the Circuit Meeting who fulfil the role of Trustees. A complete list is available from the Circuit Office.

##### **Trustee remuneration**

The lay pastors and stipendiary ministers are paid employees of the charity, Their remuneration is not as a Trustee. Their benefits include stipend, pension and housing.

##### **Major risks and management of those risks**

The Trustees have examined the major strategic, business and operational risks that the Charity faces and confirm that systems have been established to enable regular reviews to be carried out so that necessary steps can be taken to lessen these risks.

The annual report was approved by the trustees of the charity on 15 March 2021 and signed on its behalf by:

.....  
Reverend M Jason  
Trustee

## **Burnley & Pendle Methodist Circuit**

### **Independent Examiner's Report to the trustees of Burnley & Pendle Methodist Circuit**

I report to the charity trustees on my examination of the accounts of the charity for the year ended 31 August 2020 which are set out on pages 6 to 15.

#### **Respective responsibilities of trustees and examiner**

As the charity's trustees of Burnley & Pendle Methodist Circuit 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 Burnley & Pendle Methodist Circuit's accounts carried out under section 145 of the 2011 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.

#### **Independent examiner's statement**

Since Burnley & Pendle Methodist Circuit's gross income exceeded £250,000 your examiner must be a member of a body listed in section 145 of the 2011 Act. I confirm that I am qualified to undertake the examination because I am a member of the Association of Charity Independent Examiners, which is one of the listed bodies.

I have completed my examination. I confirm that no material matters have come to my attention in connection with the examination giving me cause to believe that in any material respect:

1. accounting records were not kept in respect of Burnley & Pendle Methodist Circuit as required by section 130 of the Act; or
2. the accounts do not accord with those records; or
3. the accounts do not comply with the accounting 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.

.....  
Mark Heaton FCCA FCIE

1st Floor, Block C  
The Wharf  
Manchester Road  
Burnley  
Lancashire  
BB11 1JG

15 March 2021

## Burnley & Pendle Methodist Circuit

### Statement of Financial Activities for the Year Ended 31 August 2020

	Note	Unrestricted funds £	Endowment funds £	Total 2020 £	Unrestricted funds £	Restricted funds £	Endowment funds £	Total 2019 £
<b>Income from:</b>								
Donations and legacies	2	10,500	-	10,500	10,280	-	-	10,280
Charitable activities	3	300,429	-	300,429	303,495	-	-	303,495
Other trading activities		3,175	-	3,175	2,910	-	-	2,910
Investment income	4	3,049	-	3,049	2,978	-	30	3,008
Other income		20,275	-	20,275	5,600	-	-	5,600
Total income		<u>337,428</u>	<u>-</u>	<u>337,428</u>	<u>325,263</u>	<u>-</u>	<u>30</u>	<u>325,293</u>
<b>Expenditure on:</b>								
Charitable activities		<u>(342,110)</u>	<u>-</u>	<u>(342,110)</u>	<u>(405,020)</u>	<u>-</u>	<u>-</u>	<u>(405,020)</u>
Total expenditure		<u>(342,110)</u>	<u>-</u>	<u>(342,110)</u>	<u>(405,020)</u>	<u>-</u>	<u>-</u>	<u>(405,020)</u>
Gains/losses on investment assets		<u>(84)</u>	<u>(80)</u>	<u>(164)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net (expenditure)/income		<u>(4,766)</u>	<u>(80)</u>	<u>(4,846)</u>	<u>(79,757)</u>	<u>-</u>	<u>30</u>	<u>(79,727)</u>
Gross transfers between funds		<u>-</u>	<u>-</u>	<u>-</u>	<u>3,347</u>	<u>(3,347)</u>	<u>-</u>	<u>-</u>
Net movement in funds		<u>(4,766)</u>	<u>(80)</u>	<u>(4,846)</u>	<u>(76,410)</u>	<u>(3,347)</u>	<u>30</u>	<u>(79,727)</u>
<b>Reconciliation of funds</b>								
Total funds brought forward		<u>1,424,298</u>	<u>10,398</u>	<u>1,434,696</u>	<u>1,500,708</u>	<u>3,347</u>	<u>10,368</u>	<u>1,514,423</u>
Total funds carried forward	17	<u>1,419,532</u>	<u>10,318</u>	<u>1,429,850</u>	<u>1,424,298</u>	<u>-</u>	<u>10,398</u>	<u>1,434,696</u>

All of the charity's activities derive from continuing operations during the above two periods.

The funds breakdown for 2019 is shown in note 17.



## Burnley & Pendle Methodist Circuit

(Registration number: 1132972)  
Balance Sheet as at 31 August 2020

	Note	2020 £	2019 £
<b>Fixed assets</b>			
Tangible assets	12	1,013,014	1,013,014
Investments	13	<u>330,500</u>	<u>344,864</u>
		<u>1,343,514</u>	<u>1,357,878</u>
<b>Current assets</b>			
Debtors	14	34,497	35,508
Cash at bank and in hand		<u>61,997</u>	<u>57,879</u>
		96,494	93,387
<b>Creditors: Amounts falling due within one year</b>	15	<u>(10,158)</u>	<u>(16,569)</u>
<b>Net current assets</b>		<u>86,336</u>	<u>76,818</u>
<b>Net assets</b>		<u>1,429,850</u>	<u>1,434,696</u>
<b>Funds of the charity:</b>			
<b>Endowment funds</b>		10,318	10,398
<b>Unrestricted income funds</b>			
Unrestricted Funds		<u>1,419,532</u>	<u>1,424,298</u>
<b>Total funds</b>	17	<u>1,429,850</u>	<u>1,434,696</u>

The financial statements on pages 6 to 15 were approved by the trustees, and authorised for issue on 15 March 2021 and signed on their behalf by:

.....  
Reverend M Jason  
Trustee

## **Burnley & Pendle Methodist Circuit**

### **Notes to the Financial Statements for the Year Ended 31 August 2020**

#### **1 Accounting policies**

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

The financial statements have been prepared in accordance with 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) - (Charities SORP (FRS 102)), the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) and the Charities Act 2011.

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

Burnley & Pendle Methodist Circuit meets the definition of a public benefit entity under FRS 102. Assets and liabilities are initially recognised at historical cost or transaction value unless otherwise stated in the relevant accounting policy notes.

##### **Exemption from preparing a cash flow statement**

The charity is exempt from preparing a cash flow statement.

##### **Going concern**

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

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

Voluntary income including donations, gifts, legacies and grants that provide core funding or are of a general nature is recognised when the charity has entitlement to the income, it is probable that the income will be received and the amount can be measured with sufficient reliability.

##### **Grants receivable**

Grants are recognised when the charity has an entitlement to the funds and any conditions linked to the grants have been met. Where performance conditions are attached to the grant and are yet to be met, the income is recognised as a liability and included on the balance sheet as deferred income to be released.

##### **Deferred income**

Deferred income represents amounts received for future periods and is released to incoming resources in the period for which, it has been received. Such income is only deferred when:

- The donor specifies that the grant or donation must only be used in future accounting periods; or
- The donor has imposed conditions which must be met before the charity has unconditional entitlement.

##### **Expenditure**

All expenditure is recognised once there is a legal or constructive obligation to that expenditure, it is probable settlement is required and the amount can be measured reliably. All costs are allocated to the applicable expenditure heading that aggregate similar costs to that category. Where costs cannot be directly attributed to particular headings they have been allocated on a basis consistent with the use of resources, with central staff costs allocated on the basis of time spent, and depreciation charges allocated on the portion of the asset's use. Other support costs are allocated based on the spread of staff costs.

## **Burnley & Pendle Methodist Circuit**

### **Notes to the Financial Statements for the Year Ended 31 August 2020**

#### **Charitable activities**

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.

#### **Governance costs**

These include the costs attributable to the charity's compliance with constitutional and statutory requirements, including audit, strategic management and trustees's meetings and reimbursed expenses.

#### **Taxation**

The charity is considered to pass the tests set out in Paragraph 1 Schedule 6 of the Finance Act 2010 and therefore it meets the definition of a charitable company for UK corporation tax purposes. Accordingly, the charity is potentially exempt from taxation in respect of income or capital gains received within categories covered by Chapter 3 Part 11 of the Corporation Tax Act 2010 or Section 256 of the Taxation of Chargeable Gains Act 1992, to the extent that such income or gains are applied exclusively to charitable purposes.

#### **Tangible fixed assets**

Individual fixed assets costing £500 or more are initially recorded at cost, less any subsequent accumulated depreciation and subsequent accumulated impairment losses.

#### **Fixed asset investments**

Fixed asset investments, other than programme related investments, are included at market value at the balance sheet date. Realised gains and losses on investments are calculated as the difference between sales proceeds and their market value at the start of the year, or their subsequent cost, and are charged or credited to the Statement of Financial Activities in the period of disposal.

Unrealised gains and losses represent the movement in market values during the year and are credited or charged to the Statement of Financial Activities based on the market value at the year end.

#### **Trade debtors**

Trade debtors are amounts due from customers for merchandise sold or services performed in the ordinary course of business.

Trade debtors are recognised initially at the transaction price. They are subsequently measured at amortised cost using the effective interest method, less provision for impairment. A provision for the impairment of trade debtors is established when there is objective evidence that the charity will not be able to collect all amounts due according to the original terms of the receivables.

#### **Fund structure**

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

## Burnley & Pendle Methodist Circuit

### Notes to the Financial Statements for the Year Ended 31 August 2020

#### Pensions and other post retirement obligations

The charity operates a defined contribution pension scheme which is a pension plan under which fixed contributions are paid into a pension fund and the charity has no legal or constructive obligation to pay further contributions even if the fund does not hold sufficient assets to pay all employees the benefits relating to employee service in the current and prior periods.

Contributions to defined contribution plans are recognised in the Statement of Financial Activities when they are due. If contribution payments exceed the contribution due for service, the excess is recognised as a prepayment.

#### 2 Income from donations and legacies

	Unrestricted funds General £	Total 2020 £	Total 2019 £
Donations and legacies;			
Lancashire District	10,500	10,500	10,280
	<u>10,500</u>	<u>10,500</u>	<u>10,280</u>

#### 3 Income from charitable activities

	Unrestricted funds General £	Total 2020 £	Total 2019 £
Church Assessments	298,104	298,104	303,495
Grant received	2,325	2,325	-
	<u>300,429</u>	<u>300,429</u>	<u>303,495</u>

#### 4 Investment income

	Unrestricted funds General £	Total 2020 £	Total 2019 £
Interest received	3,049	3,049	3,008

## Burnley & Pendle Methodist Circuit

### Notes to the Financial Statements for the Year Ended 31 August 2020

#### 5 Other income

	Unrestricted funds General £	Total 2020 £	Total 2019 £
Rental income	16,833	16,833	5,600
Employment Allowance	3,442	3,442	-
Other income	3,175	3,175	2,910
	<u>23,450</u>	<u>23,450</u>	<u>8,510</u>

#### 6 Expenditure on charitable activities

	Note	Unrestricted funds General £	Total 2020 £	Total 2019 £
Grants to institutions		1,966	1,966	21,704
The total grants paid to institutions during the year was as follows:				
Burnley Pioneer Project		-	-	3,000
Brierfield Methodist Church		-	-	11,000
Other grants		1,966	1,966	7,704
		<u>1,966</u>	<u>1,966</u>	<u>21,704</u>

#### 7 Analysis of governance and support costs

	Unrestricted funds General £	Total 2020 £	Total 2019 £
Independent examiner fees	2,490	2,490	2,200
Legal fees	669	669	900
	<u>3,159</u>	<u>3,159</u>	<u>3,100</u>

#### 8 Trustees remuneration and expenses

No trustees, nor any persons connected with them, have received any remuneration from the charity during the year.

## Burnley & Pendle Methodist Circuit

### Notes to the Financial Statements for the Year Ended 31 August 2020

#### 9 Staff costs

The aggregate payroll costs were as follows:

	2020 £	2019 £
<b>Staff costs during the year were:</b>		
Wages and salaries	175,295	187,381
Social security costs	12,346	3,068
Pension costs	18,163	22,754
	<u>205,804</u>	<u>213,203</u>

The monthly average number of persons (including senior management team) employed by the charity during the year expressed as full time equivalents was as follows:

	2020 No	2019 No
Charitable activities	<u>9</u>	<u>9</u>

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

#### 10 Independent examiner's remuneration

	2020 £	2019 £
Examination of the financial statements	<u>2,490</u>	<u>2,200</u>

#### 11 Taxation

The charity is a registered charity and is therefore exempt from taxation.

#### 12 Tangible fixed assets

	Manses £	Total £
<b>Cost</b>		
At 1 September 2019	<u>1,013,014</u>	<u>1,013,014</u>
At 31 August 2020	1,013,014	1,013,014
<b>Depreciation</b>		
At 31 August 2020	<u>-</u>	<u>-</u>
<b>Net book value</b>		
At 31 August 2020	<u>1,013,014</u>	<u>1,013,014</u>
At 31 August 2019	<u>1,013,014</u>	<u>1,013,014</u>

## Burnley & Pendle Methodist Circuit

### Notes to the Financial Statements for the Year Ended 31 August 2020

#### 13 Fixed asset investments

	2020 £	2019 £
Other investments	<u>330,500</u>	<u>344,864</u>

#### Other investments

	Listed investments £	Unlisted investments £	Total £
<b>Cost or Valuation</b>			
At 1 September 2019	15,145	329,720	344,865
Revaluation	(164)	-	(164)
Disposals	<u>-</u>	<u>(14,201)</u>	<u>(14,201)</u>
At 31 August 2020	<u>14,981</u>	<u>315,519</u>	<u>330,500</u>
<b>Net book value</b>			
At 31 August 2020	<u>14,981</u>	<u>315,519</u>	<u>330,500</u>
At 31 August 2019	<u>15,145</u>	<u>329,720</u>	<u>344,865</u>

#### 14 Debtors

	2020 £	2019 £
Trade debtors	-	3,299
Prepayments	-	7,246
Accrued income	26,497	13,325
Other debtors	<u>8,000</u>	<u>11,638</u>
	<u>34,497</u>	<u>35,508</u>

#### 15 Creditors

	2020 £	2019 £
Other taxation and social security	6,283	1,064
Other creditors	-	329
Accruals	2,200	3,600
Deferred income	<u>1,675</u>	<u>11,576</u>
	<u>10,158</u>	<u>16,569</u>

## Burnley & Pendle Methodist Circuit

### Notes to the Financial Statements for the Year Ended 31 August 2020

#### 16 Pension and other schemes

##### Defined contribution pension scheme

The charity operates a defined contribution pension scheme. The pension cost charge for the year represents contributions payable by the charity to the scheme and amounted to £18,163 (2019 - £22,754).

#### 17 Funds

	Balance at 1 September 2019 £	Incoming resources £	Resources expended £	Transfers £	Other recognised gains/(losses) £	Balance at 31 August 2020 £
<b>Unrestricted funds</b>						
General Fund	66,188	334,625	(325,105)	2,000	-	77,708
Circuit Model Trust Fund	345,096	2,803	(17,005)	(2,000)	(84)	328,810
Manse	1,013,014	-	-	-	-	1,013,014
	<u>1,424,298</u>	<u>337,428</u>	<u>(342,110)</u>	<u>-</u>	<u>(84)</u>	<u>1,419,532</u>
<b>Endowment funds</b>						
Various endowment funds held with TMCP	10,398	-	(80)	-	-	10,318
<b>Total funds</b>	<u>1,434,696</u>	<u>337,428</u>	<u>(342,190)</u>	<u>-</u>	<u>(84)</u>	<u>1,429,850</u>
	Balance at 1 September 2018 £	Incoming resources £	Resources expended £	Transfers £		Balance at 31 August 2019 £
<b>Unrestricted funds</b>						
General Fund	108,360	325,263	(374,387)	6,953		66,189
Circuit Model Trust Fund	149,334	-	(30,633)	226,394		345,095
Manse	1,243,014	-	-	(230,000)		1,013,014
	<u>1,500,708</u>	<u>325,263</u>	<u>(405,020)</u>	<u>3,347</u>		<u>1,424,298</u>
<b>Restricted funds</b>						
Burnley Borough Council	3,347	-	-	(3,347)		-
<b>Endowment funds</b>						
Various endowment funds held with TMCP	10,368	30	-	-		10,398
<b>Total funds</b>	<u>1,514,423</u>	<u>325,293</u>	<u>(405,020)</u>	<u>-</u>		<u>1,434,696</u>



# Burnley & Pendle Methodist Circuit

## Notes to the Financial Statements for the Year Ended 31 August 2020

### 18 Analysis of net assets between funds

	Unrestricted funds General £	Listed investments fund	Total funds 2020 £
Tangible fixed assets	1,013,014	-	1,013,014
Fixed asset investments	320,182	10,318	330,500
Current assets	96,494	-	96,494
Current liabilities	(10,158)	-	(10,158)
Total net assets	<u>1,419,532</u>	<u>10,318</u>	<u>1,429,850</u>

  

	Unrestricted funds General £	Listed investments fund	Total funds 2019 £
Tangible assets	1,013,014	-	1,013,014
Fixed asset investments	329,719	15,145	344,864
Current assets	93,387	-	93,387
Current liabilities	(16,569)	-	(16,569)
Total net assets	<u>1,419,551</u>	<u>15,145</u>	<u>1,434,696</u>