

Registered Charity No. 1133077

**Report of the Trustees and Unaudited
Financial Statements for the
Year Ended 31 August 2020**

Gordano Valley Methodist Circuit

GORDANO VALLEY METHODIST CIRCUIT TRUSTEES ANNUAL REPORT YEAR ENDED 31ST August 2020

The Trustees have pleasure in presenting their report and the unaudited financial statements of the charity for the year ended 31st August 2020. The Trustees have adopted the provisions of 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 2019).

Outreach, community engagement and aspiring towards Church growth continue to be the emphasis in the culture that is being nurtured in the eight churches across the circuit.

1 Objectives and activities

In setting the objectives and planning our activities, the Circuit Meeting (under the leadership of the Circuit Leadership Team (CLT)), meets twice in each year, has given careful consideration to the Charity Commissioners' general guidance on public benefit and, in particular, to its supplementary public benefit guidance on advancing our objectives and conforms to the Charity Act 2011.

Our aim is to encourage and enable people of all ages to become followers of Jesus Christ, and to learn and grow in Christian faith.

The Gordano Valley Circuit is committed to celebrating and sharing the good news of the Gospel; that God loves us, Jesus died for our sins and is risen, and the Holy Spirit gives us strength and inspiration in our daily lives. We seek growth and renewal through the centrality of prayer and scripture, worship, and sacrament.

We aim to do this by:

Passing it on

- By encouraging mission and outreach as an integral part of the life of every Christian and every congregation.
- By offering appropriate pastoral care to those inside and outside the Church.
- By continuing to develop God-glorifying worship and teaching which is engaging and relevant to people of all ages and abilities.

People

- By recognizing that everyone is valuable and has something to offer and by encouraging everyone's gifts.
- By placing a priority on the work with children and young people, while recognizing the needs of all generations.
- By working in local communities to build bridges with those outside Church lives.
- By resourcing ministers and lay staff to work in mission alongside Circuit Stewards and the congregation of the Circuit's churches.
- By working ecumenically and with other circuits where appropriate.
- By identifying and resourcing training needs within the Circuit.

Property

- By prioritising 'good practice' in all things including the safeguarding of children and vulnerable adults, risk assessment, health and safety, employment and trusteeship.

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- By making sure that churches in the Circuit are well maintained, well resourced, and welcoming to all through good stewardship of the money and buildings which have been entrusted to us.
- By linking in to District and Connexional resources of the Methodist Church.

2 Achievements and performance

All eight of the church buildings have been closed for half of the last year because of the Covid-19 situation. All have adapted to this and found creative ways of working. Pastoral work has been carried out by phone and pastoral visiting teams have been ensuring that regular contact has been maintained especially with those who have been isolated. Most meetings have been taking place using online platforms such as Zoom. All four sections have been doing services on-line. As plans are made to re-open the buildings in October, it is intended that on-line services will continue as they have proved to be a means of outreach into the local communities and beyond. Across the circuit various forms of community engagement have been taking place, such as delivering food to households in financial hardship.

One person has now completed their training as an accredited Local Preacher and is now candidating for ordination in the Methodist Church. The circuit continues to train four others for local preaching.

Volunteers

Almost all of the work undertaken by the churches is that of volunteers, from preaching and leading worship to youth and children's work, pastoral visiting, stewardship of finance and buildings, right through to administration and forming of mission policy. The circuit continues to seek to engage everyone in the churches to discern their own sense of calling and to live it out in local service.

2.1 Plans for future years

1. The staff team is in the process of shaping a Mission Action Plan around the four aspects of the Methodist Church 'Our Calling' statement.
2. To continue to develop the growing culture of being outward looking as churches.
3. To support the church at Portishead High Street in its vision for redeveloping its premises in order to engage the community more effectively.
4. To ensure that new community engagement / outreach initiatives are sustainable.
5. To continue to grow leadership especially through the vocation of local preachers and worship leaders.
6. To continue to ensure that the Circuit and all the churches within it are kept updated with training and resource for safeguarding.
7. To continue to focus on the priority of growing the work with children and young people across the Circuit, resourcing the churches and making the most of opportunities both in District and Connexional Methodism and the wider Church.
8. The appointment of one of the ministerial staff, Revd Nick Moxon was reviewed in the summer and the recommendation will be made to the Circuit Meeting that this be extended for a further five years from September 2021.
9. A sum of £11,000 has been budgeted for manse maintenance in the coming year.

3 Financial review

During the year, the Circuit received total income of £304,140 (2018-19 £289,855) and dispersed £296,114 (2018-19 £288,049).

The trustees of the Circuit have every reason to believe that the Circuit is a going concern, principally because Churches continue to meet their assessments and the Circuit has adequate reserves to cover a shortfall in anticipated income. There are no subsidiary undertakings. The ongoing financial effects of Covid 19 on individual church finances is uncertain with loss of income through giving and lettings. A meeting of church treasurers and ministers will convene in October to assess the current situation and ongoing budget.

The Circuit has the following principal sources of funds:

- Assessments on Churches within the Circuit
- Grants from District (Nil this year)
- Contributions towards the cost of Lay Workers by Churches

These sums are used to administer the Circuit and to provide grants to Churches and individuals in the Circuit so that they may embark on or continue with projects that fulfil the mission of the Circuit by bringing more people to Christ or by providing facilities that might enable this to happen.

3.1 Investment Policy and Performance

To comply with Methodist Standing Orders, monies for long term investment are lodged with the Trustees for Methodist Church Purposes (TMCP). TMCP acts as custodian trustee for all real estate held by circuits and for all large (over £20K) bequests and for the proceeds of sale of any property formerly owned by the Circuit. These sums are invested in unitised investments or held on deposit. The investment returns are close to tracking the movements in the FTSE 100 index. The deposit income mirrors the deposit rates elsewhere. GVMC trustees' investment policy is aligned with that of the Central Finance Board (CFB) and TMCP because these organisations take into consideration the social, environmental and ethical considerations, both negatively and positively, that make investments suitable to the Methodist Church.

The Circuit has no funds lodged with TMCP now.

Short term deposits are lodged directly with the CFB and attract good rates of interest.

There are no benchmarks for the expected returns or appreciation on investments at TMCP and CFB. It is the Circuits policy to manage the cash and investment resources of the Circuit so that a rate of return on investment – both by way of dividend and capital appreciation is obtained at least as good as market rate considering the Circuits low appetite for risk. The interest rate achieved on CFB deposits has been at 0.68% for the year. The rate in August 2020 was 0.70%.

3.2 Reserves level and policy

At the September Circuit Meeting the following Reserve Policy was approved:

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The minimum policy level of readily available part of the Circuits General Fund is such as to cover 4 months of the coming year's budget less the salary costs of the presbyters. This would be held 50% by the Circuit and 50% by the Churches in the Circuit. This should be sufficient to meet any unforeseen item of major expenditure on manses and/or to be able, in the short term, funding planned activities in the event of any inability to raise the full Circuit Assessment from churches.

	2020-21	2019-20
Budget	£301,680	£318,354
Less Presbyters Salary Costs	£141,744	£137,067
	£111,564	£181,287
Reserve Level (4 Months)	£37,188	£60,429
Circuit	£18,594	£30,215
Churches	£18,594	£30,214

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

Free Reserves	£
Total Funds	2,050,561
Less Designated Funds	12,720
Less Designated Manses Property Fund	1,987,856
Free Reserves	49,985

3.3 Collaborative arrangements with connected charities

The Circuit's main source of income was the assessments obtained from each church within the Circuit based on free will giving plus Gift Aid and on membership. Split 60% on income and 40% on membership worked on a three-year moving average. This was used to defray most of the cost of administering the Circuit. This sum amounted to £251,448 (2018-19 £245,532).

The Circuit holds no funds as custodian trustee. It does, however, receive monthly contributions from churches within the Circuit which are payable to the Methodist Church Fund (MCF). These sums are collected as agent for the MCF and are passed to the District within one month. Funds received by the Circuit as agent are not recognised as an asset in the financial statements because the funds are not within its control. No fee is earned in respect of this agency arrangement and the Circuit incurs no cost through this arrangement.

4 Trustees' responsibilities

4.1 Risk

The Circuit is largely risk averse but especially in making grants to entities embarking on new and imaginative initiatives, the Circuit is prepared to underwrite considerable risks.

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

4.2 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 re-creation of us in Christ. Among other things this implies a duty to value all people as bearing the image of God and therefore to protect them from harm.

Methodist Connexional practice outlines commitment to the following principles:

- the care and nurture of, and respectful pastoral ministry with, all children, young people and adults
- the safeguarding and protection of all children, young people and adults when they are vulnerable
- the establishing of safe, caring communities which provide a loving environment where there is informed vigilance as to the dangers of abuse.
- We will carefully select and train all those with any responsibility within the Church, in line with Safer Recruitment principles, including the use of criminal records disclosures and registration with the relevant vetting and barring schemes.
- We will respond without delay to every complaint made which suggests that an adult, child or young person may have been harmed, cooperating with the police and local authority in any investigation.
- We will seek to work with anyone who has suffered abuse, developing with them an appropriate ministry of informed pastoral care.
- We will seek to challenge any abuse of power, especially by anyone in a position of trust.
- We will seek to offer pastoral care and support, including supervision and referral to the proper authorities, to any member of our church community known to have offended against a child, young person or vulnerable adult.
- In all these principles we will follow legislation, guidance and recognised good practice.

The Gordano Valley 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 Gordano Valley Circuit commits itself to the provision of support, advice and training for lay and ordained people that will ensure people are clear and confident about their roles and responsibilities in safeguarding and promoting the welfare of children and adults who may be vulnerable.

5 Structure, governance, and management

The Circuit is an unincorporated association and is governed by the Methodist Church Act 1976, the Deed of Union and the Model Trust Deeds of the Methodist Church and was registered with the Charity Commissioners on 2nd December 2009.

5.1 Structure

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

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1. Overall regulatory authority rests with the Methodist Conference.
2. The Connexional Office implements decisions made by Conference and also is responsible for the stationing of presbyters and deacons (collectively known as ministers) in individual Circuits and Districts.
3. Connexional decisions are passed to the Chair of the District and the appropriate officers of the District for implementation.
4. The District passes control down to Circuit level for local implementation by the superintendent Minister, ministerial staff and Circuit Stewards, and authority is delegated to the Circuit Meeting for certain matters.
5. The Circuit meeting passes regulatory control down to church councils for local implementation by the presbyter, the Church Stewards, and other officers, and this regulatory authority is then exercised by Church Councils as Managing trustees of their charity.

5.2 Purpose of the Circuit

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

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

The primary purpose of the circuit is to advance the mission of the Church in the Gordano Valley area of North Somerset

- By providing opportunities for Churches to work together and support each other
- By offering to churches resources of finance, personnel and expertise.

The Circuit serves the local churches and the District and the Conference in the support, deployment and oversight of the various ministries of the Church, and in programs of training.

5.3 Governance

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

Trustees are members of the Circuit meeting and are appointed as per the Constitution Practice and Discipline (CPD) of the Methodist Church, Standing order 510. The officers and representatives of the constitutive churches are elected from those respective churches. The circuit officers – namely Circuit Stewards, Treasurer, Secretary, Property Secretary, Safeguarding Officer, Local Preachers Secretary, and any other officers that may be appointed are nominated and elected by Circuit Meeting members.

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The membership of the Circuit Leadership Team includes the ministers of the Circuit, the Circuit Stewards and Circuit Treasurer who are appointed by vote of the Circuit Meeting for a continuous term not normally exceeding six years. The Superintendent Minister is *ex officio* chair of the CLT. When a position becomes vacant on the CLT nominations are invited from the ministers and lay members of the churches they represent. The Superintendent Minister then shares with them what the role involves. If they wish to be considered for the role, their names are taken to the Circuit Meeting for approval.

The CLT normally meets every two months and deals with routine and exceptional matters. It oversees the work of the Evangelism Enabler, finance, property, stationing, safeguarding and training.

5.4 Responsibilities of the Circuit Leadership Team

1. To formulate and promote policies which will advance the mission of the Church in local churches and, in particular, to supervise the use of resources of personnel, property and finance and to assist local churches having exceptional problems.
2. To encourage ecumenical co-operation.
3. To act in an executive capacity in matters remitted to the Team by the Circuit Meeting.
4. To keep within its purview all circuit concerns not dealt with elsewhere.
5. To contribute and respond, as the case may be, to the development of Connexional policies as reflected in the work of the Conference and the Methodist council, and to carry out its other responsibilities with any such development in mind.
6. To be aware that the stipend of ministers is set currently by reference to the change over a year in the Consumer Price Index and to the annual change in the Average Weekly earnings index using a formula that was agreed by the Methodist Conference for all ministers within the Connexion.
7. Constantly to be aware of the public benefit guidance issued by the Charity Commission.

6 Reference and Administrative Details

6.1 Name of the charity

The Gordano Valley Methodist Circuit, sometimes abbreviated to GVMC.

6.2 Charity registration number

1133077, registered in England and Wales on 2nd December 2009.

6.3 Principal Office

The Office
Christchurch
Chapel Hill
Clevedon
BS21 7LL

Tel. 01275 871483

www.gordanovalleymethodists.info

GORDANO VALLEY METHODIST CIRCUIT
TRUSTEES ANNUAL REPORT YEAR ENDED 31ST August 2020

6.4 Superintendent Minister

Revd. Dr Russell Herbert

6.5 Circuit Treasurer

Mr David Graham White

6.6 Names of Trustees

The following served as trustees throughout part or all of the year 2019-20 or were trustees at the time of this report being approved:

West Town/Backwell					
Mr B Kemmish	CH	To 31/8/2020	Mrs C Lomas	CH	
Mrs P Marchant	CH		Miss V Sowerby	CH	
Christchurch L.E.P.					
Mr D Eggleston	Add	To 31/8/2020	Rev R Herbert	Min	
Rev C Jennings	Min		Mrs K Dommett	CH	
Mrs M Sutherland	CS		Mr L Turner	CH	
Mr A Pett	CH				
Mr D G White	CT		Mr J Richards	CH	
Mrs C Gale	CMS		Mrs J McManus	CH	From 10/09/2019
Kenn Road, Clevedon					
Mrs J Bailey	CH	,	Mrs N Burge	CH	To 10/5/2020
Mrs S Roberts	CH	To 10/5/2020	Mr G Roberts	CT	
Mr C G Mills	CH		Mrs M Mills	CH	To 31/8/2020
Mrs S Lillington	CH	From 10/5/2020			
Nailsea					
Mr N Hardman	CS	.	Mr R Lancaster	CH	From 1/9/2020
Mrs J Payne	CH	To 31/8/2020	Mr P Todd	CH	
Mr A Emery	CH		Mrs M Emery	LP	
Mr D Markall	CH		Rev D Mallett	Min	
			Rev D Sharp	Sup	
Pill					
Mrs L Powell	CH				
Mr M Ferguson	CH	To 31/8/2020	Mrs E Marsh	CH	From 1/9/2019
Portishead					
Rev N Moxon	Min		Mrs S Clarke	Add	To 31/8/2020
Mr K Gathergood	CS		Rev B Hunt	Sup	
Mrs J Morris-Thurgood	CH		Rev P Mortlock	Sup	
Mrs B Thompson	CH		Rev Ann Owen	Sup	From 1/9/2019
Rev Heather Noel-Smith	Sup				
Redcliffe Bay					
Mr D Uncles	CH	From 18/9/2019	Mrs S Mason	CH	

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Rev D Harris	Sup		Mrs J Clote(Davis)	CH	
Yatton					
Mr T R Calderbank	CH		Rev I Bowley	Sup	
Mr M Buckley	Add		Mr R Eeles	CH	
Mr A Williams	CS	To 10/2/2020	Mr A Osborne	CH	To 31/8/2020
Mrs A Hawkins	CH		Rev J Flowers	Min	
Rev A Price	Sup		Mr K Woodman	CS	From 10/2/2020
Mrs B Hook	Add	From 15/5/2020	Mr B Patch	CH	From 1/9/2020

Reference

Add	Additional Member	CH	Church Steward/Rep.	CMS	Circuit Meeting Secretary
CS	Circuit Steward	CT	Circuit treasurer	MIN	Minister
LP	Local Preachers Rep.	Sup	Supernumerary Minister		

6.7 Superintendent Minister's PA

Mrs. Kathryn McManus-Jones

6.8 Bankers

National Westminster Bank PLC 89 High Street Weston-super-Mare North Somerset BS23 1HJ	Central Finance Board of the Methodist Church 9 Bonhill Street London EC2A 4PE
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6.9 Investment managers and custodian trustees

Trustees for Methodist Church Purposes

Central Buildings

Oldham Street

Manchester

M1 1JQ

6.10 Independent Examiner

Geoffrey Speirs FCA

ICAEW

Haines Watts, Chartered Accountants

Bath House

6-8 Bath Street

Bristol

BS1 6HL

7 Approval

The trustees report was approved by the board of trustees on **15th MARCH 2021**
and signed on its behalf by:

Revd Dr Russell Herbert

David Graham White

Date

Date

Statement of Financial Activities (SOFA) for the year ended 31 August 2020

	Notes	General Fund	Designated Funds	Total 2019-20	Total 2018-19
Income and Endowments from:					
Charitable Activities - Assessment on churches	2	251,448		251,448	245,532
Income from charitable activities - lettings				0	0
Investments			407	407	359
Grants	3				
Other Income	4	51,785	500	52,285	43,964
Total Income and Endowments		303,233	907	304,140	289,855
Expenditure					
Expenditure on charitable activities					
Management of the Circuit;					
Grants and donations	5	5,015	491	5,506	5,760
Salaries and associated costs	6	205,650		205,650	210,613
Property	9	14,478	12,434	26,912	16,978
Office Expenses		4,494		4,494	3,847
District Assessment	10	52,046		52,046	48,132
Other outgoings		1,506		1,506	2,719
Total charitable expenditure		283,189	12,925	296,114	288,049
Net incoming/(outgoing) resources before transfers		20,044	-12,018	8,026	1,806
Transfers between funds		-13,000	13,000		
Reclassification of funds					
Other gains/losses					
Net movement of funds		7,044	982	8,026	1,806
Total funds brought forward		42,941	1,990,145	2,042,535	2,040,729
Total funds carried forward		49,985	1,991,127	2,050,561	2,042,535

	Note	Unrestricted Funds		Totals 2020	Totals 2019
		General	Designated Funds		
		£	£	£	£
Fixed Assets					
Circuit Manses	BS1		1,987,856	1,987,856	1,987,856
Total fixed assets		0	1,987,856	1,987,856	1,987,856
Current Assets					
Debtors	BS2	20,083		20,083	19,775
Central Finance Board Deposits	BS3	51,783	12,720	64,503	60,497
Cash at Bank and in hand	BS3	3,732		3,732	-186
Total current assets		75,598	12,720	88,318	80,086
Creditors (due in under 1 year)	BS4	25,613		25,613	25,407
Net Current assets/liabilities		49,985	12,720	62,705	54,679
Total assets less current liabilities		49,985	2,000,576	2,050,561	2,042,535
<u>Creditors and Accruals including any loans (due after more than 1 year)</u>					
Net assets		49,985	2,000,576	2,050,561	2,042,535
Funds of the Circuit	BS5				
General fund (Unrestricted)		49,985			42,941
Circuit Model Trust Fund (Unrestricted)					
Designated Funds (Unrestricted)			2,000,576		1,999,594
Total Unrestricted Funds		49,985	2,000,576	2,050,561	2,042,535
Restricted Funds					
Total Funds		49,985	2,000,576	2,050,561	2,042,535

Approval

The financial statements were approved by the Circuit Board of Trustees on
and were signed on its behalf by:

15th March 2021

Revd Dr Russell Herbert

David Graham White

Date

Date

The Gordano Valley Methodist Circuit
Notes to the accounts for year ending 31 August 2020

1 Basis of accounting and accounting policies

I. Basis of accounting

The financial statements have been prepared in accordance with the Charities SORP (FRS 102) '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 2019)', Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' and the Charities Act 2011.

The 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) (effective 1 January 2019) rather than the Accounting and Reporting by Charities: Statement of Recommended Practice effective from 1 April 2005 which has since been withdrawn.

II. Public benefit entity

The Gordano Valley 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 note(s) below.

III. Basis

These accounts have been prepared on the basis of historical cost. The accruals basis has been used and trustees present accounts that show a true and fair view of the Circuit's financial position and activities.

IV. Content

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

V. Going Concern

The accounts have been prepared on the assumption that the charity is able to continue as a going concern. However, the Covid-19 pandemic is likely to have a profound impact on the global economy and may in turn affect the charity. The trustees have considered the impact of this issue on the charity's current and future financial position. The charity holds unrestricted, general reserves of £49,985 and designated reserves that can be drawn down if necessary of £12,720. The trustees consider that the charity has sufficient cash reserves to continue as a going concern for a period of at least 12 months from the date on which these financial statements are approved.

VI. Consolidation

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

VII. Income recognition

The Gordano Valley Methodist Circuit
Notes to the accounts for year ending 31 August 2020

Income is brought into account when there is entitlement, and the amount is reliably measurable once it is more than likely than not that the economic benefit of the income will be forthcoming.

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

The Circuit acts as agent in the collection from churches and payment over of their contributions to various Funds controlled and administered by The Methodist Church – “Connexional Funds”

In all these matters the transactions are not reflected in the SOFA because they are the income of either the Connexion or Churches as appropriate. Instead, the transactions are disclosed in the Notes to the Accounts.

In accordance with the charities SORP (FRS102), the time of volunteers is not recognised. Further information on this matter is provided in the Trustees’ Annual Report. If goods are donated, a value will be shown in the SOFA or Notes where the value is considered material.

VIII. Expenditure

This is recognised when a liability is incurred, or a constructive obligation arises, where the amount is reliably measurable, and it is considered more likely than not that there will be an outflow of economic benefit.

IX. VAT

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

X. Tangible fixed assets

- a. These are capitalised if they can be used for more than one year, and individually cost at least £1,000.
- b. The Freehold property (4 manses) are valued at deemed cost of £1,945,000, as at 1st September 2015 by professional valuation, plus subsequent additions at a cost of £42,856.
- c. No depreciation is provided on the buildings because the trustees consider the current residential fair value of the manse building (on the assumption that it had reached the end of its useful economic life by the year end) to be not less than its cost to date. Any depreciation would not be material. The property has been reviewed for impairment.
- d. The Circuit makes use of the deemed cost transitional provisions of FRS102 SORP2015.

XI. Basic Financial Instruments

The charity has financial assets and liabilities of a kind that qualify as basic financial instruments. Basic financial instruments are recognised at transaction value and subsequently measured at their settlement value.

XII. Debtors and Creditors

- a. Debtors are recognised at the settlement amount due. Prepayments are valued at the amount prepaid.
- b. Creditors and provisions are recognised where the charity has a present obligation resulting from a past event that will normally result in the transfer of funds to a third party and the amount due to settle the obligation can be measured or estimated reliably. Creditors and provisions are normally recognised at their settlement amount.

The Gordano Valley Methodist Circuit
Notes to the accounts for year ending 31 August 2020

XIII. Short term liquid investments and cash

Cash at bank is held to meet short-term cash commitments as they fall due rather than for investment purposes and includes all cash equivalents held in the form of short-term highly liquid investments. Cash equivalents are short-term, highly liquid investments that are readily convertible to known amounts of cash and that are subject to an insignificant risk of changes in value

XIV. Methodist Connexional Funds

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

XV. Funds

The funds held constitute:

General Funds held for any charitable purpose of the Circuit which are unrestricted.

Designated funds held for specific purposes but are not restricted by any document or deed to that purpose alone.

XVI. Ministers' manse costs

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

XVII. Judgements and key sources of estimation uncertainty

No judgements (apart from those involving estimates) have been made in the process of applying the above accounting policies.

2 Assessment on Churches

The Circuit comprises 8 churches and each is assessed for a contribution to meet the overall net costs of the Circuit. In making its assessment the budgeted income from investment income and property letting, confirmed external grants and contribution from churches towards the cost of lay employees is considered. The Circuit aims to cover all its core costs from the assessment.

An Assessment on churches is annually determined by the Circuit using a formulaic method which takes into account the relative number of members in each church and its freewill giving plus gift aid receipts. Assessments on churches are monthly in advance and are treated as pre-payments on a receivable basis. If any church has not paid its assessment by the due date the sum in question is treated as a debtor.

3 Grants Received

No grants were received by the circuit during this period.

The Gordano Valley Methodist Circuit
Notes to the accounts for year ending 31 August 2020

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Other income comprises the following:

	2019/20 £	2018/19 £
Contribution from churches towards lay workers	51,481	43,660
Contribution for private use of telephone and broadband by Ministers	304	304
Contribution to fencing at Clevedon Manse	500	
Total Other income	52,285	43,964

5 Grants and Donations

Grants are recognised in full when the award is made once the Circuit accepts that there is a legal or constructive obligation to make the payment and that payment is probable.

The Circuit Meeting has approved the following payments to Connexional Funds from Circuit funds:

Bristol Methodist Centre	£800
Methodist Fund for Property	£2,375
Methodist Fund for the Support of Presbyters and Deacons	£1,140
Leaders of Worship and Preachers Fund	£700

In addition, the Circuit transfers £62.50 per quarter to its Mission Fund and grants totalling £491 to two groups were made in the year.

6 Stipends and Salaries and Associated Costs

Staff Costs paid during the year were:

	2019/20 £	2018/19 £
Gross wages, salaries and benefits in kind	156,664	156,577
Employer's National Insurance costs	12,009	12,325
Pension costs	28,918	29,369
Other employment costs	8,059	12,667
Total Staff Costs	205,650	210,613

No employees received employee benefits of more than £60,000. There is no accrual for holiday pay as it is immaterial. The holiday year ends on 31 August 2020. All staff are paid at or above the living wage.

	2019/20	2018/19
Total number of staff	7	10
Full time equivalent	6.33	7.5

4 trustees are presbyters of the Circuit in receipt of a salary, costs of £137,994 (2019 - £133,516), travel costs of £3,472 (2019 - £4,536), telephone costs of £2,630 (2019 - £2,976) and training of £150 (2019 - £960).

The Gordano Valley Methodist Circuit
Notes to the accounts for year ending 31 August 2020

Pensions

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

On the other hand lay employees are contractually employees and have the option of joining a pension scheme which the Circuit has arranged with NEST. This is a defined benefit scheme and the Circuit contributes as employer to this scheme.

The Connexion accounts for both pension schemes and shows the figures in the annual Methodist Church in Great Britain. The MMPS is in deficit but a plan for the removal of the deficit has been proposed and is being implemented.

7 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	1	1
Total amount	£41	£39

Trustee expenses

Expense payments primarily relate to reimbursement for travel and stationery costs

8 Fees for examination of the accounts

	2019/20	2018/19
	£	£
Independent examiner's for reporting on the accounts	2,496	2,424
Other fees (eg: advice, accountancy services) paid to the independent examiner or auditor: Accountancy Software	137	121

9 Property Expenses

The Circuit is the Managing Trustee for 4 manses which are occupied by ministers stationed in the Circuit. The circuit is responsible for the payment of Council tax, water charges and insurance.

The cost of ongoing maintenance and improvements to all properties is funded through a Designated 'Manse Maintenance Fund' and a transfer of £3,000 p.a. per manse is made from the General Fund, Interest received from Central Finance Board Deposit is credited to this account. The level of transfer is reviewed by the trustees each year. The work outstanding at Clevedon last year to reconfigure the front steps and install a handrail is still to be completed. Sundry work in the kitchen and a replacement cooker at Nailsea manse. To assist the family at Portishead a stud wall was removed and at Yatton attention was given to the shower and replacing a gas fire which had ended its permitted life.

The Gordano Valley Methodist Circuit
Notes to the accounts for year ending 31 August 2020

10 District Assessment

The District Assessment is calculated relative to the proportion of Church members and staffing (Presbyters and lay staff f.t.e., less administrative staff) of all Circuits in the Bristol District. 50% of the overall cost is calculated using relative membership proportions and 50% using relative staffing proportions.

11 Comparative Statement of Financial Activities

	Notes	General Fund	Designated Funds	Total 2018-19
Income and Endowments from:				
Charitable Activities - Assessment on churches	2	245,532		245,532
Income from charitable activities - lettings				0
Investments			359	359
Grants	3			
Other Income	4	43,964		43,964
Total Income and Endowments		289,496	359	289,855
Expenditure				
Expenditure on charitable activities				
Management of the Circuit;				
Grants and donations	5	4,894	866	5,760
Salaries and associated costs	6	210,613		210,613
Property	9	13,934	3,044	16,978
Office Expenses		3,847		3,847
District Assessment	10	48,132		48,132
Other outgoings		2,719		2,719
Total charitable expenditure		284,139	3,910	288,049
Net incoming/(outgoing) resources before transfers		5,357	-3,551	1,806
Transfers between funds		-13,000	13,000	
Net movement of funds		-7,643	9,449	1,806
Total funds brought forward		50,584	1,990,145	2,040,729
Total funds carried forward		42,941	1,999,594	2,042,535

The Gordano Valley Methodist Circuit
Notes to the accounts for year ending 31 August 2020

BS1 Manses & Other Property

Buildings comprise of 4 manses located in Clevedon, Nailsea, Portishead and Yatton and were professionally valued to determine deemed cost as at 31 August 2015.

	Property
Cost or valuation	
Balance brought forward on 1 September, at cost	1,987,856
<i>Balance carried forward</i>	1,987,856

BS2 Debtors and Prepayments

	General	Designated	Total 2020	2019
Prepayments				
Stipends, Pension & NI	11,808		11,808	11,494
Insurance	1,881		1,881	1,811
Council Tax	5,856		5,856	5,600
Other prepayments	538		538	870
<i>Totals</i>	20,083		20,083	19,775

BS3 Central Finance Board (CFB) and Bank Balances

Monetary balances held at the Central Finance Board of the Methodist Church and at National Westminster Bank plc are all available on demand without loss of interest. The split of these balances across General and Designated Funds is arbitrary but wherever possible balances are not shown as negative.

	General	Designated	Total 2020	2019
Central Finance Board	51,783	12,720	64,503	60,497
National Westminster Bank plc	3,732		3,732	-186
<i>Totals</i>	55,515	12,720	68,235	60,311

BS4 Creditors, Accruals, and Income in Advance

It is expected that all sums accrued as at 31st August 2020 will be paid during the year to 31st August 2021.

The Gordano Valley Methodist Circuit
Notes to the accounts for year ending 31 August 2020

	General	Designated	Total 2020	2019
Income in advance				
Assessments in advance	16,894		16,894	16,788
Creditors and Accruals				
Accountancy cost	2,500		2,500	2,500
Accounts payable	5,991		5,991	5,911
Others	228		228	208
Totals	25,613	0	25,613	25,407

BS5 Summary of fund movements

Fund	Balance at 31/9/2019	Income	Expenditure	Transfers	Gains/Losses	Balance at 31/8/2020
General	42,941	303,233	-283,189	-13,000		49,985
Designated -Manse maintenance	9,782	907	-12,434	12,000		10,255
Designated - Mission	1,206		-491	250		965
Designated - Stationing	750			750		1,500
Designated Manses Property	1,987,856					1,987,856
Total General and designated	2,042,535	304,140	-296,114	0	0	2,050,561
Total funds	2,042,535	304,140	-296,114	0	0	2,050,561

Manse Maintenance – Receives quarterly transfers of £3,000 from the General Fund based on the number of manses and against this is charged routine maintenance, repairs and as the need arises, and renovation of fittings. The cost of quinquennial inspections is also charged to this fund.

Mission Fund – Receives quarterly transfers of £62.50 from the General Fund and against this, grants are made to Churches, groups or individuals for the furtherance of the Circuits mission within the Gordano Valley Circuit.

Manses Property Fund

This fund represents fair value of manses held by the Circuit.

The Gordano Valley Methodist Circuit
Notes to the accounts for year ending 31 August 2020

BS5a Comparatives for movements in funds

Fund	Balance at 31/9/2018	Income	Expenditure	Transfers	Gains/Losses	Balance at 31/8/2019
General	50,584	289,496	-284,139	-13,000		42,941
Designated -Manse maintenance	467	359	-3044	12,000		9,782
Designated - Mission	1,822		-866	250		1,206
Designated - Stationing				750		750
Designated Manses Property	1,987,856					1,987,856
Total General and designated	2,040,729	289,855	-288,049	0	0	2,042,535
Total funds	2,040,729	289,855	-288049	0	0	2,042,535

BS6 Analysis of net assets between funds

Fund balances at 31 August 2020 are represented by:

	General	Designated	Total 2020
Tangible fixed assets	0	1,987,856	1,987,856
Investments			
Current Assets	75,598	12,720	88,318
Current liabilities	-25,613		-25,613
Creditors due after one year			
Totals	49,985	2,000,576	2,050,561

BS6a Comparative analysis of net assets between funds.

	General	Designated	Total 2019
Tangible fixed assets	0	1,987,856	1,987,856
Investments			0
Current Assets	67,720	12,424	80,144
Current liabilities	-24,436	-971	-25,407
Creditors due after one year			0
Totals	43,284	1,999,309	2,042,593

The Gordano Valley Methodist Circuit
Notes to the accounts for year ending 31 August 2020

BS7 Connected Organisations and Related Parties

None of the Circuit trustees made donations direct to the Circuit during the year or the preceding year. All of the Circuit trustees are members of one or another Church within the Circuit and may be trustees in their Churches.

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

Funds handled on behalf of others.

None of the figures tabulated below appear elsewhere in these accounts.

Names of related parties	Party	Receipts	Payments	Adjustments	Balance due(from)/to the Circuit at 31/8/2020
JMA	Connexion	88	88		
World Mission Fund	Connexion	1,220	1,220		
Mission in Britain Fund	Connexion	627	627		
Totals		1,935	1,935	0	0

BS8 Volunteer Contributions

Every entity (Connexion, District, Circuit, Church) within the Methodist Church in GB is heavily reliant on volunteers who contribute their skills, time and money in the furtherance of the work of the Church. In the Circuit the principal contribution is by serving on committees of the Circuit that deal with mission, manses, finance, policy, training and safeguarding. We are grateful to all of them for their help and commitment. No attempt has been made by this Circuit to value the non-monetary contributions to the Circuit in monetary terms.

BS9 Independent Examiner

An accrual of £2,500 has been made for the fee of the Independent Examiner.

The Independent Examiner provided Accounting software services during the year.

The Gordano Valley Methodist Circuit

Independent Examiner's Report to the Trustees of the Gordano Valley Methodist Circuit

I report to the charity trustees on my examination of the accounts of the charity for the year ended 31 August 2020.

Responsibilities and basis of report

As the charity'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 charity'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.

Independent examiner's statement

Since the charity's gross income exceeded £250,000 your examiner must be a member of a body listed in section 145 of the Act. I confirm that I am qualified to undertake the examination because I am a member of ICAEW, 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 the charity 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 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 other than that set out below 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.

Matter of concern identified

The Trustees' view on the impact of Covid-19 is disclosed on page 3 of the Trustees' Report and in the accounting policies note. However, not all future events or conditions can be predicted. The Covid-19 viral pandemic is one of the most significant economic events for the UK with unprecedented levels of uncertainty of outcomes. It is therefore difficult to evaluate all of the potential implications on the charity.

The Gordano Valley Methodist Circuit

Geoffrey Speirs FCA

G. P. Speirs

ICAEW

Haines Watts

Chartered Accountants

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6-8 Bath Street

Bristol

BS1 6HL

Date 1 March 2021