

North Hertfordshire Methodist Circuit

Charity No. 1133930

Financial statements for year ended 31 August 2021


The Methodist Church

34/15 North Hertfordshire Circuit

TRUSTEES' ANNUAL REPORT

and

FINANCIAL STATEMENTS

for the year ended

31 AUGUST 2021

Charity registration number: 1133930

Contents

	Page
Administrative information	3
Trustees' Report	4
Financial Report	
Risk management	10
Trustees' expenses	10
Trustees' responsibilities	10
Financial review	11
Reserves policy	12
Financial Statements for year 2020-2021	14

North Hertfordshire Methodist Circuit

Charity No. 1133930

Financial statements for year ended 31 August 2021

Administrative Information

Circuit Ministers

Rev Malcolm Peacock	(Superintendent)
Rev Graham Claydon-Knights	
Rev Val Reid	
Rev Julian Blakemore	(Sector Minister – Banking)
Rev Melanie Crowley	(Anglican – Authorised Minister)
Chandrika Perera	
Rev Peter Orton	
Deacon Marcianne Uwimana	
Rev John Whittle	Supernumerary Minister
Rev N Young	Supernumerary Minister
Rev R Forrest	Supernumerary Minister
Deacon Malcolm Knowles	Supernumerary Deacon

Circuit Stewards

Gill Hughes	Senior Steward
Ann Archer	Manse Steward
Peter Rogers	
Allison Ffinch	
Janet Tackley	
Vic Evans	
Nick Long	

Circuit Meeting Secretaries

Jenny Wright	Administration
--------------	----------------

Circuit Administrator

Jenny Wright
Central Methodist Church
Pixmore Way
Letchworth Garden City
Herts
SG6 3TR

Custodian Trustees

(for Property and Investments)
Trustees for Methodist Church Purposes
Central Buildings
Oldham Street
Manchester
M1 1JQ

Circuit Web Site Address

www.nhmethodist.org.uk

Bankers

Lloyds Bank PLC
PO Box 1000
BX1 1LT

Investment Adviser

Central Finance Board of the
Methodist Church
9 Bonhill Street
London
EC2A

Independent Examiner

Sandeep Shah FCCA
St Christopher's House
Ridge Road
Letchworth Garden City, Herts
SG6 1PT

Governance and Management

The Circuit is governed by the Methodist Church Act 1976, the Deed of Union and the Model Trust Deeds of the Methodist Church.

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

- a the Christian faith in accordance with the doctrinal standards and the discipline of the Methodist Church, and
- b any charitable purpose 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 or subsidiary or ancillary to the Methodist Church.

The Circuit is a group of local churches some of which are Local Ecumenical Partnerships (LEPs) with other denominations. Circuits combine to form about 30 districts in Great Britain. Although there is some autonomy, all Methodist organisations in Great Britain are governed by statutes determined by the Methodist Conference and which are published in the Constitution, Practice and Discipline (CPD) of the Methodist Church. Conference is the supreme body within the church: it delegates much of its authority to the Methodist Council. Both Conference and Council consist of lay and clerical members.

In setting our objectives and planning our activities the Circuit Meeting, held at least twice in each year, has given careful consideration to the Charity Commission's general guidance on public benefit and, in particular, to its supplementary public benefit guidance on advancing our objectives as set out above.

During the year the Circuit Leadership Team (CLT) - the Circuit Ministerial Staff and Circuit Stewards - met every two months to review the life of the Circuit and to take forward the decisions of the Circuit Meeting.

The Trustees and members of the Circuit Meeting are one and the same. They are also Managing Trustees for the property (manse) in the Circuit and for the Circuit Investments. The Trustees have no responsibility for individual churches in the Circuit.

Activities

OUR MISSION IS: to show and share God's love in Christ, that the community of faith may grow.

OUR POLICY: is to encourage and support the churches in the circuit to:

- Grow in our faith and numbers as communities and God's people.
- Show God's love in our worship and being; as church and as individuals.
- Share the good news of 'God with us' and the story of our faith.

North Hertfordshire Methodist Circuit

Charity No. 1133930

Financial statements for year ended 31 August 2021

Organisational Structure

- 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).
- Day to day management of the circuit is undertaken by the Circuit Leadership team along with the Local Preachers meeting, and the Circuit Meeting.
- The Districts pass the 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
- The Circuit meeting passes control down to Church Councils for local implementation by the Minister, the Church Stewards and other officers and authority is delegated to Church Councils acting as Managing Trustees.
- The Circuit Superintendent chairs meetings of the Circuit Leadership Team (CLT) and the Circuit Meeting, which trustees are expected to attend. Policy decisions are taken at the Circuit Meeting.
- The Methodist Connexional year runs from 1 September to the following 31 August.

Charity Registration

The North Hertfordshire Methodist Circuit was registered as a charity (registration number 1133930) in February 2010.

The trustees confirm that they have complied with the duty under the Charities Act 2011 to have due regard to the Charity Commission's general guidance on public benefit. Specifically:

- many churches make their premises available to other organisations that need somewhere to meet (eg choral and drama groups, The National Trust)
- some churches have long term tenants (e.g. a playgroup at Trinity)
- uniformed organisations (scouts, cubs, beavers, guides, brownies and rainbows) are affiliated to many of our churches
- lunch clubs are provided for the housebound
- other outreach activities
- opening some of our churches most days of the week to the homeless
- raising money for charities and activities locally and overseas (eg the annual Good Friday sponsored walk raises over £2500 for charities)

Safeguarding

The Circuit follows the Connexional policy on safeguarding as detailed in *Creating Safer Space*. Each church has a safeguarding representative and there are two safeguarding officers in the circuit to ensure the adoption of safe practice amongst children and vulnerable adults.

Financial statements for year ended 31 August 2021

Trustees

The following people served as members of the Circuit Meeting during the year 2020-21.

Trustees name	Appointed	Office	Appointing Body
Rev Malcolm Peacock		Superintendent Minister	Ex officio
Rev Graham Claydon Knights		Minister	Ex officio
Rev Val Reid		Minister	Ex officio
Deacon Marcianne Uwimana		Deacon	Ex officio
Rev Julian Blakemore		Minister	Ex officio
Rev Melanie Crowley		Minister	Ex officio
Rev Peter Orton		Minister	Ex officio
Rev Chandrika Perera		Minister	Ex officio
Rev Nicholas Young		Supernumerary Minister	Ex officio
Rev John Whittle		Supernumerary Minister	Ex officio
Rev Bob Forrest		Supernumerary Minister	Ex officio
Deacon Malcolm Knowles		Supernumerary Deacon	Ex officio
Jenny Wright	Jun-19	Circuit Administrator/Secretary	Ex officio
Circuit Mtg			
Ann Archer	Sep-14	Circuit Manse Steward	Circuit Meeting
Brian Burgess	Sep-08	Church Representative	Benington Church Council
Kate Dickinson	Sep-19	LP Meeting secretary	LP Meeting
Allison Ffinch		Circuit Steward	Circuit Stewards
Andrew Surry	Sep-09	Church Representative	St Faith's Joint PCC
Barbara Cook	Sep-14	Worship Leader	Circuit Meeting
Bob Hamilton	Oct-20	Church Representative	SHSJ
Cath Edmonds	Sep-19	Church Representative	Christchurch Church Mtg
Stephanie Breker	Sep-13	Church Representative	Christchurch Church Mtg
Colin Yates	Sep-09	Church Representative	Central Church Council
David Latter	Sep-08	Local Preacher (Tutor)	Local Preachers Mtg
Diane Graham	Sep-13	Church Representative/Connex. Funds	Christchurch Church Mtg
Georgina Offie	Sep-18	Church Representative	All Saints Joint PCC
Gill Francis	Sep 18	Church Representative	Baldock Church Mtg
Gill Hughes	Sep-19	Circuit Steward	Circuit Stewards
Helen Hofton	Sep-15	Church Representative	Pirton Church Council
Helen Priest	Oct-20	Church Representative	SHSJ
Ian Brakenbury	Sep-09	Church Representative	Pirton Church Council
J Alan Burrell	Mar-16	Church Representative	St Paul's Church Council
Jackie Hall	Sep-08	Church Representative	Trinity, Church Mtg.
Jane Stephens	Sep-18	Church Representative	St Paul's Church Council
Janet Tackley	Mar-11	Circuit Steward/Church Representative	Pirton Church Council
Jennifer Rogers	Sep-10	Safeguarding Advisor	Circuit Meeting
Julie Mills	Sep-20	Church Representative	Christchurch Church Mtg
John Sharman	Mar-08	Church Representative	Central Church Council

North Hertfordshire Methodist Circuit**Charity No. 1133930****Financial statements for year ended 31 August 2021**

Trustees name	Appointed	Office	Appointing Body
Jonathan Battarbee	Sep-19	Church Representative	Central Church Council
June R Simpson	Mar-08	Church Representative	Stotfold Church Council
Ken Sharpe	Nov-16	Church Representative	High St
Mandy Pye	Mar-16	Church Representative	Christchurch Church Mtg
Margaret Turner	Mar-11	Church Representative	Stotfold Church Council
Nick Long	Sep-13	Circuit Steward	Circuit Stewards
Nirmal Chopde	Sep-19	Church Representative	High St
Norman Kiddle	Sep-15	Church Representative	All Saints Joint PCC
Peter Davies	Mar-11	Church Representative	Benington Church Council
Peter Dron	Sep-08	Church Representative	All Saints Joint PCC
Peter Rogers	Sep-11	Circuit Steward	Circuit Meeting
Robert Driver	Sep-20	Church Representative	Baldock Church Mtg
Roy Robinson	Sep-21	Church Representative	Baldock Church Mtg

Staff changes

We welcomed Deacon Marcianne Uwimana as a Probationer Deacon into the Circuit in September 2020.

Review of Objectives set for Year 2020-21

1. Like many churches and other organisations, we have had our activities severely curtailed by the impact of Covid 19. All of our churches have been affected in some way. Some have chosen to meet virtually using Zoom and streams services, some have made significant efforts to sustain a regular pattern of on-premises worship when national restrictions have allowed. The impact has also been on our finances a mixture of reduced Sunday giving and a loss through community rental of our buildings.
2. Normal ways of CLT meeting to tease out Circuit objectives was severely hampered by limitations of Covid-19 and other restrictions, including Sabbatical leave and personal health issues within the team. Our emphasis in discussions has been to remain open to observing and recognised what we might retain and build on when we are able to draw new objectives for the mission of the Circuit.
3. We have encouraged all of our Churches to make appropriate worship arrangements give the need and size of their congregations.
4. We have encouraged our Local Preachers and Worship Leaders to be careful in the level of commitments they can offer. This has resulted in our being able to offer a restricted capacity for on-site worship in the Circuit. This is a possible learning point as we continue to respond to Covid-19 and its impact in 2021.
5. We will continually monitor the impact of Covid-19 on Circuit finances so we can make suitable gestures of support.
6. We recognise that the ongoing difficulty in appointing a Circuit Treasurer is having a detrimental effect on our strategic development as a Circuit and we will look to make a paid appointment during 2021.
7. We have developed additional levels of pastoral support with a focus on those who are at risk and who are challenged by technology.
8. We will use the experience of the impact of Covid 19 to assess and evaluate the needs that have been revealed in the life of the Circuit and what are the most appropriate ways of developing our Church life in response to this.

We have attempted to meet the objectives we set in the last year. As the Circuit responds to changes in Covid regulations we will continue to challenge and encourage the Churches in the Circuit to respond in the way that is appropriate to their members and to be careful that we do not create expectations that cannot be met.

We continue to encourage Local Preachers to be careful in their commitments to the circuits and to ensure they do not put themselves unnecessarily at risk.

Pressure on finances remains acute and we are looking at different ways in which we can support and help those churches in need.

We were successful in recruiting a Circuit Treasurer as a paid role and are pleased to have Lydia Becket in post.

Objectives set for the year 2021/22

We are setting a small number of objectives this year as we anticipate being able to access fewer resources – we lost a member of staff during the current year due to personal issues. Due to the ongoing stationing issues within the Methodist Church we anticipate that we will be a member of staff short during the year 2022/23.

In the current year we anticipate that two of our churches will cease to worship and most of our churches will continue to face difficulties around finances as we adjust to the impact of Covid.

In the year 2022/23 we look forward to the United Area Group of the United Reformed Church appointing a minister who will exercise some oversight in our Trinity Church, Knebworth – Methodist URC LEP.

Given the difficulties we anticipate we are setting two objectives.

1. To discern priorities in the light of depleted resources.
2. To review and evaluate our sense of being as a Circuit post pandemic.

Churches in the Circuit

All Saints Church Pin Green Stevenage Herts
Arlesey Methodist Church Beds
Baldock Methodist Church Herts
Benington Methodist Church (LEP* with Church of England [2 churches], United Reformed Church)
Central Methodist Church Letchworth Garden City Herts
Christchurch Hitchin Herts (LEP* with United Reformed Church)
High Street Methodist Church Stevenage Herts
Norton Methodist Church, Letchworth Garden City Herts
Pirton Methodist Church Herts
St Faith's Church Hitchin Herts (LEP* with Church of England)
St Hugh & St John Church, Chells Stevenage Herts (LEP* with Church of England)
St Paul's Methodist Church Broadwater Stevenage Herts
Stotfold Methodist Church Beds
Trinity Church Knebworth Herts (LEP* with United Reformed Church)

*LEP = Local Ecumenical Partnership

Financial Report

Risk Management

Through its CLT risks faced by the Circuit have been considered. Where appropriate, risks have been transferred by paying insurers to take the risks. Security and safety of our churches is largely for those churches to determine and to mitigate following advice from Circuit Officers.

All churches and manses are the subject of quinquennial inspections and the reports on each are reviewed by the circuit as well as the local trustees. Action is taken to reduce the risks of injury to all who have a legitimate purpose to be on those premises.

We have considered the resilience of churches and the risk that they will not meet their quarterly financial assessments. We judge that there are sufficient resources to cover any probable shortfall in the following year.

The Circuit operates within a statutory framework of regulation and seeks to ensure that it follows Methodist standing orders. It relies on the Methodist Council to provide guidance on changes that could affect the Circuit.

Trustees' Expenses

Members of the Circuit Meeting received neither payment nor reimbursement of their expenses in connection with their function as trustees. The only expenses paid were to the staff of the Circuit in connection with fulfilling their roles.

Trustees' Responsibilities

The Trustees are required to prepare financial statements for each financial year that give a true and fair view of the Circuit's financial activities during the year and of its financial position at the end of the year. In preparing these financial statements, the Trustees have:

- selected suitable accounting policies and applied them consistently using the accruals method
- made judgements and estimates that are reasonable and prudent
- followed applicable accounting standards
- prepared the financial statements on the going concern basis.

The Trustees are responsible for keeping proper accounting records that disclose with reasonable accuracy at any time the financial position of the Circuit and enable them to ensure that the financial statements comply with the law. They are also responsible for safeguarding the assets of the Circuit and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Trustees have a right to advise the independent examiner of their concerns but none has done so. CLT concludes, therefore, that there are no issues to be advised to the independent examiner.

Following advice from Connexion the Trustees have produced a Health and Safety policy for the Circuit that will be regularly reviewed.

Financial Review

The Circuit's annual report and accounts for the year ended 31 August 2021 have been prepared in accordance with:

- the Charities Act 2011, and
- the Charities: Statement of Recommended Practice 2015 as applicable to the Financial Reporting Standard 102

The Circuit prepares accruals accounts. They are not a consolidation of the accounts of churches in the Circuit.

The Circuit budget is prepared by first anticipating the expenditure for the forthcoming year and then determining how that sum will be raised. Around 95% of the income for the year came from the individual churches within the circuit, with a total of £208,854 being received (2020: £231,795). The Circuit is grateful for the individual churches continuing to meet their assessment during the year.

In 2020-21 the Circuit finished the year with an overall surplus of £311,601 (2020: a deficit of £8,409). This arises due to the profit on the disposal of the property at Turpin's Way in the year. The proceeds from this sale have been used to finance the purchase of a new manse at Topham Gardens, Arlesey. This purchase was funded temporarily by a bridging loan of £450,000 from Methodist Chapel Aid until the Turpin's Way Manse was sold in September 2020.

The Circuit makes a number of grants each year. These are for projects which are part funded by the Bedfordshire Essex and Hertfordshire District. The District part of the funding is paid directly to the church concerned and does not pass through the Circuit accounts. The Circuit usually matches the amount received from the District. In 2020 21 a total of £8,905 (2019 20 £5,435) grants were awarded, with a further £42,749 committed over the next 4 years.

The Circuit Model Trust Fund finished the year with a surplus of £56,252 (2020: £5,275). These funds are now classified as a long term investment. The surplus arises due to the profit on the disposal of the property at Turpin's Way after the repayment of the bridging loan taken out in 2020 to finance the purchase of the property at Topham Gardens. Usually the Fund returns a deficit each year because the amounts taken by the Circuit and District are not fully compensated by the income generated by the fund. The Circuit may benefit indirectly from this as the District uses these funds to award grants.

The expenditure during the year on manses was written off and not capitalised (as it generally represented expenditure of a maintenance nature rather than significant capital enhancement). One of the manses is presently let on a commercial lease and trustees are keen to be responsible landlords.

At 31 August 2021, the total value of manses held is £1,709,562 (2020: £1,849,912). In the current year the manse at Turpin's Way was sold.

Reserves not tied up in fixed assets show a deficit at the year end of £14,635. This arises primarily due to the amounts due to repaid to Trinity Church included in Other Creditors due within one year and in Other Creditors due in more than one year.

At no time during the year was the circuit insolvent either in terms of its assets or in terms of its ability to pay its debts as they became due. All funds are unrestricted.

Financial statements for year ended 31 August 2021***Reserves Policy*****Background**

The Circuit seeks to use its financial resources wisely and to predict future needs for capital expenditure on churches, manse and projects. Many of our churches are local ecumenical projects (LEPs) where two or more denominations work together, often sharing the same premises and usually worshipping together.

Grant Support

By way of annual or one-off grant, North Hertfordshire Methodist Circuit supports several churches within the Circuit by contributing to the cost of specific projects, especially for mission, sometimes for as long as five years. The Circuit does not generally support the normal running costs of any church.

Before committing to a grant, the Circuit believes that it is prudent to ensure that it has sufficient resources to pay for all instalments of the grant. This is because the Circuit's annual income and expenditure budget does not normally seek to make a surplus. There is, therefore, no intended annual increase in the reserves.

Priority given to projects which:

- share the good news of God's love in Christ.
- help us to reach out to our communities in fresh and imaginative ways.
- have relevance for children and young people.
- develop and equip our buildings for worship and mission in the 21st century which is in line with our Circuit policy and strategy.

Capital Assets

The proceeds of sale of the premises of any Methodist Church or manse within the Circuit is generally credited to the Circuit. There is, however, a substantial levy paid to the Connexion (the Methodist Church in GB) so not all of the proceeds are received by the Circuit. This levy is then used by the Connexion to fund other innovative property and mission focussed schemes all over the country.

Funding of the Circuit's costs

This is achieved by making an assessment on each church within the Circuit. If any church were to close, that church's assessment would not be paid to the Circuit. The Circuit's costs – principally the stipends of the ministers – would continue and there may be a need to draw on reserves to meet the shortfall in income.

Existing Commitments

As at 31 August 2021 The Circuit has committed £42,749 in grants out of its funds.

Annual costs

The Circuit believes that it should ideally ensure that it has reserves sufficient to cover the stipends of its Presbyters and Deacon for the full ensuing year. At 31 August 2021, this sum is estimated at £143k.

A part time administrator is employed at an annual cost of around £7,200. Other costs of the circuit are estimated at around £111k per year. The Circuit deems it prudent to hold sufficient to cover these costs for six months, ie £56k.

North Hertfordshire Methodist Circuit

Charity No. 1133930

Financial statements for year ended 31 August 2021

The total of these possible amounts is £199k and current reserves (including fixed assets) exceed that amount.

Upgrading of manses

The Circuit recognises its responsibility to provide adequate accommodation for its ministers. Over the last few years the Circuit has spent sums as necessary rather than as may be desirable.

As at 31 August 2021 the Circuit anticipates that it will, over the following year, spend up to £25,000 in total on capital projects across its four manses.

Taxation

It is the view of the trustees that none of the activities of the Circuit during the year should attract taxation. Where VAT has been incurred, none has been, or will be, recovered and costs are shown gross of relevant VAT.

Approvals

The Trustees' Report and the Financial Statements have been ratified by the Circuit Leadership Team Meeting.

The financial statements have been approved on behalf of the Circuit by:

Rev Malcolm Peacock

Superintendent Minister

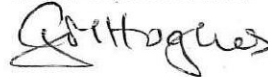


Date:

21/4/22

Gill Hughes

Senior Circuit Steward



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

	Notes to the accounts	General Fund	Circuit Model Trust	Total 2020-21	Total 2019-20
		£	£	£	£
Income					
1 Donations and legacies		-	-	-	149
2 Income from monetary investments	4	52	773	825	2,124
3 Income from investment properties	5	7,358	-	7,358	14,915
4 Assessments on Churches	17	208,854	-	208,854	231,795
5 Profit on Sale of Fixed Assets	6	305,519	64,706	370,225	-
6 Grants received	7	1,380	-	1,380	7,131
7 Other charitable income		1,002	-	1,002	918
8 Total income		524,165	65,479	589,644	257,032
Expenditure					
9 Grants and donations		8,905	-	8,905	5,435
10 Salaries and associated costs	10	149,493	-	149,493	154,493
11 Property maintenance		45,137	-	45,137	23,088
12 Model trust levy		-	9,378	9,378	6,418
13 District Assessment & Levy		42,768	-	42,768	44,452
14 Depreciation		-	-	-	-
15 Office expenses		19,780	357	20,137	31,015
16 Other outgoings		2,733	-	2,733	490
17 Total charitable expenditure		268,816	9,735	278,551	265,391
18 Gains/(losses) on monetary investments		-	508	508	(50)
19 Gains/(losses) on investment properties		-	-	-	-
20 Net income/(expenditure)		255,349	56,252	311,601	(8,409)
21 Transfers between funds		-	-	-	-
22 Other gains/(losses)		-	-	-	-
23 Net movement in funds		255,349	56,252	311,601	(8,409)
24 Total funds brought forward		1,439,578	171,932	1,611,510	1,619,919
25 Total funds carried forward		1,694,927	228,184	1,923,111	1,611,510

North Hertfordshire Methodist Circuit

Charity No. 1133930

Financial statements for year ended 31 August 2021

Balance Sheet as at 31 August 2021

	Notes to the Accounts	General Fund (Unrestricted) £	Circuit Model Trusts (Unrestricted) £	Total 2021 £	Total 2020 £
Fixed Assets					
Circuit Manses & Equipment	11	1,709,562		1,709,562	1,849,912
Investment properties					
Investments	12		228,184	228,184	171,932
Total fixed assets		1,709,562	228,184	1,937,746	2,021,844
Current Assets					
Debtors	13	6,803	-	6,803	1,124
Central Finance Board Deposits		9,942	-	9,942	39,333
Cash at Bank and in hand		15,329	-	15,329	10,125
Total current assets		32,074	-	32,074	50,582
Current liabilities					
Creditors (due in under 1 year)	14	20,233	-	20,233	1,190
Grants payable within 2020-21		7,723	-	7,723	9,726
Bridging Loan		-	-	-	450,000
Total current liabilities		27,956	-	27,956	460,916
Net current assets/liabilities		4,118	-	4,118	(410,334)
Long term liabilities					
Creditors (due in more than 1 year)		18,753		18,753	-
Total assets less total liabilities		1,694,927	228,184	1,923,111	1,611,510
Transfers between funds		-	-	-	-
Net Assets		1,694,927	228,184	1,923,111	1,611,510
Funds of the Circuit					
General Fund (Unrestricted)		1,694,927		1,694,927	1,439,578
Circuit Model Trust Fund (Unrestricted)			228,184	228,184	171,932
Designated Funds (Unrestricted)		-	-	-	-
Total Unrestricted Funds		1,694,927	228,184	1,923,111	1,611,510
Restricted Funds		-	-	-	-
Endowment Funds		-	-	-	-
Total Funds		1,694,927	228,184	1,923,111	1,611,510

Notes to the accounts

1. Basis of accounting

The financial statements have been prepared under the Charities Act 2011 in accordance with the 2015 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 102 - the Charities SORP – 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 unrestricted and are held for any purpose of the Circuit.
- The Circuit Model Trust Fund has wide purposes defined in Standing Orders and is categorised as unrestricted.

Restricted funds are funds which are held for a narrower purpose. The Circuit does not hold any restricted or endowment funds. Any funds may be represented by more than just cash.

3. Accounting policies

Basis

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

Incoming resources

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

Resources expended

Expenditure 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. They are valued at cost, or a reasonable value on receipt. We do not regard the value as being less than the cost, have carried out an impairment review and decided no depreciation is necessary.

North Hertfordshire Methodist Circuit

Charity No. 1133930

Financial statements for year ended 31 August 2021

Investment property

In addition to the manses, the circuit owns one house which it holds as an investment property. Since the value of all manses, including this investment property, is frozen at £1,349,962, the value attributed to the newly defined 'investment property' is *pro rata* to the insured values of the total real estate.

Investments

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

Debtors and prepayments

Debtors are amounts owed to the Circuit. Prepayments include payments made by the Circuit for services yet to be received. This includes the payment in August of the September Stipends which are debited at the end of August.

Creditors

Creditors include both sundry expenses and also any amounts received by Circuit in advance of when income is actually due.

4. Investment income	Unrestricted	Circuit Model Trust Fund	2021 Total	2020 Total
	£	£	£	£
Lloyds Interest	52	-	52	563
Circuit Model Trust Fund income	-	773	773	1,561
Total	52	773	825	2,124

5. Other trading activities	Unrestricted	Circuit Model Trust Fund	2021 Total	2020 Total
	£	£	£	£
Lettings income (Turpins Way)	7,358	-	7,358	14,915

6. Profit on Sale of Fixed Assets	Unrestricted	Circuit Model Trust Fund	2021 Total	2020 Total
	£	£	£	£
Profit on sale of property	305,519	64,706	370,225	-

During the year the sale of the property at Turpin's Way was completed.

7. Grants received	Unrestricted	Circuit Model Trust Fund	2021 Total	2020 Total
	£	£	£	£
Coronavirus Job Retention Scheme Grant	1,380	-	1,380	-

Notes to the accounts (continued)

8. Payment to Trustees

	2021	2020
	£	£
Payments made to trustees for additional services	NIL	NIL
Number of trustees who were paid expenses	5	9
Total amount paid	2,599	5,533

No trustees undertook additional services on behalf of the Circuit.

9. Fees for examination or audit of the accounts

	2021	2020
	£	£
Independent examiner's or auditors' fees for reporting on the accounts	570	660
Other fees (eg: advice, accountancy services) paid to the independent examiner or auditor	NIL	NIL

10. Paid employees

Staff Costs paid during the year were:	2021	2020
	£	£
Gross wages, salaries and benefits in kind	112,088	118,185
Employer's National Insurance costs	9,915	9,507
Pension costs	27,490	26,801
Total staff costs	149,493	154,493

Average number of staff employed during the year were: 7 7

11. Tangible fixed assets

Tangible fixed assets comprise manses at deemed cost of £1,709,562 (2020: £1,849,962)
 We do not regard the value as being less than cost and hence no depreciation is necessary.
 During the year the property at Turpin's Way was sold. In the previous year a new property at Topham Gardens, Arlesey had been purchased, this was facilitated by a bridging loan of £450,000 whilst the property at Turpin's Way was sold. This loan was fully repaid in the current year.

North Hertfordshire Methodist Circuit

Charity No. 1133930

Financial statements for year ended 31 August 2021**Notes to the accounts (continued)****12. 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 Custodian Trustee of all Methodist Model Trust property and is held for and on behalf of local Managing Trustees who are responsible for the day to day management of trust property. TMCP ensures that, through providing guidance and acting under their direction, the Managing Trustees comply with charity law and Methodist law and polity as determined by the Methodist Conference.

	2021	2020
	£	£
Investments listed on a recognised Stock Exchange	3,278	2,769
Investments held in common investment funds	224,906	169,163
	228,184	171,932

Change in investment values	2021	2020
	£	£
Carrying (market) value at beginning of year	171,932	177,207
Add: additions to investments at cost	65,479	1,560
Less: disposals at carrying value	(9,735)	(6,785)
Net gain/(loss) on revaluation	508	(50)
Carrying (market) value at end of year	228,184	171,932

13. Analysis of current assets

Debtors and prepayments	2021	2020
	£	£
Prepayments	996	1,124
Other debtors	5,807	-
Total debtors and prepayments	6,803	1,124

Analysis of cash at bank	2021	2020
	£	£
Bank balance held in Lloyds	15,329	10,125

14. Analysis of current liabilities

	2021	2020
	£	£
Accruals	12,510	1,190
Other creditors	7,723	-
	20,233	1,190
Grants payable	7,723	9,726
Bridging Loan	-	450,000
Total Current Liabilities	27,956	460,916

Notes to the accounts (continued)**15. Analysis of long term creditors**

	2021	2020
	£	£
Other creditors	18,753	-

16. Capital Commitments and Contingent Liabilities

At the 31 August 2021, the Circuit has no capital commitments.

No Contingent liabilities were identified at 31 August 2021.

North Hertfordshire Methodist Circuit

Charity No. 1133930

Financial statements for year ended 31 August 2021

Notes to the accounts (continued)

17. Related Party Transactions

2021

Name of related party	Relationship	Description of transaction	Income from related party during year	Payments to related party during the year	Amounts owed by /(to) related party as on 31-Aug-2021
			£	£	£
Bedford, Essex and Hertfordshire District	District	Assessment		42,768	
All Saints Church, Pin Green Stevenage	Circuit Church	Assessment	5,000		
Arlesey Methodist Church, Beds	Circuit Church	Assessment			
Baldock Methodist Church, Herts	Circuit Church	Assessment	9,000		
Benington Methodist Church,	Circuit Church	Assessment	4,716		
Central Methodist Church, Letchworth	Circuit Church	Assessment	60,480		
Christchurch, Hitchin Herts	Circuit Church	Assessment	68,640		(8,450)
High Street Methodist Church, Stevenage	Circuit Church	Assessment / (grant)	24,900		
Norton Methodist Church, Letchworth	Circuit Church	Assessment / (grant)	7,680		
Pirton Methodist Church, Herts	Circuit Church	Assessment	4,920		
St Faith's Church, Hitchin Herts	Circuit Church	Assessment			(745)
St Hugh and St John Church, Stevenage	Circuit Church	Assessment / (grant)	5,904		
St Paul's Methodist Church, Stevenage	Circuit Church	Assessment	8,088		
Stotfold Methodist Church, Beds	Circuit Church	Assessment	12,420		
Trinity Church, Knebworth Herts	Circuit Church	Assessment	(2,894)		1,472
Total			208,854		(7,723)

North Hertfordshire Methodist Circuit
Financial statements for year ended 31 August 2021

Charity No. 1133930

17. Related Party Transactions (continued)

2020

Name of related party	Relationship	Description of transaction	Income from related party during year	Payments to related party during the year	Amounts owed by /(to) related party as on 31-Aug-2020
			£	£	£
Bedford, Essex and Hertfordshire District	District	Assessment		44,452	
All Saints Church, Pin Green Stevenage	Circuit Church	Assessment	6,750		
Arlesey Methodist Church, Beds	Circuit Church	Assessment	2,048		
Baldock Methodist Church, Herts	Circuit Church	Assessment	6,982		
Benington Methodist Church,	Circuit Church	Assessment /(grant)	4,585		(4,000)
Central Methodist Church, Letchworth	Circuit Church	Assessment	58,769		
Christchurch, Hitchin Herts	Circuit Church	Assessment /(grant)	66,655		(6,453)
High Street Methodist Church, Stevenage	Circuit Church	Assessment	24,153		
Norton Methodist Church, Letchworth	Circuit Church	Assessment	7,466		
Pirton Methodist Church, Herts	Circuit Church	Assessment	4,796		
St Faith's Church, Hitchin Herts	Circuit Church	Assessment /(grant)	2,231		(745)
St Hugh and St John Church, Stevenage	Circuit Church	Assessment	6,168		
St Paul's Methodist Church, Stevenage	Circuit Church	Assessment	8,088		
Stotfold Methodist Church, Beds	Circuit Church	Assessment	12,077		
Trinity Church, Knebworth Herts	Circuit Church	Assessment	21,029		1,472
Total			231,797	44,452	(9,726)

North Hertfordshire Methodist Circuit

Charity No. 1133930

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



Date 21 04 22

Name of Treasurer

Lydia Becket

Address

132 Topstreet Way, Harpenden, Hertfordshire, AL5 5TS

Presentation to the Circuit Meeting for approval.

I confirm that the annual report and accounts for the year ended 31 Aug 2021 will be presented to the Circuit Meeting at its meeting in September 2022.

Signature of the Chair of the meeting



Name of the Chair of the meeting

Malcolm Peacock

Date 21 04 22

Financial statements for year ended 31 August 2021

Independent Examiner's Report to the Trustees of North Hertfordshire Methodist 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 in connection with my examination.

In connection with my examination, no matter has come to my attention

- (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 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

Sandeep Shah

Signature of independent examiner



Relevant Professional qualification of independent examiner

FCCA

Name of firm (where appropriate)

Leadermans

Address

St Christopher's House
Ridge Road
Letchworth Garden City
SG6 1PT

Date

25/4/22