

THE METHODIST CHURCH

REPORT AND ACCOUNTS (ACCRUALS BASIS) for the year ended 31 August 2021

Thirsk & Northallerton Methodist Circuit

Registered Charity - Registration number 1133873

Circuit Number 29/23

Ministers

Rev'd W Arthur Harbottle
Rev'd Denise Williamson

Circuit Stewards

Mr Derek Smith
Mrs. Karen Collin
Mrs Karen Portsmouth

Circuit Treasurer

vacant

**Thirsk & Northallerton Methodist Circuit
Trustees' Annual Report
For The Year Ended 31st August 2021**

Introduction

The Trustees present their Annual Accounts for the year ended 31st August 2021, together with the relevant notes.

Aims and organisation

The Circuit's aims are twofold :

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

Mission Statement

The Circuit's Mission Policy is :

"To respond to God's grace in Jesus Christ by sharing in God's mission of love and restoration, in collaboration with our ecumenical partners. In particular by supporting the congregations in their call to discipleship, their worship, service, learning, evangelism and love of neighbours through the release of resources, which are God's gift and which we hold in common."

Review of the year

Income trends

Circuit income is primarily drawn from the assessment paid by the circuit churches.

The rental income relates to the rental of an investment property.

Expenditure trends

Stipend expenditure has increased each financial year in line with conference approved increases.

15% of expenditure is the Circuit contribution to the District and Connexion, of which a significant part is used to fund the work of the wider Methodist Church.

The expenditure drawn from reserves includes the salaries for a pastoral worker, and grants to churches in the Circuit for outreach projects sanctioned by the trustees in Circuit meeting

Fund balances

As at 31 August 2021 the net current assets of the Circuit were £304k, covering anticipated expenditure.

Plans for 2022/23

Circuit financial plans for the coming year have been prepared on the basis that there remains two full time ordained staff, one part time lay worker, and one full time lay worker with anticipated cost of living salary increases combined with an increase in the assessment paid to the district. The circuit is holding extra funds in reserve to help any struggling churches.

**Thirsk & Northallerton Methodist Circuit
Trustees' Annual Report on Finance and Governance
For The Year Ended 31st August 2021**

Basis of preparation and legal framework

The Charity's annual report and accounts for the year ended 31 August 2021 have been prepared in accordance with Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS102)(effective 1 January 2015) and the Charities Act 2011.

Full Name of Charity

Thirsk and Northallerton Methodist Circuit

Charity Registration Number

1133873

Date of registration

28th January 2010

Main communication address

Northallerton Methodist Church
High Street, Northallerton, DL7 8EG

Members

The members of the Thirsk & Northallerton Methodist Circuit meeting are the Charity Trustees, membership being made up of Circuit office holders, Ministers and representatives appointed by the local churches.

Circuit Ministers and officers

Active Circuit Ministers Rev W Arthur Harbottle
Rev Denise Williamson

Circuit Stewards Mr Derek Smith
Mrs Karen Collin
Mrs Karen Portsmouth

Administrator Miss Susan Jarman

Mrs Karen Collin acted as the principal officer with oversight of the financial management and accounting for the Circuit during the year.

Independent examiner :- Mr G Duncan Fothergill F.C.C.A. Swaleside Accountancy Limited, Old Rectory, South Kilvington, Thirsk, North Yorkshire YO7 2NL

Investment Bankers Central Finance Board of the Methodist Church
Trustees for Methodist Church Purposes

Thirsk & Northallerton Methodist Circuit
Trustees' Annual Report on Finance and Governance
For The Year Ended 31st August 2021

Aims and organisation

The Charity's aim is to fulfill the purposes of the Methodist Church within the area around Thirsk & Northallerton.

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

- a) The Christian faith in accordance with the doctrinal standards and discipline of The Methodist Church;
 - b) Any charitable purpose for the time being of any Connexional, District, Circuit, local or other organisation of The Methodist Church;
 - c) Any charitable purpose for the time being of any society or institution subsidiary or ancillary to The Methodist Church;
 - d) Any purpose for the time being of any charity being a charity subsidiary or ancillary to The Methodist Church
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- e) The organisation and resourcing of regular public acts of worship open to members of the church and non members alike.
 - f) The teaching of Christianity through sermons, courses and small groups.
 - g) The resourcing of pastoral work including visiting the sick and bereaved.
 - h) Taking religious assemblies in local schools.
 - i) Promotion of Christianity through the staging of events and services.
 - j) Provision of chaplaincy services to the local university and other institutions.

Public Benefit

The circuit produces a quarterly preaching plan to ensure regular acts of worship take place in the 11 Methodist chapels in the area. We confirm the trustees have had regard to the Charity Commission's guidance on public benefit.

Structure, Governance and Management

The governing document for the circuit is the Deed of Union (1932) and Methodist Church Act (1976). Detailed governance arrangements are outlined within the Constitutional Practice and Discipline of the Methodist Church by order of the annual conference (CPD). Oversight of the circuit is undertaken by the Circuit Meeting on the advice of the Circuit Leadership team.

Trustee Training

A range of guidance produced by Methodist Connexion to support the effective running of the circuit, specifically the leaflet 'The Role of a Trustee in The Methodist Church'. New Circuit meeting members are advised to read this as an induction to their role as trustees.

**Thirsk & Northallerton Methodist Circuit Circuit
Trustees' Annual Report on Finance and Governance
For The Year Ended 31st August 2021**

Related Parties

The Circuit is part of the Yorkshire North and East District and is also accountable to the Methodist Conference.

The following Methodist Churches are linked to the Circuit :

Appleton Wiske
Borrowby
Brompton
Northallerton (with Osmotherley)
Romanby (with Maunby)
Sowerby
Thirsk
Thornton-le-Beans
Rainton

Reserves Policy

The Reserves Policy for the Circuit is to hold a minimum sum equivalent to six months' average expenditure of around £80,000. This should enable in the short term the funding of planned activities in the event of any inability to raise the full Circuit Assessment from churches. This year Connexion has suggested that circuits keep an extra six month's expenditure, in our case £80,000 as a Covid 19 contingency. £30,000 has been thought to be sufficient to meet any unforeseen item of expenditure on the two manse and one cottage in its care. The Trustees also consider it prudent to provide an amount in case of redundancy of £2,550. The reserves fund the salary and expenses of the Pastoral and Development worker and the grants for mission to the churches which is a further £50,250. The total reserve fund required is therefore £242,800

**Thirsk And Northallerton Methodist Circuit
Trustee's Annual Report on Finance and Governance
For The Year Ended 31st August 2021**

Risk

The major risks have been identified and recorded by the Circuit Leadership Team with professional advice taken as required.

There is a regular annual review process undertaken and recorded.

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 Thirsk and Northallerton 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 Thirsk and Northallerton 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.

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

	Notes to the accounts	General Fund (Unrestricted)	Circuit Model Trust (Unrestricted)	Designated Funds (unrestricted)	Restricted Funds	Endowment Funds	Total 31.08.2021
		£	£	£	£	£	£
Income							
1 Donations and legacies		0					0
2 Income from monetary investments		12	734			220	966
3 Income from investment properties		2,241					2,241
4 Assessments on Churches		126,793					126,793
5 Capital Receipts		43,668	109,180				152,848
6 Grants received							0
7 Other charitable income		20,339					20,339
8 Total income		193,053	109,914	0	0	220	303,187
Expenditure							
9 Grants and donations		35,055					35,055
10 Salaries and associated costs		116,465					116,465
11 Property maintenance		1,375					1,375
12 Connexional assessment & model trust levy		2,520	7,954				10,474
13 District Assessment & Levy		23,912					23,912
14 Depreciation		2,170					2,170
15 Office expenses		3,622					3,622
16 Other outgoings		13,629	24,090			67	37,786
17 Total charitable expenditure		198,748	32,044	0	0	67	230,859
18 Gains/(losses) on monetary investments			651			1,299	1,950
19 Gains/(losses) on investment properties							0
20 Net income/(expenditure)		-5,695	78,521	0	0	1,452	74,278
21 Transfers between funds		43,344	-43,300			-44	0
22 Other gains/(losses)							0
23 Net movement in funds		37,649	35,221	0	0	1,408	74,278
24 Total funds brought forward		659,180	209,078	0	0	33,685	901,943
25 Total funds carried forward		696,829	244,299	0	0	35,093	976,221

Thirsk & Northallerton Circuit
Balance Sheet as at 31 August 2021

Circuit No 29/23

Notes to the
accounts

General Fund (Unrestricted) £	Circuit Model Trusts (Unrestricted) £	Designated Funds (Unrestricted) £	Restricted Funds £	Endowment Funds £	Totals 2021 £	Totals 2020 £
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Fixed Assets

Circuit Manses & Equipment	535,447				535,447	537,617
Investment properties	60,000				60,000	60,000
Investments					0	
Total fixed assets	595,447	0	0	0	595,447	597,617

Current Assets

Debtors	7,456				7,456	20,383
Loans by the Circuit	0				0	
Investments with TMCP		244,299		35,093	279,392	242,763
Central Finance Board Deposits	45,132				45,132	17,531
Cash at Bank and in hand	82,018				82,018	53,103
Total current assets	134,606	244,299	0	35,093	413,998	333,780

Current liabilities

Creditors (due in under 1 year)	33,224				33,224	29,454
Grants payable within 2020/21					0	
Total current liabilities	33,224	0	0	0	33,224	29,454
Net current assets/liabilities	101,382	244,299	0	35,093	380,774	304,326

Total assets less current liabilities	696,829	244,299	0	0	35,093	976,221	901,943
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Long term liabilities

(due after more than one year)							
Loans to the Circuit						0	
						0	
Net assets	696,829	244,299	0	0	35,093	976,221	901,943

Funds of the Circuit

General Fund (Unrestricted)	696,829				696,829	659,180
Circuit Model Trust Fund (Unrestricted)		244,299			244,299	209,078
Designated Funds (Unrestricted)			0		0	
Total Unrestricted Funds					941,128	868,258
Restricted Funds				0	0	
Endowment Funds					35,093	33,685
Total Funds	696,829	244,299	0	0	35,093	901,943

Signed

Circuit Support Manager

Thirsk and Northallerton Methodist Circuit
Notes to the Accounts
For The Year Ended 31st August 2021

1 Basis of accounting

The financial statements have been prepared under the Charities Act 2011 in accordance with the 2014 version of Accounting and Reporting by Charities: Statement of Recommended Practice (SORP) applicable to charities preparing their accounts in accordance with the Financial Reporting Standard for Smaller Entities applicable in the UK (effective from 1 January 2015) – the Charities SORP (FRSSE) – in replacement for the SORP's 2005 version specified in its related 2008 Regulations and in accordance with the 'true and fair override' provision contained therein.

2 Funds

The funds held constitute: General Funds are held for any purpose of the Circuit which are unrestricted. The Circuit Model Trust Fund has wide purposes defined in Standing Orders, and is categorised as unrestricted. Restricted funds are held for narrower purposes. There are also the following Endowment funds as listed. Details of each material fund are disclosed in the note 12 to these accounts. Any funds may be represented by more than just cash.

3 Accounting policies

Basis

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

Income Recognition

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

Resources Expended

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

Grants

Grants made by the Circuit from its own funds are recognised in full at the time of agreement or when the Circuit accepts that there is a legal or operational obligation to make the payment. When the grant is recurrent over more than one year the balance payable in future years is treated as a provision for future commitments in the Balance Sheet against the appropriate fund, the provision being released in future years as instalments are paid in accordance with the originally agreed terms.

VAT

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

Tangible fixed assets for use by the Circuit

These are capitalised if they can be used for more than one year, and individually cost at least £1,000.

The freehold property is shown in the accounts at cost. No depreciation is provided on the buildings because the trustees consider the current residual fair value of the manse buildings (on the assumption that they had reached the end of their useful economic lives by the year-end) to be not less than its current value. Any depreciation would not be material. The properties have been reviewed for impairment. Depreciation on Fixtures is calculated on a straight line basis to write off the assets over their anticipated useful lives.

Investment

Investment properties - The property was revalued on 23rd August 2016 by MW Darwin & Sons Chartered Surveyors.

Debtors and Prepayments

Debtors are largely payments relating to the sale of properties

Creditors

Creditors include both sundry expenses and specifically the 1st quarter assessment received in August.

Impact of Accounting changes

A statement is required if there has been any restatement required to previous reported information as a consequence of the new SORP.

Thirsk & Northallerton Methodist Circuit
Notes to the Accounts
For The Year Ended 31st August 2021

5. Investment income	Circuit Model			2021 Total	2020 Total
	Unrestricted	Trust Fund	Restricted		
Income from monetary investments	57	734	170	961	2,702
Rental income	2,241			2,241	1,152
Total	2,298	734	170	3,202	3,854

6. Paid employees

Staff Costs paid during the year were:

Gross wages, salaries and benefits in kind	116,465	115,136
Total staff costs	116,465	115,136
Average number of staff employed during the year were:	4	4

7. Tangible Fixed Assets

Cost or valuation	Two Manses	Fixtures	Total
	£	£	£
Balance brought forward	534,569	16,229	550,798
Additions at Cost			0
Balance carried forward	534,569	16,229	550,798

Accumulated depreciation:

Balance brought forward	0	13,181	13,181
Depreciation charge for year	0	2,170	2,170
Balance carried forward	0	15,351	15,351

Net book value

Brought forward	534,569	3,048	537,617
Carried forward	534,569	878	535,447

Thirsk & Northallerton Methodist Circuit
Notes To The Accounts (cont'd)
For The Year Ended 31st August 2021

8. Investments

The funds that support the Circuit Model Trust Fund are held by TMCP in Trustees Interest Funds on which interest is credited to the accounts each month. These are regarded as medium and long term investments.

TMCP is the legal owner and Custodian Trustee of all Methodist Model Trust property, including Legacies, Endowments and Accumulated Funds. Trust property is held for and on behalf of local Managing Trustees who are responsible for the day to day management of trust property. TMCP ensure that, through providing guidance and acting under their direction, the Managing Trustees comply with charity law and Methodist law and policy as determined by the Methodist Conference.

Analysis of investment movements

	2021	2020
Change in investment values		
Carrying (market) value at beginning of year	60,000	60,000
Net gain/(loss) on revaluation	0	0
Carrying (market) value at end of year	<u>£60,000</u>	<u>£60,000</u>

This investment is represented by a freehold property, which was professionally revalued in 2016 at £60,000

Thirsk And Northallerton Methodist Circuit
Notes To The Accounts (cont'd)
For The Year Ended 31st August 2021

9. Analysis of current assets	This year	Last year
Debtors and prepayments	£	£
Other debtors	7,456	20,383
Total debtors and prepayments	<u>7,456</u>	<u>20,383</u>

Analysis of cash at bank

Bank balance held in HSBC Bank (General Account)	82,018	37,866
Bank balance held in Yorkshire Bank (Rental Account)	0	13,950
Bank balance held in HSBC Bank (Copier Account)	0	1,045
Petty Cash Account (bank card)	0	242
Total Cash and Bank	<u>82,018</u>	<u>53,103</u>

10. Analysis of current liabilities and long term creditors

Prepaid Assessments	33,224	29,454
Other Creditors		
Total Current Liabilities	<u>33,224</u>	<u>29,454</u>

11. Capital Commitments and Contingent Liabilities

At 31st August 2021, The Circuit had the following capital commitments :-

A project to provide a Circuit Worker for the Elderly for current at an estimated cost of £22,500

No Contingent liabilities were identified at 31st August 2021

Thirsk & Northallerton Methodist Circuit
Notes To The Accounts (cont'd)
For The Year Ended 31st August 2021

12. Detailed analysis of individual fund movements

Unrestricted Funds

Unrestricted Fund Name	Opening Balance	Income	Expenditure	Transfers	Closing Balance	Purpose of the fund
Circuit Model Trust Fund	209,078	110,565	32,044	43,300	244,299	Work of God in the Circuit
		0			0	
					0	
Totals	209,078	110,565	32,044	43,300	244,299	

Endowment Name	How the capital is invested	The current value of	Annual income	What the income was used for
For Circuit Ministers	CFB Managed Mixed Fund	3,222	500	Ministers' Welfare
Various Legacies	CFB Managed Mixed Fund	31,871	907	Income Accumulated
Totals		35,093	1,407	

Thirsk And Northallerton Methodist Circuit
DECLARATIONS

Treasurer

I confirm that these accrual based accounts for the year ended 31 August 2021 have been prepared from the records of the Circuit and that they include all funds under the control of the Circuit Meeting.

Signature of Treasurer

K. Collin

Date

23/3/22

Name of Treasurer

KAREN COLLIN (ON BEHALF OF CIRCUIT STEWARDS AS NO TREASURER)

Address

SANDHUTTON, N. YORKSHIRE YO7 4RW

Presentation to the Circuit Meeting for approval.

I confirm that the annual report and accounts for the year ended 31 Aug 2021 were presented to the Circuit Meeting at its meeting on 3rd March 2022 and were approved.

Signature of the Chair of the meeting

W. Arthur Harbottle

Date

3/3/22

Name of the Chair of the meeting

Rev'd W Arthur Harbottle

**Independent Examiner's Report to the Trustees of the
Thirsk and Northallerton Circuit**

This Report is on the Circuit Accounts for the year ended 31st August 2021

Respective responsibilities of Trustees and Examiner

The Circuit's trustees are responsible for ensuring that the annual report and accounts for the year to 31 August 2021 present a true and fair view of the Circuit's income and expenditure for the year and of its assets and liabilities at the balance sheet date. The trustees consider that an audit is not necessary for this year under Section 144 of the Charities Act 2011 (the Charities Act) and that an independent examination is needed.

It is my responsibility to:

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

**Thirsk and Northallerton Methodist Circuit
Basis of Independent Examiner's Report**

My examination was carried out in accordance with the general directions given by the Charity Commission. An examination includes a review of the accounting records kept by the charity and a comparison of the accounts presented with those records. It also includes consideration of any unusual items, in nature or scale, or disclosures in the accounts, seeking explanations from the Trustees concerning such matters. The procedures undertaken do not provide all the evidence that would be required in an audit and, consequently no opinion is given as to whether the accounts present a true and fair view. My report is limited to those matters set out in the statement below.

Independent Examiner's Statement

In connection with my examination, no matter has come to my attention (other than as disclosed below*)

(1) which gives me reasonable cause to believe that in any material respect the requirements:

- to keep accounting records in accordance with Section 130 of the Charities Act.
- to prepare accounts which accord with the accounting records and comply with the accounting requirements of the Charities Act

have not been met, or

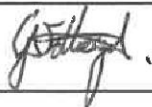
(2) to which, in my opinion, attention should be drawn in order to enable a proper understanding of the accounts to be reached.

(3) I have /have not* obtained independent verification of all investments with the Trustees for Methodist Church Purposes or held in other trusts, bank balances and funds at the Central Finance Board of the Methodist Church which are individually in excess of £10,000 (ten thousand pounds) at the balance sheet date.

Name of independent examiner

MR G DUNCAN FOTHERGILL F.C.C.A.

Signature of independent examiner



Relevant Professional qualification of independent examiner

F.C.C.A.

Name of firm (where appropriate)

SWALESIDE ACCOUNTANCY LTD

Address

Old Rectory, South Kilvington, Thirsk, North Yorkshire YO7 2NL

Date

18th January 2022

**Thirsk and Northallerton Methodist Circuit
Circuit Meeting Membership
As At 31st August 2021**

Appendix A

MINISTERS

Rev W Arthur Harbottle
Rev Denise Williamson

SUPERNUMERARY MINISTERS

Rev Geoffrey Bruce
Rev Ian Johnson
Rev Michael Webster
Rev Dr Kenneth Carveley
Rev John Sadler
Rev Malcolm Sellers

LAYWORKER

Miss Susan Jarman
Mrs Helen McCormack

CIRCUIT STEWARDS

Mr Derek Smith
Ms Karen Collin
Mrs Karen Portsmouth

CIRCUIT LOCAL PREACHERS AND WORSHIP LEADERS REPRESENTATIVES

Mrs Kathryn Walker

Mrs June Anderson

CIRCUIT SAFEGUARDING CO-ORDINATOR

Mrs Eileen Wrightson

CIRCUIT MISSION COMMITTEE REPRESENTATIVES

Rev Michael Webster
Mrs Audrey Powell
Mrs Christine Clark

CIRCUIT CHURCH REPRESENTATIVES

Appleton Wiske

Mrs Karen Portsmouth
Mrs Heather Dove
Mrs Ann Preston

Northallerton

Mrs Alana Barney
Ms Jackie Wonders
Mrs Sandra Larden
Mr Stephen Wood

Sowerby

Mrs Dorothy Pedley
Mr Mick Heyworth

Borrowby

Mrs Jean Chaplin
Mrs Ida Muxlow
Mrs Elizabeth Clark

Rainton

Mr Tom Appleton
Mrs Sheila Appleton

St James Green, Thirsk

Mrs Judith Walker
Mrs Karen Collin

Brompton

Mr Tony Brown

Romanby

Mr Keith Foster

Thornton -Le-Beans

Mrs Brenda Dennison
Mrs Freda Chapman

Prof Peter Brophy