

REGISTERED CHARITY NUMBER: 1133077

**Report of the Trustees and
Unaudited Financial Statements
for the Year Ended 31 August 2021
for
GORDANO VALLEY METHODIST CIRCUIT**

GORDANO VALLEY METHODIST CIRCUIT TRUSTEES ANNUAL REPORT YEAR ENDED 31ST August 2021

The Trustees have pleasure in presenting their report and the unaudited financial statements of the charity for the year ended 31st August 2021. 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.

**GORDANO VALLEY METHODIST CIRCUIT
TRUSTEES ANNUAL REPORT YEAR ENDED 31ST August 2021**

- 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 into District and Connexional resources of the Methodist Church.

2 Achievements and performance

Covid-19 has meant that all eight of the church buildings have been closed for a large amount of the last year. This has meant that Sunday services and midweek church activities on site have been very limited. Lettings to community groups has also been restricted, and this has had an impact on revenue. For all that, the churches have adapted and found creative ways of working. Much pastoral work has been carried out by phone. Most meetings have been taking place using online platforms such as Zoom.

All four sections have been doing services on-line, and strategy is being drawn up for continuing and growing engagement with contact made online during this time.

One person has candidated for ordination in the Methodist Church and has been accepted for training. The circuit continues to train four others for local preaching.

The building project at Portishead has commenced – this will create a community café and hub for the church on the High Street.

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 circuit has now created and approved a Mission Action Plan around the four aspects of the Methodist Church 'Our Calling' statement – this will form the basis of ongoing work.
2. To continue to develop the growing culture of being outward looking as churches.
3. To support the church at Portishead High Street as it implements new outreach work as the building project comes to completion.
4. To ensure that new community engagement / outreach initiatives are sustainable.
5. To continue to grow leadership especially though 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. To support all eight churches in seeking ways to be Church effectively in a post-lockdown world.

3 Financial review

During the year, the Circuit received total income of £279,712 (2019-2020 £304,140) and dispersed £283,419 (2019-20 £296,114).

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.

During the year the budget was reviewed and adjusted downwards by meeting of church treasurers in line with decreased income due to the effects of the pandemic on overall income.

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 rates of interest that reflect the financial market.

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:

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

**GORDANO VALLEY METHODIST CIRCUIT
TRUSTEES ANNUAL REPORT YEAR ENDED 31ST August 2021**

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.

	2021-22	2020-21 (Amended during the year)
Budget	£299,331	£295,682
Less Presbyters Salary Costs	£143,052	£141,744
	£156,279	£153,938
Reserve Level (4 Months)	£52,093	£51,312
Circuit	£26,047	£25,656
Churches	£26,046	£25,656

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

Free Reserves	£
Total Funds	2,046,854
Less Designated Funds	19,447
Less Designated Manses Property Fund	1,987,856
Free Reserves	39,551

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 £230,982 (2019-20 £251,448).

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.

GORDANO VALLEY METHODIST CIRCUIT TRUSTEES ANNUAL REPORT YEAR ENDED 31ST August 2021

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.

GORDANO VALLEY METHODIST CIRCUIT TRUSTEES ANNUAL REPORT YEAR ENDED 31ST August 2021

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.

GORDANO VALLEY METHODIST CIRCUIT TRUSTEES ANNUAL REPORT YEAR ENDED 31ST August 2021

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 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 2021

6.4 Superintendent Minister

Revd. Dr Russell Herbert

6.5 Circuit Treasurer

Mr David Markall (appointed 15/9/2021) Mr D G White (resigned 15/9/2021)

6.6 Names of Trustees

The following served as trustees throughout part or all of the year 2020-21 or were trustees at the time of this report being approved:

West Town/Backwell					
Miss V Sowerby	CH		Mrs C Lomas	CH	
Mrs P Marchant	CH				
Christchurch L.E.P.					
Rev R Herbert	Min		Mr A Prett	CH	
Rev C Jennings	Min		Mrs K Dommett	CH	
Mrs M Sutherland	CS		Mr L Turner	CH	To 10/2/2021
Mr D G White	CT	To 15/9/2021	Mr J Richards	Add	
Mrs C Gale	CMS		Mrs J McManus	CH	
Kenn Road, Clevedon					
Mrs J Bailey	CH	,	Mr P Evans	CH	From 1/5/2021
Mrs S Lillington	CH	To 10/5/2021	Mr G Roberts	CT	To 10/5/2021
Mr C G Mills	CH		Rev P Andersen	Sup	From 01/09/2020
Nailsea					
Mr N Hardman	CS	.	Mr R Lancaster	CH	
			Mr P Todd	CH	
Mr A Emery	CH		Mrs M Emery	LP	
Mr D Markall	CT		Rev D Mallett	Min	
Rev M Pullan	Sup	From 1/9/2021	Rev D Sharp	Sup	
Pill					
Mrs L Powell	CH		Mrs E Marsh	CH	
Mr M Burnett	CH				
Portishead					
Rev N Moxon	Min		Mrs B Thompson	CH	
Mr K Gathergood	CS	To 15/3/2021	Rev B Hunt	Sup	
Mrs J Morris-Thurgood	CH		Rev P Mortlock	Sup	
Rev Heather Noel-Smith	Sup		Rev Ann Owen	Sup, NV	
Redcliffe Bay					
Mr D Uncles	CH		Mrs S Mason	CH	
Rev D Harris	Sup		Mrs J Clote(Davis)	CH	
Mr A Reddrop	CS	From 10/5/2021			
Yatton					

GORDANO VALLEY METHODIST CIRCUIT
TRUSTEES ANNUAL REPORT YEAR ENDED 31ST August 2021

Mr T R Calderbank	CH		Rev I Bowley	Sup	
Mr M Buckley	Add		Mr R Eeles	CH	To 30/11/2020
Mr M Pryke	CH	From 1/9/2021			
Mrs A Hawkins	CH	To 31/8/2021	Rev J Flowers	Min	
Rev A Price	Sup		Mr K Woodman	CS	
Mrs B Hook	Add		Mr B Patch	CH	

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	NV	Non Voting

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 16th September 2021 and signed on its behalf by:

Revd Dr Russell Herbert

David Markall

8 November 2021

1 November 2021

Statement of Financial Activities (SOFA) for the year ended 31 August 2021

	Notes	General Fund	Designated Funds	Total 2020-21	Total 2019-20
Income and Endowments from:					
Charitable Activities - Assessment on churches	2	230,982		230,982	251,448
Income from charitable activities - lettings				0	0
Investments			86	86	407
Grants	3				
Other Income	4	48,644		48,644	52,285
Total Income and Endowments		279,626	86	279,712	304,140
Expenditure					
Expenditure on charitable activities					
Management of the Circuit;					
Grants and donations	5		100	100	5,506
Salaries and associated costs	6	206,809		206,809	205,650
Property	9	14,839	5,009	19,848	26,912
Office Expenses		4,158		4,158	4,494
District Assessment	10	51,792		51,792	52,046
Other outgoings		712		712	1,506
Total charitable expenditure		278,310	5,109	283,419	296,114
Net incoming/(outgoing) resources before transfers		1,316	-5,023	-3,707	8,026
Transfers between funds		-11,750	11,750		
Reclassification of funds					
Other gains/losses					
Net movement of funds		-10,434	6,727	-3,707	8,026
Total funds brought forward		49,985	2,000,576	2,050,561	2,042,535
Adjustment					
Total funds carried forward		39,551	2,007,303	2,046,854	2,050,561

	Note	Unrestricted Funds			
		General	Designated Funds	Totals 2021	Totals 2020
		£	£	£	£
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	20,810		20,810	20,083
Central Finance Board Deposits	BS3	38,908	19,447	58,355	64,503
Cash at Bank and in hand	BS3	4,588		4,588	3,732
Total current assets		64,306	19,447	83,753	88,318
Creditors (due in under 1 year)	BS4	24,755		24,755	25,613
<i>Net Current assets/liabilities</i>		39,551	19,447	58,998	62,705
Total assets less current liabilities		39,551	2,007,303	2,046,854	2,050,561
Creditors and Accruals including any loans (due after more than 1 year)					
Net assets		39,551	2,007,303	2,046,854	2,050,561
Funds of the Circuit	BS5				
General fund (Unrestricted)		39,551			49,985
Circuit Model Trust Fund (Unrestricted)					
Designated Funds (Unrestricted)			2,007,303		2,000,576
Total Unrestricted Funds		39,551	2,007,303	2,046,854	2,050,561
Restricted Funds					
Total Funds		39,551	2,007,303	2,046,854	2,050,561

Approval

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

Revd Dr Russell Herbert

David Markall

08 November 2021

01 November 2021

The Gordano Valley Methodist Circuit
Notes to the accounts for year ending 31 August 2021

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 £39,551 and designated reserves that can be drawn down if necessary, of £19,447. 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.

The Gordano Valley Methodist Circuit
Notes to the accounts for year ending 31 August 2021

VII. Income recognition

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 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 cost to date. Any depreciation would not be material. The property has been reviewed for impairment.

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 2021

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 at the discretion of the trustees 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 2021

4

Other income comprises the following:

	2020/21 £	2019/20 £
Contribution from churches towards lay workers	48,334	51,481
Contribution for private use of telephone and broadband by Ministers	310	304
Contribution to fencing at Clevedon Manse		500
Total Other income	48,644	52,285

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 usually approves payments to Connexional Funds from Circuit funds:

No significant grants or donations were made this year due to loss of income by churches in the Circuit from the effects of Covid 19 and the need to reduce Circuit expenditure.

The Circuit made no transfers to its Mission Fund in the year (usually £62.50 per quarter) Grants totalling £100 to one group were made in the year.

6 Stipends and Salaries and Associated Costs

Staff Costs paid during the year were:

	2020/21 £	2019/20 £
Gross wages, salaries and benefits in kind	156,813	156,664
Employer's National Insurance costs	13,921	12,009
Pension costs	30,364	29,918
Other employment costs	5,711	8,059
Total Staff Costs	206,809	205,650

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 2021. All staff are paid at or above the living wage.

	2020/21	2019/20
Total number of staff	7	7
Full time equivalent	6.33	6.33

4 trustees are presbyters of the Circuit in receipt of a salary, costs of £141,795 (2020 - £137,994), travel costs of £1,508 (2020 - £3,472), telephone costs of £2,463 (2020 - £2,630) and training of £0 (2020 - £150).

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

The Gordano Valley Methodist Circuit
Notes to the accounts for year ending 31 August 2021

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

Payments made to trustees for additional services provided to the Circuit by agreement with the Circuit Meeting, excluding stipends are as follows:

	2020/21	2019/20
Number of Trustees	0	1
Total amount	£0	£41

In the prior year expense payments primarily related to reimbursement for travel and stationery costs

8 Fees for examination of the accounts

	2020/21	2019/20
	£	£
Independent Examiner for reporting on the accounts	2,496	2,496
Other fees (eg: advice, accountancy services) paid to the independent examiner or auditor: Accountancy Software	144	137

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 £2,750 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 has been partially completed, the front steps have been reconfigured, but the installation of a handrail is still outstanding. Servicing of gas installations and sundry small repairs have been made during the year.

10 District Assessment

The District Assessment is calculated relative to the number of Presbyters and lay staff f.t.e., less administrative staff of all Circuits in the Bristol District. Membership numbers are no longer used to calculate the Assessment.

The Gordano Valley Methodist Circuit
Notes to the accounts for year ending 31 August 2021

11 Comparative Statement of Financial Activities

	Notes	General Fund	Designated Funds	Total 2019-20
Income and Endowments from:				
Charitable Activities - Assessment on churches	2	251,448		251,488
Income from charitable activities - lettings				0
Investments			407	407
Grants	3			
Other Income	4	51,785	500	52,285
Total Income and Endowments		303,233	907	304,140
Expenditure				
Expenditure on charitable activities				
Management of the Circuit;				
Grants and donations	5	5,015	491	5,506
Salaries and associated costs	6	205,650		205,650
Property	9	14,478	12,434	26,912
Office Expenses		4,494		4,494
District Assessment	10	52,046		52,046
Other outgoings		1,506		1,506
Total charitable expenditure		283,189	12,925	296,114
Net incoming/(outgoing) resources before transfers		20,044	-12,018	8,026
Transfers between funds		-13,000	13,000	
Net movement of funds		7,044	982	8,026
Total funds brought forward		42,941	1,999,584	2,042,535
Total funds carried forward		49,985	2,000,576	2,050,561

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.

The Gordano Valley Methodist Circuit
Notes to the accounts for year ending 31 August 2021

	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 2021	2020
Prepayments				
Stipends, Pension & NI	11,949		11,949	11,808
Insurance	1,970		1,970	1,881
Council Tax	6,360		6,360	5,856
Other prepayments	531		531	528
<i>Totals</i>	20,810		20,810	20,083

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 2021	2020
Central Finance Board	38,908	19,447	58,355	64,503
National Westminster Bank plc	4,588		4,588	3,732
<i>Totals</i>	43,496	19,447	62,943	68,235

BS4 Creditors, Accruals, and Income in Advance

It is expected that all sums accrued as at 31st August 2021 will be paid during the year to 31st August 2022.

	General	Designated	Total 2021	2020
Income in advance				
Assessments in advance	16,693		16,693	16,894
Creditors and Accruals				
Accountancy cost	2,500		2,500	2,500
Accounts payable	5,260		5,260	5,991
Others	302		302	228
<i>Totals</i>	24,755		24,755	25,613

The Gordano Valley Methodist Circuit
Notes to the accounts for year ending 31 August 2021

BS5 Summary of fund movements

Fund	Balance at 31/9/2020	Income	Expenditure	Transfers	Gains/Losses	Balance at 31/8/2021
General	49,985	279,626	-278,310	--11,750		39,551
Designated -Manse maintenance	10,255	86	-5009	11,000		16,332
Designated - Mission	965		-100			865
Designated - Stationing	1500			750		2,250
Designated Manses Property	1,987,856					1,987,856
Total General and designated	2,050,561	279,712	-283,419	0	0	2,046,854
Total funds	2,050,561	279,712	-283,419	0	0	2,046,854

Manse Maintenance – Receives quarterly transfers of £2,750 (2020 £3000) 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 – No quarterly transfers of £62.50 were made to the fund this year but a payment of £100 was made to one group.

Manses Property Fund

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

BS5a Comparatives for movements in funds

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	-12434	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

The Gordano Valley Methodist Circuit
Notes to the accounts for year ending 31 August 2021

BS6 Analysis of net assets between funds

Fund balances at 31 August 2021 are represented by:

	General	Designated	Total 2021
Tangible fixed assets	0	1,987,856	1,987,856
Investments			
Current Assets	64,306	19,447	83,753
Current liabilities	-24,755		-24,755
Creditors due after one year	0	0	0
Totals	39,551	2,007,303	2,046.854

BS6a Comparative analysis of net assets between funds.

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

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 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 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.

The Gordano Valley Methodist Circuit
Notes to the accounts for year ending 31 August 2021

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 at 31/8/2021
JMA	Connexion				
World Mission Fund	Connexion	1,872	1,218		-654
Mission in Britain Fund	Connexion	582	582		
Totals		2,454	1,800	0	-654

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.

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 2021.

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.

Geoffrey Speirs FCA
ICAEW
Haines Watts
Chartered Accountants
Bath House
6-8 Bath Street
Bristol BS1 6HL

8 October 2021