

Registered Charity Number: 1134234

Aire and Calder Methodist Circuit

Trustees' Annual Report and Financial Statements

For the Year Ended 31 August 2020

Aire and Calder Methodist Circuit

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Aire and Calder Methodist Circuit

Charity information

Charity Registration Number: 1134234

Circuit Number: 27/17

The Circuit comprises 30 churches: Ackworth, Airedale, Altofts, Central, Crigglestone, Featherstone, Horbury, Kippax, Lindale, Lofthouse, Methley, Micklegate, Newmillerdam, Normanton, Parkside, Ropewalk, Rothwell, Sandal, Stanley, Streethouse, The King's Way, Trinity Castleford, Trinity Netherton, Trinity South Elmsall, Trinity Wakefield, Upton, Walton, West Wakefield, Woodlesford and Wrenthorpe.

Superintendent Minister: Revd. Andrew Longshaw to 7th July 2020
21 Henley Drive
Featherstone
Pontefract
WF7 5NY

Revd, Barry Owen from 7th July 2020
17 Clarkson Court
Normanton
WF6 1NH

Circuit Office: The Methodist Church
253 Barnsley Road
Wakefield
WF1 5NU

Circuit Treasurer: Mr JM Roberts

Trustees: All members of the Circuit Meeting are Trustees and are listed in Note 15.

Circuit Ministers (full time): Revd. A Checkley
Revd. N Bishop
Revd. RE Gilson-Webb
Deacon S Dilley
Revd. R Drost
Revd. MD Jones
Revd. J Kaiga
Revd. AP Longshaw
Revd. B Owen
Revd. K Williams

Circuit Ministers (part time): Revd. N Kaiga

Other appointments: MA Burland - Children and Families Worker
VA Welsh – Children and Families Worker
P Ridley – Pastoral Support
HA Turner – Circuit Administrator

Aire and Calder Methodist Circuit

Charity information (Continued)

Circuit stewards:

Mrs V Brook
Mr T Ferguson to 12th March 2020
Mr P Finneran
Mrs J Kershaw
Mr D Lane
Mr I Pattison
Mr JM Roberts
Mrs D Storey

Bankers:

Yorkshire Bank
6-10 Northgate
Wakefield
WF1 1TA

Investment Managers:

Central Finance Board of the Methodist Church
9 Bonhill Street
London
EC2A 4PE

Trustees for Methodist Church Purposes
Central Buildings
Oldham Street
Manchester
M1 1JD

Auditors:

Garbutt & Elliott Audit Limited
33 Park Place
Leeds
LS1 2RY

Aire and Calder Methodist Circuit

Trustees' Annual Report for the Year Ended 31 August 2020

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

The financial statements have been prepared in accordance with the accounting policies set out in notes to the financial statements and comply with the charity's governing document, the Charities Act 2011 and Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their financial statements in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland.

Reference and Administrative Details

The Charity Information on page 1 forms part of this report.

Structure, Governance and Management

The Governing Document: Deed Of Union (1932) and Methodist Church Act (1976)

Constituted: Act of Parliament

Selection of Trustees: Appointed by local churches and existing Trustees
Ministers are automatically Trustees

Structure: Part of the Yorkshire West District of the Methodist Church
Accountable to the Methodist Conference

Risks: Considered by the Leadership Team
Take professional advice when required
Adopted Safeguarding Policy

All the affairs of the circuit conform to the standing orders set out in The Constitutional Practice and Discipline of the Methodist Church (CPD).

Circuit Meeting: In the Aire and Calder Circuit we call this the Circuit Assembly. It meets three times a year and its constitution is set out in CPD (SO 510). In 2019-20 132 people served at sometime during the year as Trustees.

Circuit Executive: This is the circuit's Leadership Team. It deals with matters delegated to it by the assembly, offers guidance to the circuit and constantly reviews the personnel, property and financial resources of the circuit.

Circuit Stewards: Seven circuit stewards have been appointed with the following areas of responsibility: Human Resources (Ministers and Deacons), Human Resources (Lay Appointments), Children and Young People, Church Life, Finance, Missions, Property and Circuit Assembly Secretary. There was one vacancy at the end of the year.

Pay Policy for Ministers

Stipends and allowances for Presbyters and Deacons (collectively Ministers) are set annually by the Methodist Conference, and the Circuit is responsible for meeting those costs for all Ministers stationed by the Conference in the Circuit.

Risk Management

The Trustees have carried out ongoing assessments of the charity's activities setting out the major opportunities available to the charity and the risks to which it is exposed. These risks are identified by the Circuit Executive and are risk assessed.

Aire and Calder Methodist Circuit

Trustees' Annual Report for the Year Ended 31 August 2020 (continued)

Structure, Governance and Management (continued)

The principal risks and uncertainties faced by the charity at the time of writing are as follows:

- The cost of ongoing maintenance and refurbishment of circuit property;
- The possible reduction in the future of the number of Ministers covering the circuit's 30 churches;
- The risk of a church defaulting on its assessment.

The Trustees have considered their responsibilities under legislation including health and safety, employment law and safeguarding. Systems and procedures have been implemented to manage specific risks that have been identified, including training for all appropriate persons as necessary.

Volunteers

Aire and Calder Methodist Circuit is supported by a team of active volunteers. The charity is grateful to all volunteers for the skills and support they so willingly bring to the charity.

Objectives and Activities

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.

When reviewing the aims and objectives of the charity, and in planning future activities, the Trustees have complied with the duty in section 17 of the Charities Act 2011 to have due regard to public benefit guidance published by the Commission.

Mission statement

The Aire and Calder Circuit is committed to:

- (a) **Worship:** to increase awareness of God's presence and to celebrate God's love;
- (b) **Learning and Caring:** to help people to grow and learn as Christians, through mutual support, care and study;
- (c) **Service:** to be a good neighbour to people in need and to challenge injustice;
- (d) **Evangelism:** to make more followers of Jesus Christ.

Resourcing mission

The Circuit will use resources for creative, imaginative, mission based projects. These may be paid by the charity in the form of grants to external parties. Whilst committed to ensuring that every church receives suitable pastoral care it will endeavour to give appropriate support to churches that demonstrate they are outward looking, mission focused, not averse to risk taking and where possible and appropriate seeking to work in partnership with others.

Aire and Calder Methodist Circuit

Trustees' Annual Report for the Year Ended 31 August 2020 (continued)

Achievements and Performance

At the start of the year we welcomed a new probationer presbyter to the Circuit, Revd. Ruth Gilson-Webb. Ruth took pastoral oversight of Pontefract Central, Micklegate and Ropewalk churches.

To support the development of the mission of the Circuit all the churches were organised into three clusters of about ten churches, with three or four ministers providing pastoral oversight in each cluster. In order to accommodate this, and the arrival of Ruth, several ministers changed their oversight. This was done to improve the effectiveness of our mission in the face of staff shortages which is likely to happen in the future.

The clusters were settling in when the Covid pandemic hit the country. All our churches had to close their premises in early March 2020. Individual churches established several innovative ways to enable people to remain in touch with one another and worship together in a different way. This included "Zoom" services, the use of "You Tube" and printed services. Ministers and Pastoral Friends have kept in contact with their people by telephone, e-mail, Whats app, Facebook and other social media.

During the year we furloughed our Children and Families Workers before them returning in late July.

By the end of the Connexional year, churches slowly began to open for worship and community use under stringent safety measures.

We have continued to:

- support the mission of the Methodist Church;
- bring manses up to an acceptable standard (CPD Book VII A, part 2);
- maintain a strong relationship between the circuit and the Methodist School in Wakefield, and with other schools, mainly through morning assemblies;
- make grants to the Trinity Mission, the Cross Project, Horbury Churches Together Youth Project, Wakefield Methodist School and for development work at Trinity, South Elmsall, Ropewalk and Airedale churches.

Unfortunately, one church closed during the year, St John's Ossett for several reasons including problems with their building and drop in membership.

Late in the year Revd. Andrew Longshaw stood down as Superintendent Minister and Revd Barry Owen took over.

At the end of the year we said our farewells to Revd Neil Bishop, who had served the circuit in several positions since it was established, as he moved to pastures new. We also said farewell to Vicky Welsh, one of our Children and Families' Workers who left to start her training for the Diaconate Order.

Financial Review

The Statement of Financial Activities shows net expenditure for the year, before net gains / losses on investments, of £41,771 (2019 net income of £37,807) and the total reserves at 31 August 2020 stand at £3,532,647 (2019: £3,578,248). The Trustees consider the financial position to be satisfactory.

Principal funding sources for the year to 31 August 2020 are the assessments received from the thirty churches within the Circuit and rents from three lettings. The principal items of expenditure are Ministers' stipends, staff salaries, the district levy, and manse repairs and improvements.

The Trustees have a Reserves Policy whereby unrestricted Funds are held in the current account at the Yorkshire Bank; the Deposit Account at Methodist Chapel Aid; the Deposit Fund of the Central Finance Board; and in the Circuit's Model Trust Fund with TMCP.

Aire and Calder Methodist Circuit

Trustees' Annual Report for the Year Ended 31 August 2020 (continued)

Financial Review (continued)

The Circuit has considered the advice from the Charity Commission with regard to the level of reserves it should hold under the relevant SORP. It aims ideally to hold in reserve sufficient money in its unrestricted Funds to cover three month's general expenditure i.e. about. £185,000. The reasons for this are:

- a) The circuit needs a reserve as working capital to cover normal running costs;
- b) It maintains 11 manses and it needs sufficient reserves to cover any emergency expenditure;
- c) There are 30 Churches in the Circuit and it needs sufficient reserves in case one or more cannot meet their annual assessment; and
- d) The circuit employees 4 lay workers, some supported by external grants, and it needs sufficient reserves to cover their salary/redundancy costs if necessary.

Where reserves vary from this level, the figure will be reported to the Circuit Executive Committee for action to be taken, if considered necessary, to remedy the position.

At 31 August 2020 the free reserves amounted to £359,464 which is above the minimum level.

Plans for the Future

- 1. To agree a new Vision Statement and produce a five year plan.
- 2. To support major redevelopment schemes as funds become available.
- 3. To continue to support the development of the mission of the churches principally through the new cluster arrangements.
- 4. To continue to support Trinity Mission.
- 5. To continue to examine the possibility of developing the facilities in the Cricket Field in conjunction with Newton Hill Cricket Club.
- 6. To develop a scheme at Newmillerdam to use the premises for mission.

Funds held as custodian on behalf of others

The Charity acts as custodian Trustee for the funds listed in note 18. These funds are eliminated during the financial statements preparation. The safe custody and segregation of this income was achieved by creating separate projects in the charity's book-keeping system so that all income and expenditure can be clearly accounted for and audited.

Aire and Calder Methodist Circuit

Trustees' Annual Report for the Year Ended 31 August 2020 (continued)

Trustees' Responsibilities

The charity Trustees are responsible for preparing a trustees' annual report and financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

The law applicable to charities in England and Wales requires the Circuit Assembly to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the Charity and of the net income or net expenditure of the Charity for that period. In preparing those financial statements, the Circuit Assembly has:

- selected suitable accounting policies and applied them consistently;
- observed the methods and principles in the applicable Charities SORP;
- made judgements and estimates that are reasonable and prudent;
- stated whether applicable accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements; and
- prepared the financial statements on the going concern basis unless it is inappropriate to presume that the charity will continue in business.

The Circuit Assembly is responsible for keeping records which disclose with reasonable accuracy at any time the financial position of the charity and to enable them to ensure that the financial statements comply with the Charities Act 2011 and the applicable Charities (Accounts and Reports) Regulations.

It is also responsible for safeguarding the assets of the charity and hence for taking steps for the prevention and detection of fraud and other irregularities.

Statement of Disclosure of Information to Auditors

The Trustees of the charity who held office at the date of approval of this annual report confirm that:

- so far as they are aware, there is no relevant audit information, information needed by the charity's auditors in connection with preparing their report, of which the charity's auditors are unaware; and
- they have taken all the steps that they ought to have taken as Trustees in order to make themselves aware of any relevant audit information and to establish that the charity's auditors are aware of this information.

Approved on 4 March 2021 and signed on behalf of the Circuit by:

Revd. B. Owen

Superintendent Minister and Chair of the Circuit Assembly

Aire and Calder Methodist Circuit

Independent Auditor's Report to the Trustees of Aire and Calder Methodist Circuit for the Year Ended 31 August 2020

Opinion

We have audited the financial statements of Aire and Calder Methodist Circuit for the year ended 31 August 2020 which comprise Statement of Financial Activities, the Balance Sheet, Cash Flow Statements and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 The Financial Reporting Standard applicable in the UK and Republic of Ireland (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the charity's affairs as at 31 August 2020, and of its incoming resources and application of resources, for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Charities Act 2011.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the charity in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

We have nothing to report in respect of the following matters in relation to which the ISAs (UK) require us to report to you where:

- the Trustees' use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the Trustees' have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the charity's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

Other information

The Trustees are responsible for the other information. The other information comprises the information included in the Trustee's Report, other than the financial statements and our auditor's report thereon. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

Aire and Calder Methodist Circuit

Independent Auditor's Report to the Trustees of Aire and Calder Methodist Circuit for the Year Ended 31 August 2020 (continued)

Matters on which we are required to report by exception

We have nothing to report in respect of the following matters in relation to which the Charities (Accounts and Reports) Regulations 2008 require us to report to you if, in our opinion:

- the information given in the financial statements is inconsistent in any material respect with the Trustee's Report; or
- sufficient accounting records have not been kept; or
- the financial statements are not in agreement with the accounting records; or
- we have not received all the information and explanations we require for our audit.

Responsibilities of the Trustees

As explained more fully in the Trustees Responsibility Statement, the Trustees are responsible for the preparation of financial statements which give a true and fair view, and for such internal control as the Trustees determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the Trustees are responsible for assessing the charity's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Trustees either intend to liquidate the charity or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

We have been appointed as auditor under section 144 of the Charities Act 2011 and report in accordance with regulations made under section 154 of that Act.

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at: www.frc.org.uk/auditorsresponsibilities. This description forms part of our auditor's report.

Use of our report

This report is made solely to the charity's Trustees, as a body, in accordance with Part 4 of the Charities (Accounts and Reports) Regulations 2008. Our audit work has been undertaken so that we might state to the charity's Trustee those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the charity and the charity's Trustees as a body, for our audit work, for this report, or for the opinions we have formed.

Laura Masheder
Garbutt & Elliott Audit Limited
Chartered Accountants and Registered Auditors
33 Park Place
Leeds
LS1 2RY

24 March 2021

Aire and Calder Methodist Circuit

Statement of Financial Activities for the Year Ended 31 August 2020

	Note	Unrestricted funds	Restricted Funds £	Endowment Funds £	Total 2020 £	Total 2019 £
Income and endowments from:						
Donations – assessment or share		603,548	414	-	603,962	600,796
Government grants		10,640	-	-	10,640	-
Charitable activities	3	120,562	17,805	-	138,367	14,000
Other trading activities		19,391	-	-	19,391	20,550
Investments		3,066	29	4,276	7,371	10,135
Other income		855	-	-	855	2,327
Total income and endowments		758,062	18,248	4,276	780,586	647,808
Expenditure on:						
Charitable Activities	4	801,352	18,010	2,995	822,357	610,001
Total expenditure		801,352	18,010	2,995	822,357	610,001
Net income / (expenditure) before other recognised gains		(43,290)	238	1,281	(41,771)	37,807
Gains on disposal of fixed assets		-	-	-	-	75,752
Realised and unrealised (losses) / gains on investments	9	-	(16)	(3,814)	(3,830)	2,659
Transfers between funds		1,302	(21)	(1,281)	-	-
Net movement in funds		(41,988)	201	(3,814)	(45,601)	116,218
Reconciliation of funds:						
Funds brought forward	13,14	3,359,751	2,283	216,214	3,578,248	3,462,030
Funds carried forward	13,14	3,317,763	2,484	212,400	3,532,647	3,578,248

The notes on pages 13 to 24 form part of these financial statements.

A fully detailed Statement of Financial Activities for the year ending 31 August 2019 is shown in note 21 to the financial statements.

There were no recognised gains and losses for 2020 and 2019 other than those included in the Statement of Financial Activities.

All income and expenditure derive from continuing activities.

Aire and Calder Methodist Circuit

Balance Sheet as at 31 August 2020

	Note	Unrestricted funds £	Restricted funds £	Endowment funds £	Total 2020 £	Total 2019 £
Fixed Assets						
Tangible assets	8	2,953,299	-	-	2,953,299	2,953,299
Investments	9	-	-	212,400	212,400	216,214
Long term Loan	10	5,000	-	-	5,000	-
		2,958,299	-	212,400	3,170,699	3,169,513
Current Assets						
Debtors	11	31,108	-	-	31,108	150,226
Short term cash investments		401,333	2,484	-	403,817	340,289
Cash at Bank		22,134	-	-	22,134	34,608
		454,575	2,484	-	457,059	525,123
Creditors – Due within one year	12	(95,111)	-	-	(95,111)	(116,388)
Net Current Assets		359,464	2,484	-	361,948	408,735
Total Net Assets	13,14	3,317,763	2,484	212,400	3,532,647	3,578,248
Funds of the Circuit:						
Unrestricted funds	13, 14	3,317,763	-	-	3,317,763	3,359,751
Restricted funds	13, 14	-	2,484	-	2,484	2,283
Endowment funds	13, 14	-	-	212,400	212,400	216,214
Total Funds	13, 14	3,317,763	2,484	212,400	3,532,647	3,578,248

These financial statements were approved by the Circuit Assembly on 4th March 2021. and signed on its behalf by:

Revd. B. Owen
Superintendent Minister and Chair of the Circuit Assembly

Aire and Calder Methodist Circuit

Statement of Cash Flows for the Year Ended 31 August 2020

	Note	2020 £	2019 £
Cash flows from operating activities:			
Net cash provided by operating activities	19	43,683	5,189
Cash flows from investing activities:			
Investment income received		7,371	10,135
Purchase of fixed assets		-	(637,059)
Sale of asset held for sale		-	207,745
Sale of fixed assets		-	270,000
Profit on sale of fixed assets		-	75,752
Net cash provided by investing activities		7,371	(73,427)
Change in cash and cash equivalents in the year		51,054	68,238
Cash and cash equivalents at the beginning of the year		374,897	443,135
Cash and cash equivalents at the end of the year		425,951	374,897

Aire and Calder Methodist Circuit

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

1. Accounting Policies

The principal accounting policies adopted, judgements and key sources of estimation uncertainty in the preparation of the financial statements are as follows:

Charity information

Aire and Calder Methodist Circuit is a charitable trust registered with the Charity Commission in England and Wales under the registered number 1134234. The principal address is 17 Clarkson Court, Normanton, WF6 1NH.

Basis of preparation of financial statements

The financial statements have been prepared in accordance with the Statement of Recommended Practice: Accounting and Reporting by Charities preparing their financial statements in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) and the Financial Reporting Standard applicable in the United Kingdom and Republic of Ireland (FRS 102) and the Charities Act 2011 and UK Generally Accepted Practice as it applies from 1 January 2019.

Going concern

The Trustees have prepared financial projections, taking into consideration the current economic climate and its potential impact on the sources of income and planned expenditure. They have a reasonable expectation that adequate financial resources are available to enable the charity to continue in operational existence for the foreseeable future, and have adequate contingency plans in the event that income streams are reduced. Whilst the global economy has been significantly impacted by the COVID-19 virus, the charity still has reserves sufficient to meet its immediate requirements. Consequently the financial statements have therefore been prepared on the basis that the charity is a going concern.

Aire and Calder Methodist Circuit meets the definition of a public benefit entity under FRS102.

Income

Income represents all amounts which become available to the charity but excludes gains on investments. Donations are recognisable when the charity becomes entitled to receive the funds, when it is probable that the funds will be received and that they can be measured with sufficient accuracy. Investment income is recognised on an accruals basis and comprises of interest receivable during the accounting period and gains in market value of investments held during the period. Sale proceeds from the sale of assets not previously capitalised are shown net of the property levy where there is no replacement scheme for those assets. The value of services provided by volunteers is not included.

Grants are recognised in full in the statement of financial activities in the period in which they are receivable.

Expenditure

Expenditure is recognised in the period in which it is incurred and includes attributable VAT which cannot be recovered.

Charitable expenditure comprises those costs incurred by the charity in the deliverance of its activities and services for its beneficiaries. It includes both costs that can be directly allocated to such activities and those costs of an indirect nature necessary to support them.

Support costs include those costs incurred in supporting the work of the charity.

Custodian Funds

Funds held by the charity as a custodian trustee are excluded from the income and expenditure of the charity and the balance held recognised as a liability within the financial statements.

Aire and Calder Methodist Circuit

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

1. Accounting Policies (continued)

Fund accounting

The funds held constitute:

Unrestricted general funds 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.

Unrestricted designated funds are held for specific purposes as determined by the Trustees.

Restricted funds represent grants, donations and legacies received which are allocated by the donor for a particular project or activity.

Endowment funds which represent gifts, the capital normally being unavailable for spending, and the income from which is either restricted or unrestricted. Details of each material fund are disclosed in note 13 to these financial statements.

Tangible fixed assets for use by the Circuit

A tangible fixed asset is capitalised if its expected useful life exceeds one year, and costs £1,000 or more. The Circuit Assembly may provide a reasonable estimate of the buildings' current value to the circuit. Properties have been included at the Trustees' valuation. Tangible fixed assets are stated at cost or valuation less depreciation.

Freehold land is not depreciated.

It continues to be the Circuit's policy not to provide depreciation on freehold property as, in the opinion of the Trustees, its estimated residual value at the end of its economic life is expected to be at least carrying value so that any depreciation charge would be immaterial. The Trustees will arrange periodic impairment reviews.

Transfer of church buildings into the circuit

Where a church building that is no longer under the stewardship of the church but where responsibility for stewardship has been transferred to the circuit following the closure of the church, the following accounting policy will be adopted. The property will be included as a current asset net of any levy and included in income where an acceptable offer(s) has/have been made for the building during the accounting period and the sale has crystallised after the year end.

Creditors, loans, provisions and grants payable

Creditors, loans and provisions are recognised where the charity has a present obligation resulting from a past event that will probably 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 value after allowing for any discounts which may be due.

Grants to local churches for property schemes and other purposes are accounted for as liabilities when they receive formal approval by the Circuit Assembly. Grants awarded to other charitable bodies are accounted for as liabilities in the period in which the award is made.

Financial liabilities are only derecognised when, and only when, the charity's obligations are discharged, cancelled or they expire.

Amounts recognised as provisions are best estimates of the consideration required to settle the present obligation at the reporting end date, taking into account the risks and uncertainties surrounding the obligation.

Aire and Calder Methodist Circuit

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

1. Accounting Policies (continued)

Investments

Investments are revalued at each period end to fair value as determined by reference to quoted market prices. Investment income is included in the financial statements when receivable and any gains or losses on revaluation at the year end are shown in the SOFA.

Debtors and prepayments

Debtors are recognised at the settlement amount. Prepayments are valued at the amount prepaid net of any discounts due.

Endowment funds

Where the Circuit holds money which cannot be spent but must be retained (as capital) to generate an income the money or assets to be retained are known as an endowment funds. The capital is included in the appropriate column in the Balance Sheet. The income generated is restricted or unrestricted depending upon the terms of the endowment.

Pensions and staff costs

The charity makes payments to the Methodist Ministers' Pension Scheme (MMPS) which is a defined benefit scheme operated by The Methodist Church. The defined benefit obligation in respect of this scheme is that of The Methodist Church and not that of the circuit. Accordingly contributions paid are recognised as an expense in the year to which they relate.

The charity also makes payments to the Pensions Trust's Defined Contribution Flexible Retirement Plan for those of its lay staff who wish to join the scheme.

Financial instruments

The charity only has financial assets and financial liabilities of a kind that qualify as basic financial instruments. Basic financial instruments are initially recognised at transaction value and subsequently measured at their settlement value with the exception of bank loans which are subsequently measured at amortised cost using the effective interest method.

Taxation

Aire and Calder Methodist Circuit is a registered charity and as such is a charity within the meaning of schedule 6 of the Finance Act 2010. Accordingly, the Charity is potentially entitled to tax exemption under part 11 of the Corporation Tax Act 2010 or section 256 of the Taxation of Chargeable Gains Act 1992 in respect of income and gains arising.

2. Critical Accounting Estimates and Judgements

In the application of the charity's accounting policies, the Trustees are required to make judgements, estimates and assumptions about the carrying amount of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised, if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

The following accounting policies represent a critical accounting estimate:

It continues to be the Circuit's policy not to provide depreciation on freehold property as, in the opinion of the Trustees, its estimated residual value at the end of its economic life is expected to be at least carrying value so that any depreciation charge would be immaterial. The Trustees will arrange periodic impairment reviews.

Aire and Calder Methodist Circuit

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

3. Income from Charitable Activities

	2020 Total £	2019 Total £
Transfer from Circuit Churches	120,562	-
TMCP grant	3,805	-
District grant	14,000	14,000
	138,367	14,000

4. Total Expenditure

	2020 Total £	2019 Total £
Costs directly allocated to charitable activities:		
Stipends, salaries, National Insurance and pension costs	433,709	384,325
District levy	133,416	130,480
Connexional priority fund levy	18,930	(98,431)
District TMCP levy	7,130	12,825
Insurance, utilities etc	36,049	31,872
Maintenance on manses	18,301	20,571
Major work on manses	47,246	27,864
Expenditure on other circuit property	7,869	11,174
Administration	4,467	10,801
Mission support	9,063	10,000
Other	5,608	8,146
Staff expenses	33,953	45,022
Grants payable (Note 17)	61,456	10,600
	817,197	605,249
Support costs:		
Audit and accountancy	5,160	4,752
Total expenditure on charitable activity	822,357	610,001

5. Minister and Lay Staff Information

The average number of clergy and lay staff, analysed by function was:

	2020	2019
Clergy	11	10
Lay staff	4	4
	15	14

Aire and Calder Methodist Circuit

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

5. Minister and Lay Staff Information (Continued)

Minister and lay staff costs during the year were as follows:

	Clergy 2020 £	Lay staff 2020 £	Total 2020 £	Clergy 2019 £	Lay staff 2019 £	Total 2019 £
Wages and salaries	269,390	61,177	330,567	236,624	55,645	292,269
Social security costs	71,309	3,152	74,461	62,936	4,900	67,836
Pension costs	25,235	3,446	28,681	21,283	2,937	24,220
	365,934	67,775	433,709	320,843	63,482	384,325

There were no unpaid pension liabilities as at 31 August 2020 (2019 – none).

No employees earned £60,000 or more during the year (2019 – no employees).

The charity considers its key management personnel to be the Circuit Ministers and the Circuit Stewards. None of the Circuit Stewards received remuneration from the charity (2019 – none). The remuneration of the Circuit Ministers is set out above (clergy) with further details set out in note 16.

6. Trustees' Remuneration and Trustees' Expenses

There were no expenses paid to Trustees during the year other than those referred to in Note 16. All ministers' expenses were incurred in carrying out their roles as Ministers. Information on remuneration paid to Trustees is included in note 16.

7. Net Income/(Expenditure)

This is stated after charging:	2020 £	2019 £
Auditor's remuneration:		
Audit	2,700	2,660
Accountancy	1,600	1,300

8. Tangible Fixed Assets

	Land £	Freehold Property £	Total £
Cost or valuation:			
At 1 September 2019	40,000	2,913,299	2,953,299
Additions	-	-	-
Disposals	-	-	-
At 31 August 2020	40,000	2,913,299	2,953,299

Depreciation:

At 1 September 2019 and 31 August 2020	-	-	-
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Net book value at 31 August 2020	40,000	2,913,299	2,953,299
Net book value at 31 August 2019	40,000	2,913,299	2,953,299

Freehold property constitutes the Manses, including the land on which they are built, and their internal contents.

Aire and Calder Methodist Circuit

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

8. Tangible Fixed Assets (Continued)

At 31 August 2020 there was one closed church (St John's Methodist Chapel) under the stewardship of the Circuit. No valuation of this church has been included in the financial statements in accordance with the circuit's accounting policy, as it is considered the value of the church could not be measured with sufficient reliability.

9. Investments

	£
Market value at 31 August 2019	216,214
Realised and unrealised losses	(3,814)
Market Value at 31 August 2020	212,400

Investments include unitised funds held in the Managed Mixed Fund administered by the Central Finance Board of the Methodist Church.

The historical cost of investments held at market value was £151,112 (2019 - £151,112).

10. Long Term Loan

In July 2020 the Circuit Assembly made a loan of £5,000 to The Methodist Church, Yorkshire West District, to further the work of the Leeds City Methodist Mission until the Wesley Hotel Development has been completed. The loan will be repaid, without interest, between 2025 and 2030.

11. Debtors

	2020 £	2019 £
Prepayments and other debtors	31,108	30,226
Concessionary loan	-	120,000
	31,108	150,226

12. Creditors: Amounts Falling Due Within One Year

	2020 £	2019 £
Assessments in advance	74,445	86,088
Creditors and accruals	20,666	30,300
	95,111	116,388

Aire and Calder Methodist Circuit

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

13. Movement in Funds

For the year ended 31 August 2020:

	Balance 1 September 2019	Income	Expenditure	Other gains / (losses)	Transfers	Balance 31 August 2020
	£	£	£	£	£	£
Unrestricted funds:						
General funds	3,359,751	758,062	(801,352)	-	(27,698)	3,288,763
Designated funds:						
Ministry and Mission	-	-	-	-	29,000	29,000
Total	3,359,751	758,062	(801,352)	-	1,302	3,317,763
Restricted funds:						
District grant	-	14,000	(14,000)	-	-	-
TMCP grant	-	3,805	(3,805)	-	-	-
Wakefield Methodist Junior and Infant School	100	414	(200)	-	-	314
Various bequests:						
Thomas Holmes	501	4	(1)			504
Henry Gundhill gift	896	18	(2)	(16)	(16)	880
J.W.Wilson Esq	786	7	(2)	-	(5)	786
Total restricted funds	2,283	18,248	(18,010)	(16)	(21)	2,484
Permanent endowment:						
Harold Speight Memorial fund	216,214	4,276	(2,995)	(3,814)	(1,281)	212,400
Total funds	3,578,248	780,586	(822,357)	(3,830)	-	3,532,647

Transfers: The transfer between restricted and unrestricted funds represents the balance of funds transferred from the restricted and endowment funds after the deduction of administrative fees. In the case of the Harold Speight Memorial fund payments are made from general funds in accordance with the terms of the endowment as outlined below.

Purpose of Designated Funds:

Mission and Ministry Fund – The Mission and Ministry Fund was set up from a transfer from the Model Trust Fund in 2018/19 to partly fund increase in ministry in the form of a Probationary Presbyter in the years that follow.

Purpose of Restricted Funds:

District Grant – This is the second year of a two year grant towards the salaries of the Children and Families Workers.

Wakefield Methodist Junior and Infant School – This is a fund to support disadvantaged children at the school.

Aire and Calder Methodist Circuit

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

13. Movement in Funds (continued)

Purpose of Endowment Funds:

Harold Speight Memorial fund - This fund represents the income received from the permanent endowment. This income is spent on running the annual Joseph Winter Lecture. Any excess of income is then evenly distributed between the Circuit, Crigglestone Methodist Church and Flanshaw United Reformed Church.

For the year ended 31 August 2019:

	Balance 1 September 2018	Income	Expenditure	Other gains	Transfers	Balance 31 August 2019
	£	£	£	£	£	£
Unrestricted funds:						
General funds	3,246,295	627,236	(591,359)	75,752	1,827	3,359,751
Restricted funds:						
District grant	-	14,000	(14,000)	-	-	-
Wakefield Methodist Junior and Infant School	-	100	-	-	-	100
Various bequests:						
Thomas Holmes	498	4	(1)	-	-	501
Henry Gundhill gift	885	27	(2)	11	(25)	896
J.W.Wilson E	786	7	(2)	-	(5)	786
Total restricted funds	2,169	14,138	(14,005)	11	(30)	2,283
Permanent endowment:						
Harold Speight Memorial fund	213,566	6,434	(4,637)	2,648	(1,797)	216,214
Total funds	3,462,030	647,808	(610,001)	78,411	-	3,578,248

14. Analysis of Net Assets by Fund

As at 31 August 2020	Unrestricted funds	Restricted funds	Endowment funds	Total funds
	£	£	£	£
Fixed assets	2,953,299	-	212,400	3,165,699
Long term debtors	5,000	-	-	5,000
Net current assets	359,464	2,484	-	361,948
	3,317,763	2,484	212,400	3,532,647

As at 31 August 2019	Unrestricted funds	Restricted funds	Endowment funds	Total funds
	£	£	£	£
Fixed assets	2,953,299	-	216,214	3,169,513
Net current assets	406,452	2,283	-	408,735
	3,359,751	2,283	216,214	3,578,248

Aire and Calder Methodist Circuit

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

15. Trustees

The following Trustees have held office since 1 September 2019:

Mrs Doreen Abson	Mrs Christine Ackinclose
Mrs Rosalyn Ash	Mr Tim Baker
Mrs Janet Barden (joined 1 Sept 2019)	Mrs Elaine Baxter
Mrs Joan Beevers	Mrs Margaret Bendle
Mrs Helen Bishop (resigned 31 August 2020)	Revd Neil Bishop (resigned 31 August 2020)
Mrs Carole Blanshard	Mrs Christine Bradley
Mrs Val Brook	Mrs Lorraine Brown
Mrs Esme Bulmer	Revd Andrew Checkley
Mr Ian Chippendale	Mrs Mary Chippendale
Mr John Claybrough	Mrs Maureen Dawson
Deacon Sharon Dilley	Mr Mike Dixon
Mr Kevin Dobson	Mrs Lorna Dobson
Miss Margaret Dodd	Revd Robert Drost
Mrs Marian Dunford	Mrs Bethan Dyson
Mr Peter Ellis	Mrs Lyndsey Evans
Mr Tom Ferguson (resigned 27 July 2020)	Mr Peter Finneran
Mr Andrew Freer	Mrs Ann Freer
Mrs Jean Froggett (resigned 31 August 2020)	Miss Mollie Garbett
Revd Ruth Gilson-Webb (joined 1 Sept 2019)	Revd Trevor Grewcock
Mrs Rita Grice	Mrs Christine Grundy
Revd David Hall	Mrs Joan Hall
Mrs Helen Harding	Mr Richard Hayes
Revd James Heap	Revd Sandra Heap
Mr David Hebden	Mrs Betty Hindle
Mrs Mavis Hobson (resigned 31 August 2020)	Mr Andrew Howard
Mrs Evelyn Howard (resigned 31 August 2020)	Deacon Margaret Hughes
Mr Neville Hughes (resigned 31 August 2020)	Mr Robert Ince (joined 1 Sept 2019)
Mrs Mollie Jefferson	Mr Barry Johnson
Mr Peter Johnson	Mrs Margaret Jones
Revd Michael Jones	Revd Naomi Kaiga
Revd Jacob Kaiga	Mr Gordon Kay
Mr Nigel Kell	Mrs Susan Keogh
Mrs Judith Kershaw	Mrs Linda Knapper
Mr David Lane	Revd Andrew Longshaw
Mrs Laura Lunn	Mr Jonathan Madeley
Mr Keith Madeley	Mrs Janet Marsh
Mrs Gillian Marley	Mrs June McBurney
Mrs Dorothy Metcalfe	Revd Hugh McKee (joined 1 Sept 2019)
Mr Richard Mills (resigned 27 July 2020)	Ms Jenny Murdoch
Mr Francis Mwaba	Mrs Katerina Nelson
Mr John Netherwood	Mrs Jean Newton
Revd Barry Owen	Revd Rex Owen
Mrs Marilyn Owens	Mrs Christine Pattison
Mr Ian Pattison	Mrs Lynne Precious
Mr Sean Quinn	Mrs Barbara Raper
Mr Colin Redman	Mr Colin Ride
Mrs Sandra Ride	Mr Derrick Richmond
Mr Ian Riley	Mrs Margaret Roberts
Mr Michael Roberts	Mrs Doreen Rowley
Mrs Val Rushton	Mrs Judy Schofield (resigned 13 January 2020)
Mrs Bernice Sharp	Mr Malcolm Sharp

Aire and Calder Methodist Circuit

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

15. Trustees (Continued)

Mr Alan Shires	Mrs Lorna Simpson (joined 1 Sept 2019)
Mrs Molly Simpson	Mrs Janet Smith
Mr Richard Smith	Mr Wilfred Smith
Mr Mark Stainburn	Mrs Pat Stead
Mrs Deb Storey	Mr Nigel Storey
Mr John Sudworth	Mrs Vera Sudworth
Mr Jeffery Swales	Mrs Carol Sykes
Mrs Margaret Thompson	Mrs Meg Towle
Revd Laurence Turner	Mrs Pam Turner
Mr Stephen Turner	Mrs Elaine Wall
Mrs Ruth Walton	Mrs Lisa Wells
Mr Michael Wheatley	Mr Roger Whitworth
Mr Alexander Whyte	Revd Kim Williams
Mrs Susan Wood	Mr Donald Woolley (joined 1 Sept 2019)
Mr Roy Wormald	Mr Rodney Young

16. Related Party Transactions

Ministers

Stipends and allowances for Presbyters and Deacons (collectively Ministers) are set annually by the Methodist Conference, and the Circuit is responsible for meeting those costs for all Ministers stationed by the Conference in the Circuit.

The following Ministers received the basic stipend of £24,852 (2019 - £24,168):

Revd A Longshaw	Revd N Bishop
Revd A Checkley	Deacon S Dilley
Revd MD Jones	Revd J Kaiga
Revd B Owen	Revd RJ Drost
Revd K Williams	Revd RE Gilson-Webb

Revd N Kaiga received two third stipend as she works part-time.

All were provided with living accommodation as required by the church's standing orders.

In addition to the basic stipend the following Connexionally agreed additional allowances were paid:

Revd A Longshaw: Superintendent Minister's allowance £2,485 (2019 - £1,812).
Revd N Bishop Superintendent Minister's allowance £nil (2019 - £909).

Local preachers

The 20 Local Preachers who are also members of the Circuit Assembly were paid preaching fees amounting to £1,300 in total (2019 - 20 preachers were paid £2,025).

Supernumeraries

The 5 Supernumeraries who are also members of the Circuit Assembly were paid fees and travelling expenses amounting to £2,300 (2019 - 11 Supernumeraries were paid £4,737).

Other payments

During the year two Trustees claimed travel expenses amounting to £373 (2019 - 1 Trustees claimed £46).

Aire and Calder Methodist Circuit

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

17. Grants Paid

During the year the charity awarded grants to the following:

	2020 £	2019 £
Grants to institutions:		
1 st Airedale Boys Brigade (support for camp)	-	500
Airedale Methodist Church	6,000	-
Community Awareness programme	-	1,000
Ropewalk	456	-
Chantry Chapel, Wakefield (subscription and Christian Witness grant)	-	100
Cross Project (taking the Christian Gospel into secondary schools)	2,000	2,000
South Emsall Trinity	40,000	-
Horbury Churches Together Youth Project (in support of youth work)	2,000	2,000
Trinity Mission – Circuit Grant	10,000	4,000
Wakefield Methodist Junior & Infants School (support the School's Christian ethos)	1,000	1,000
	61,456	10,600

18. Funds held as custodian

The Charity acts as custodian Trustee for the following funds:

Methodist Women in Britain
Benevolent fund
MAYC Fund
Woddlesford Methodist Church

Movement in these funds are eliminated during the accounts preparation and any year end balances held are recognised both in cash and as a liability. The total amount held in these funds at the year end was £8,771 (2019 - £14,808).

19. Net Cash provided by Operating Activities

	2020 £	2019 £
Net movement in funds	(45,601)	116,218
(Gains) on fixed assets	-	(75,752)
Losses / (Gains) on fixed asset investments	3,814	(2,648)
Income from investments	(7,371)	(10,135)
Decrease / (Increase) in debtors	114,118	(3,204)
(Decrease) in creditors	(21,277)	(19,290)
	43,683	5,189

20. Post Balance Sheet Event

In September 2020 the Manse at 18 Willow Park Wakefield was sold for £225,000. At the year end the Manse was held at a book value of £200,000. Levy and costs of sale totalled £70,914.

Aire and Calder Methodist Circuit

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

21. Comparative Statement of Financial Activities for the Year Ended 31 August 2019

	Unrestricted funds	Restricted Funds £	Endowment Funds £	Total 2019 £
Income and endowments from:				
Donations – assessment or share	600,696	100	-	600,796
Charitable activities	-	14,000	-	14,000
Other trading activities	20,550	-	-	20,550
Investments	3,663	38	6,434	10,135
Other income	2,327	-	-	2,327
Total income and endowments	627,236	14,138	6,434	647,808
Expenditure on:				
Charitable Activities	591,359	14,005	4,637	610,001
Permanent diminution of freehold property	-	-	-	-
Total expenditure	591,359	14,005	4,637	610,001
Net income / (expenditure) before other recognised gains	35,877	133	1,797	37,807
Gains on disposal of fixed assets	75,752	-	-	75,752
Realised and unrealised gains on investments	-	11	2,648	2,659
Transfers between funds	1,827	(30)	(1,797)	-
Net movement in funds	113,456	114	2,648	116,218
Reconciliation of funds:				
Funds brought forward	3,246,295	2,169	213,566	3,462,030
Funds carried forward	3,359,751	2,283	216,214	3,578,248