

YORK METHODIST CIRCUIT

England & Wales · Charity number 1134381

Details

Other names	YORK (NORTH) METHODIST CIRCUIT
Status	Registered
Legal form	Other
Registered	2010-02-18
Register	View on the Charity Commission register

Contact

Address	York Methodist Circuit Hub Melbourne Terrace Methodist Church Cemetery Road York
Phone	01904499661
Email	yorkcircuitoffice@gmail.com
Website	www.yorkmethodist.org.uk

Activities

Objects: 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;(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.

Activities: The Circuit produces a quarterly preaching plan to ensure regular acts of worship take place at each of the Methodist Churches and Local Ecumenical Partnerships in its geographical area. These are open to all people, without charge. We confirm the trustees have had regard to the Charity Commission's guidance on public benefit.

Classification

- **How:** Acts As An Umbrella Or Resource Body
- **What:** Religious Activities
- **Who:** The General Public/mankind

Geography

- **Area of benefit:** UNDEFINED. IN PRACTICE, LOCAL,
- City Of York

Finances

Period end	Income	Expenditure	Assets	Employees
2025-08-31	£860,256	£929,616	£7,214,774	16
2024-08-31	£988,406	£908,715	£7,283,249	19
2023-08-31	£821,576	£1,070,368	£7,196,289	20
2022-08-31	£890,987	£1,165,807	£7,492,500	23
2021-08-31	£1,147,026	£1,056,285	£6,768,415	23

Trustees

Name	Role	Appointed
Alison Mary Morley		2025-09-01
Ann Smallwood		2023-09-13
Chris Jarratt		2018-09-25
Christopher Robert Rouse		2020-08-28
David Ian Neil Anderson		2023-09-13
David Malcolm Parker		2023-09-13
Dr STEPHEN ANTHONY JOHN LEAH		2014-01-30
GRAHAM LANGTON		2014-02-28
Gail Frances Lazenby		2024-09-01
George Edward Garbutt		2024-09-01
Janet Bowling		2018-09-25
John Freeman		2002-03-09
June Vivienne Taylor		2021-09-01
KATHRYN WRIGHT		2014-01-30
Katrina May Anderson Paterson		2025-09-01
Nicholas Herbert Dominic Dawson		2019-09-16
Peter Kitchin		2023-09-13
Rev Alexandra Laura Middleton-Laing		2025-09-01
Rev Elizabeth Jane Cushion		2014-02-17
Rev Jill Margaret Pullan		2025-09-01
Rev John Trevor Saxelby Hayward		2021-09-01
Rev Rory James Dalgliesh		2014-02-17
Richard Desmond Grosberg		2023-09-13
Rosamond Carter		2017-11-16
Russ Smallwood		2017-11-16
Sally Elizabeth Gall		2022-09-14
Sheila Middleton		2019-09-17

Name	Role	Appointed
Susan Lindsay Gill		2015-09-16

YORK METHODIST CIRCUIT

England & Wales - Charity number 1134381

Accounts

YORK METHODIST CIRCUIT
TRUSTEES' REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2025



HPH
Chartered Accountants
54 Bootham
YORK
YO30 7XZ

YORK METHODIST CIRCUIT
TRUSTEES' REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2025

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**YORK METHODIST CIRCUIT
ANNUAL TRUSTEES' REPORT
FOR THE YEAR ENDED 31 AUGUST 2025**

The Trustees present their annual report together with the audited financial statements of the York Methodist Circuit for the year 1 September 2024 to 31 August 2025. The trustees have adopted the provisions of the Statement of Recommended Practice (SORP) "Accounting and Reporting by Charities" (FRS 102) in preparing the annual report and financial statements of the charity.

The financial statements have been prepared in accordance with the accounting policies set out in notes to the accounts 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 accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland published in October 2019.

REFERENCE AND ADMINISTRATIVE DETAILS OF THE CIRCUIT, ITS CIRCUIT MINISTERS AND ADVISERS

The Trustees who served the charity during the period and to the date of this report were as follows:

Circuit Ministers

Revd David Bidnell, Superintendent (resigned 31 August 2025)
Revd Elizabeth Cushion
Revd Rory Dalglish
Revd John Hayward (trustee throughout the period and appointed as Superintendent from 1 September 2025)
Revd Alex Middleton-Laing (appointed 1 September 2025)
Deacon Katie Paterson (appointed 1 September 2025)
Revd Jill Pullan (appointed 1 September 2025)
Revd John Schofield (resigned 31 August 2025)
Deacon Judith Stoddart (resigned 31 August 2025)

Circuit Stewards

Mrs Janet Bowling, Senior steward
Mr Nick Dawson, Treasurer
Mrs Sally Gall
Ms Sue Gill
Mrs Gail Lazenby (appointed 1 September 2024)
Mr Vic Paylor (resigned 31 August 2025)
Mrs Ann Smallwood

Church Representatives to Circuit Council

Circuit Council Secretary – Stephen Leah
Acaster Malbis - Graham Langton
Acomb –Richard Grosberg
Bishopthorpe - Malcolm Parker
Central – Vacant
Clifton - Christopher Rouse
Clifton Moor - David Anderson
Copmanthorpe - Russ Smallwood
Easingwold – Sue Gill
Haxby & Wigginton - John Freeman
Heslington - Ruth Schofield (resigned 31 August 2025), Alison Morley (appointed 1 September 2025)
Hessay - Kathryn Wright
Heworth - Peter Kitchin
Holgate - Richard Storer (resigned 31 August 2025)

**YORK METHODIST CIRCUIT
ANNUAL TRUSTEES' REPORT
FOR THE YEAR ENDED 31 AUGUST 2025**

REFERENCE AND ADMINISTRATIVE DETAILS OF THE CIRCUIT, ITS CIRCUIT MINISTERS AND ADVISERS (continued)

Church Representatives to Circuit Council (continued)

Huntington – George Garbutt (appointed September 2024)

Lidgett - Rosamond Carter

Poppleton - Sheila Middleton

Rufforth - Karen Valentine (to 31 August 2025 when the Church closed)

Sheriff Hutton – Eric Hayhurt (resigned September 2024), Gail Lazenby (appointed September 2024)

Southlands - David Whittaker (resigned 31 August 2025), Catherine Lands (appointed 1 September 2025)

Strensall - June Taylor

Villages Together – Sally Gall

West Thorpe - Chris Jarratt

Charity registered number

1134381

Principal office

York Methodist Circuit Hub, Melbourne Terrace Methodist Church, Cemetery Road, YORK, YO10 5AF

Independent auditor

HPH, Chartered Accountants, 54 Bootham, YORK, YO30 7XZ

Bankers

CAF Bank, 25 Kings Hill Avenue, Kings Hill, West Malling, KENT, ME19 4JQ

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

Investment managers and custodian trustees

Trustees for Methodist Church Purposes, Central Buildings, Oldham Street, MANCHESTER, M1 1JQ

OBJECTIVES AND ACTIVITIES

Policies and objectives

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

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

In setting our objectives and planning our activities for the year, the Circuit Council meets about four times in each year and as managing trustees have considered the Charity Commission's guidance on public benefit and, the specific guidance on charities for the advancement of religion and conforms to the Charities Act 2011.

Details on how the Circuit carries out its activities for the public benefit are given in the sections on Achievements and Performance and Plans for the Future below.

**YORK METHODIST CIRCUIT
ANNUAL TRUSTEES' REPORT
FOR THE YEAR ENDED 31 AUGUST 2025**

OBJECTIVES AND ACTIVITIES (continued)

Grant making policies

There are three types of grants paid by the Circuit, all of which are approved based on the applicants meeting certain criteria.

- Non-property grants are applied for by Churches from the Model Trust Money (MTM), the case must be presented in writing for consideration by the MTM Group which is then passed to the Circuit Council for approval.
- Small grants can be applied for in relation to training of Ministers, lay staff or church members. Applications are made to the Circuit Financial Steward.
- Property grants are dealt with through the Methodist Connexion by way of an online application system.

ACHIEVEMENTS AND PERFORMANCE

Main achievements of the Circuit

York continues to be a busy and lively Circuit, with a number of specialist working groups which assist the Circuit Council and Circuit Stewards in particular areas of the Circuit's life. These include property, lay employment, and safeguarding. In addition, we form other groups where necessary, for example to organise events.

The Circuit Hub continues to operate in Melbourne Terrace and hosts meetings and offices for support staff. Also, the building is used by Refugee Action York to support those living in the city and seeking asylum, and York Learning (part of the city council) to support both refugees and local families. Activities include language classes and opportunities for practical help and advice.

The former church properties at Trinity Methodist Church and New Earswick Methodist Church have both been sold in the latter half of 2024. The former Stamford Bridge Methodist Church property is currently on the market, while legal work is ongoing to sell the former church property at Dunnington, and preparatory work to sell the former church property at Rufforth.

Two of our surplus manses continue to be rented out via City of York Council for use by a Syrian family and a family with the Afghan resettlement scheme.

The Circuit has set up a Circuit Eco Task Force to work towards achieving Eco Circuit status and support local churches who want to become eco churches.

Plans for the future

The Circuit Leadership Team continues to review work in the Circuit and bring proposals for changes based on the findings of the Circuit Consultation. The Circuit Council directed that planning for the resourcing of the Circuit from 2025 should be based on a reduced number of Church Governing bodies. Work is ongoing to affirm church buildings in their current use, to be sold or other uses explored.

The process of selling some of our properties is ongoing and that will assist in financing future projects. Two of our unused manses will continue to be rented to City of York Council for housing refugee families. The Hub is available for other city centre needs.

Staffing (Lay and ordained) will be organised in ways that encourages use of specialist gifts and passions. Churches have been grouped together to encourage thinking about decisions regarding future work, people, governance and buildings. In the summer of 2025, we said goodbye to Revds David Bidnell and John Schofield and to Deacon Judith Stoddart as they moved on to new circuits. In September 2025 we welcomed Revds Jill Pullan and Alex Middleton-Laing and Deacon Kate Paterson, as well as recognising Revd John Hayward taking over as Superintendent. We are fortunate to be supported by the work of Lois Cross (Circuit Support Manager) and Angie Creswick (Circuit Resources Manager).

Carecent, based at Central Methodist Church continues to work with homeless people in York, providing a daily breakfast service and support. Around 40-50 customers attend each day supported by around 80 volunteers working different shifts each week.

**YORK METHODIST CIRCUIT
ANNUAL TRUSTEES' REPORT
FOR THE YEAR ENDED 31 AUGUST 2025**

ACHIEVEMENTS AND PERFORMANCE (continued)

'Growing in Christ' continues to be our challenge. Churches work hard to try to meet the needs of local communities as far as they can. Activities include community cafes and monthly film shows. A number of churches have 'Warm spaces' to help people in colder weather.

We give thanks for the ongoing work of people and churches in our Circuit and appreciate the prayer support. We pray and seek God's guidance with our plans for the future.

FINANCIAL REVIEW

Review of results

The Circuit Account includes:

- The General Fund is the main operating account through which the expenditure and revenue for both operational and strategic purposes were handled.
- The Circuit Model Trust Fund which primarily arises from the sale of buildings no longer required within the Circuit. Under Conference directions the Fund can be used for any purpose supporting the mission of the Church. Applications have to be made to the Circuit Council.
- The various restricted funds which are detailed within the notes to the accounts.
- The endowment fund holds money which cannot be spent but must be retained (as capital) to generate an income.

There were no significant events during the year and the trustees of the Circuit have every reason to believe that the Circuit is a going concern, principally because Churches continue to meet the majority of the assessment and the Circuit has adequate reserves to cover a shortfall in anticipated income. The Trustees do not foresee any factors that will significantly affect the financial performance or position in the next year or two and for these reasons they continue to adopt the going concern basis in preparing the financial statements.

As at 31 August 2025 the Circuit held 14 (16 in 2024) freehold properties being 10 manses; 30 The Village, Haxby; the former Melbourne Terrace Methodist Church buildings, and the former Methodist Church buildings at Dunnington and Stamford Bridge.

As of 1st September 2025 the former Methodist Church at Rufforth has been transferred to the Circuit.

The Circuit has the following principal sources of funds:

- Interest on investments
- The Circuit Model Trust Fund
- Assessments on Churches within the Circuit

These sums are used to administer and facilitate the work of the Circuit.

Incoming resources for the year amounted to £860,256 (2024: £988,406). The total resources expended were £929,616 (2024: £908,715). After taking account of a gain on investment assets of £885 (2024: £7,269) and the property valuation being unchanged (2024: unchanged), the Circuit has a net deficit for the year of £68,475 (2024: net surplus £86,960)

After taking into account property acquisitions and disposals in the year, net cash outgoing totalled £88,158 (2024: net cash incoming 79,065). The free reserves held by the Circuit as at 31 August 2025 totalled £591,460 (2024: £659,281).

**YORK METHODIST CIRCUIT
ANNUAL TRUSTEES' REPORT
FOR THE YEAR ENDED 31 AUGUST 2025**

FINANCIAL REVIEW (continued)

Reserves level and policy

The reserves policy for the York Methodist Circuit is to hold a sum equivalent to 6 months average unrestricted expenditure. Taking into account that some of the expenditure in the year is directly recharged to other Churches and the District, this amount is estimated to be in the region of £400,000. This is believed to be sufficient to meet any unforeseen item of major expenditure and/or be able to continue in the short term funding planned activities in the event of an inability to raise the full circuit assessment from churches. It is also necessary to hold sufficient funds to enable the payment of stipends and expenses for the ministers and lay workers and our contribution to the District and Connexion.

Free reserves, being those funds which are not restricted by the donor, designated as functional fixed assets by the Trustees or designated for a particular purpose by the Trustees, amounted to £591,460. The Trustees recognise that this is higher than the reserves policy and will ensure these are applied to the charitable purposes.

All funds are separately invested either in CFB (Central Finance Board) or TMCP (Trustees for Methodist Church Purposes). No money is directly invested in property, securities or other forms of investment.

Collaborative arrangements with connected charities

The Circuit's main source of funding is the assessment obtained from each Church within the Circuit based on membership, offerings, gift aid and lettings which is used to defray most of the cost of administering the Circuit.

It also meets the District and Connexional assessments.

There is a District levy on the Circuit Model Trust Fund based on the size of the fund at the start of the connexional year (1 September). In 2025 this sum was £35,225 (2024: £36,384) and was credited to the District Advance Fund.

Investment policy and performance

To comply with Methodist standing orders, monies for long term investment are held by the Trustees for Methodist Church Purposes (TMCP) who also act as Custodian Trustees for Circuit property, for all large bequests and for the proceeds of sale of any property formerly owned by the Circuit or Churches. These sums are invested in unitised investments or held on deposit. The investment returns are close to tracking the movements in the FTSE100 index. The deposit income mirrors the deposit rates available elsewhere. The Circuit Trustees' investment policy is aligned with that of the Central Finance Board (CFB) and TMCP because these organisations take into consideration the social, environmental and ethical considerations, both negatively and positively, that make investments suitable for the Methodist Church.

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

There are no benchmarks for the expected returns or appreciation on investments at TMCP and CFB. It is the Circuit's policy to manage the cash and investment resources of the Circuit so that a rate of return on investment — both by way of dividend and capital appreciation — is obtained at least as good as market rate considering the Circuit's low appetite for risk.

Going concern

The Trustees have prepared forecasts of income and expenditure for the period to 31 August 2026 and beyond and subjected these forecasts to sensitivity analysis which shows that they have sufficient reserves to be able to continue for the foreseeable future. They will continue to monitor the impact on income and take appropriate action as necessary.

For the reasons set out above the trustees therefore continue to adopt the going concern basis of preparation for these financial statements.

**YORK METHODIST CIRCUIT
ANNUAL TRUSTEES' REPORT
FOR THE YEAR ENDED 31 AUGUST 2025**

STRUCTURE, GOVERNANCE AND MANAGEMENT

Constitution

The Circuit is an unincorporated charity and is governed under Deed of Union (1932) and the Methodist Church Act (1976) and was registered with the Charity Commission in 2010.

Methods of appointment or election of Trustees

The management of the Circuit is the responsibility of the Trustees who are elected and co-opted under the terms of the constitution.

Induction and training of Trustees

A range of guidance is produced by the Methodist Connexion and the leaflet 'The Role of a Trustee in The Methodist Church' is given to each Trustee.

In this year the Circuit was staffed by 6 (5.8 full time equivalents) Ministers (7 in 2024) and 8 (5.1 full time equivalents) Lay Employees (5.5 FTE in 2024).

Structure

The Circuit is part of the Yorkshire North & East District and is accountable to the Methodist Conference. It pays the stipends of the ministers and employs lay staff. The Methodist Conference meets once each year as the supreme denominational body for all Methodist Churches.

- Overall regulatory authority rests with the Methodist Conference and Connexional Council.
- The Connexional Office implements decisions made by Conference and is also responsible for the stationing of presbyters and deacons in the Circuit.
- Conference decisions are passed through the District to the Circuit for implementation by the Superintendent Minister, ministerial staff and Circuit Stewards, and authority is delegated to the Circuit Council for certain matters.
- The Circuit Council passes regulatory control to Church Councils for local implementation by the presbyter, the Church Stewards, and other officers, and this regulatory authority is then exercised by Church Councils as Managing Trustees of the Charity.

The following Methodist Churches were linked to the Circuit during the year: Acaster Malbis, Acomb, Bishopthorpe, Central, Clifton, Clifton Moor LEP, Copmanthorpe, Easingwold, Haxby & Wigginton, Heslington LEP, Hessay, Heworth, Holgate, Huntington (including Thornton-Le-Clay), Lidgett Grove, Poppleton, Rufforth, Sheriff Hutton, Southlands, Strensall, Villages Together, and West Thorpe.

Purpose of the Circuit

The Circuit is an expression, over a wider geographical area than the local Church, of the Connexional character of the Church.

The primary purpose of this Circuit is to advance the mission of the Church in York and the surrounding area:

- by providing opportunities for Churches to work together and support each other
- by offering support and expertise.

The Circuit serves the Local Churches and the Conference in the support, deployment and oversight of the various ministries of the Church, and in programmes of training.

YORK METHODIST CIRCUIT
ANNUAL TRUSTEES' REPORT
FOR THE YEAR ENDED 31 AUGUST 2025

STRUCTURE, GOVERNANCE AND MANAGEMENT (continued)

Governance

The Circuit operates within a statutory framework of regulation and seeks to ensure that it follows Methodist Standing Orders. It relies on the Connexional Office at 25 Tavistock Place, London, WC1H 9SF to provide guidance on changes that could affect the Circuit and its Churches.

The Circuit operates within standing orders Section 58 (Circuits with Modified Constitutions) set up in September 2013 for the running of the York Circuit of the Methodist Church and which was updated in July 2018. The Circuit Council which replaced the Circuit Meeting includes an elected representative from each Church. This group meets about once every three months and is the decision making body for the circuit.

The Trustees are appointed by local churches and existing trustees. Ministers and Circuit Stewards are automatically trustees.

Risk management

The Trustees have assessed the major risks to which the Circuit is exposed, in particular those related to the operations and finances of the Circuit, and are satisfied that systems and procedures are in place to mitigate our exposure to the major risks.

The Circuit identifies and monitors the key risks it faces, which are held on a risk register. The main risks and mitigations have been identified as follows:

- Ongoing risk around future assessment, and the ability of Churches to continue to make their payments. This risk is always present and is managed through ongoing dialogue with Churches about their assessment for future years. The evidence of the last few years suggests that this is not currently proving a major challenge for most churches, and this is discussed at an annual meeting with Church Treasurers. Several churches have closed or merged in recent years, which has had some impact on the assessment. This is mitigated by the annual review of the assessment and circuit budget, as well as the replenishment of reserves through the sale of churches.
- There is always an ongoing risk around safeguarding, and this is managed through the Methodist Church's Safer Recruitment policy, including DBS checks and mandatory training for volunteers. The Circuit's approach to this is outlined in a separate Safeguarding Policy. Currently we are attempting to recruit for a new Circuit Safeguarding officer and in the interim the Circuit Support Manager is overseeing safer recruitment and the Regional Officer of Safeguarding is available for referring concerns.
- There is a risk that there will be insufficient Ministerial staff over the next five years to meet the needs of the Circuit. However, the appointment of three new ministers on five year terms from September 2025 has reduced this risk for the next few years.
- It is recognised that there is a risk that delays in selling Church property could result in Circuit reserves being depleted faster than planned. However, several properties have been sold over recent years, including Stillingfleet, New Earswick and Trinity, while legal processes to enable Stamford Bridge, Dunnington and Rufforth to be sold soon are being undertaken by the Circuit Resources Manager and Circuit Support Manager.

Responsibilities of the Circuit

- to formulate and promote policies which will advance the mission of the Church in the Circuit and Local Churches and, in particular, to supervise the use of resources of personnel, property and finance and to assist Local Churches where necessary.
- to encourage inter-Church and ecumenical co-operation.
- to keep within its purview all Circuit concerns not dealt with elsewhere.
- to contribute and respond, as the case may be, to the development of Connexional policies as reflected in the work of the Conference and to carry out its other responsibilities with any such developments in mind.
- to consider potential risks and take professional advice as required. There is regular review process.
- to adopt a Safeguarding Policy and ensure it is rolled out to the Churches.
- to be constantly aware of the public benefit guidance issued by the Charity Commission.

Information on fundraising practices

The charity has not carried out any fundraising activities in the year nor has it instructed any persons on its behalf to do this.

**YORK METHODIST CIRCUIT
ANNUAL TRUSTEES' REPORT
FOR THE YEAR ENDED 31 AUGUST 2025**

STATEMENT OF TRUSTEES' RESPONSIBILITIES

The Trustees are responsible for preparing the Trustees' report and the 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 & Wales requires the Trustees to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the Circuit and of its incoming resources and application of resources, including its income and expenditure, for that period. In preparing these financial statements, the Trustees are required to:

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles of the Charities SORP (FRS 102);
- make judgments and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards (FRS 102) have been followed, subject to any material departures disclosed and explained in the financial statements;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Circuit will continue in business.

The Trustees are responsible for keeping adequate accounting records that are sufficient to show and explain the Circuit's transactions and 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 Charities Act 2011, the Charity (Accounts and Reports) Regulations 2008 and the provisions of the Trust deed. 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.

Disclosure of information to the auditor

Each of the persons who are Trustees at the time when this Trustees' report is approved has confirmed that:

- so far as that Trustee is aware, there is no relevant audit information of which the charity's auditor is unaware, and
- that Trustee has taken all the steps that ought to have been taken as a Trustee in order to be aware of any relevant audit information and to establish that the charity's auditor is aware of that information.

Approved by order of the members of the board of Trustees and signed on their behalf by:

Revd John Hayward, Superintendent

Date: 11 March 2026

INDEPENDENT AUDITOR'S REPORT TO THE TRUSTEES OF YORK METHODIST CIRCUIT

Opinion

We have audited the financial statements of York Methodist Circuit for the year ended 31 August 2025, which comprise the Statement of Financial Activities, Balance Sheet, Cash Flow Statement 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 2025 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

In auditing the financial statements, we have concluded that the trustees' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the charity's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

Our responsibilities and the responsibilities of the trustees with respect to going concern are described in the relevant sections of this report.

Other information

The trustees are responsible for the other information contained within the annual report. The other information comprises the information included in the annual 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 we do not express any form of assurance conclusion thereon.

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 this gives rise to a material misstatement in the financial statements themselves. 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.

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 trustees' report; or
- sufficient accounting records have not been kept; or
- the financial statements are not in agreement with the accounting records and returns; or
- we have not received all the information and explanations we require for our audit

INDEPENDENT AUDITOR'S REPORT TO THE TRUSTEES OF YORK METHODIST CIRCUIT

Responsibilities of Trustees

As explained more fully in the trustees' responsibilities statement set out on page 8, the trustees are responsible for the preparation of the financial statements and for being satisfied that they 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 the Act and relevant regulations made or having effect thereunder.

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.

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below:

We obtained an understanding of the legal and regulatory frameworks within which the charity operates, focusing on those laws and regulations that have a direct effect on the determination of material amounts and disclosures in the financial statements. The laws and regulations we considered in this context were the Charities SORP (FRS102) 2019 and The Constitutional Practice and Discipline of the Methodist Church 2024. We assessed the required compliance with these laws and regulations as part of our audit procedures on the related financial statement items.

In addition, we considered provisions of other laws and regulations that do not have a direct effect on the financial statements but compliance with which might be fundamental to the charity's ability to operate or to avoid a material penalty. We also considered the opportunities and incentives that may exist within the charity for fraud. The laws and regulations we considered in this context for the UK operations were Employment legislation, Charity Commission regulations and General Data Protection Regulation (GDPR).

Auditing standards limit the required audit procedures to identify non-compliance with these laws and regulations to enquiry of the Trustees and other management and inspection of regulatory and legal correspondence, if any.

We identified the greatest risk of material impact on the financial statements from irregularities, including fraud, to be the override of controls by management and income recognition. Our audit procedures to respond to these risks included enquiries of management about their own identification and assessment of the risks of irregularities, proof in total testing of assessment income, detailed substantive testing on the completeness of other sources of income, posting of journals, and reading minutes of meetings of those charged with governance.

Owing to the inherent limitations of an audit, there is an unavoidable risk that we may not have detected some material misstatements in the financial statements, even though we have properly planned and performed our audit in accordance with auditing standards. We are not responsible for preventing non-compliance and cannot be expected to detect non-compliance with all laws and regulations.

These inherent limitations are particularly significant in the case of misstatement resulting from fraud as this may involve sophisticated schemes designed to avoid detection, including deliberate failure to record transactions, collusion or the provision of intentional misrepresentations.

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.

**INDEPENDENT AUDITOR'S REPORT TO THE TRUSTEES OF
YORK METHODIST CIRCUIT**

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 trustees 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.

.....
HPH
Chartered Accountants
54 Bootham
YORK
YO30 7XZ

Date: 17 March 2026

HPH is eligible for appointment as auditor of the charity by virtue of its eligibility for appointment as auditor of a company under section 1212 of the Companies Act 2006.

YORK METHODIST CIRCUIT
STATEMENT OF FINANCIAL ACTIVITIES
FOR THE YEAR ENDED 31 AUGUST 2025

	Note	Unrestricted Funds 2025 £	Restricted Funds 2025 £	Endowment Funds 2025 £	Total Funds 2025 £	Total Funds 2024 £
Income and endowments from:						
Donations and legacies	4	18,794	106,156	-	124,950	213,653
Charitable activities	5	605,206	1,556	-	606,762	621,457
Other trading activities	6	79,512	-	-	79,512	97,476
Investments	7	36,654	12,367	11	49,032	55,820
Total income and endowments		740,166	120,079	11	860,256	988,406
Expenditure on:						
Charitable activities	8	809,534	120,080	2	929,616	908,715
Total expenditure		809,534	120,080	2	929,616	908,715
Net gains/(losses) on investments		809	75	1	885	7,269
Net income/(expenditure)		(68,559)	74	10	(68,475)	86,960
Transfers between funds	17	738	(729)	(9)	-	-
Net movement in funds before other recognised gains/(losses)		(67,821)	(655)	1	(68,475)	86,960
Losses on revaluation of fixed assets	12	-	-	-	-	-
Net movement in funds		£ (67,821)	£ (655)	£ 1	£ (68,475)	£ 86,960
Reconciliation of funds:						
Total funds brought forward		6,879,256	403,489	504	7,283,249	7,196,289
Net movement in funds		(67,821)	(655)	1	(68,475)	86,960
Total funds carried forward		£ 6,811,435	£ 402,834	£ 505	£ 7,214,774	£ 7,283,249

The statement of financial activities includes all gains and losses recognised in the year.

The notes on pages 15 to 27 form part of these financial statements.

YORK METHODIST CIRCUIT
BALANCE SHEET
AS AT 31 AUGUST 2025

	Note	2025 £	2024 £
Fixed assets			
Tangible assets	12	6,066,226	6,066,226
Investments	13	83,362	82,477
		<u>6,149,588</u>	<u>6,148,703</u>
Current assets			
Debtors	14	48,402	35,250
Cash at bank and in hand		1,148,609	1,236,767
		<u>1,197,011</u>	<u>1,272,017</u>
Creditors: amounts falling due within one year	15	(131,825)	(137,471)
Net current assets		<u>1,065,186</u>	<u>1,134,546</u>
Total net assets		<u>£ 7,214,774</u>	<u>£ 7,283,249</u>
Charity funds			
Endowment funds	16	505	504
Restricted funds	16	402,834	403,489
<i>Unrestricted funds:</i>			
Free reserves	16	591,460	659,281
Designated funds	16	6,219,975	6,219,975
Total funds		<u>£ 7,214,774</u>	<u>£ 7,283,249</u>

The financial statements were approved and authorised for issue by the Trustees on 11 March 2026 and signed on their behalf by:

Revd John Hayward, Superintendent

The notes on pages 15 to 27 form part of these financial statements.

YORK METHODIST CIRCUIT
STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 AUGUST 2025

	Note	2025 £	2024 £
Cash flows from operating activities			
Net cash used in operating activities	19	(153,773)	(41,419)
Cash flows from investing activities:			
Dividends and interest from investments		49,032	55,820
Proceeds from the sale of tangible fixed assets		16,583	64,664
Net cash provided by investing activities		65,615	120,484
Change in cash and cash equivalents in the year		(88,158)	79,065
Cash and cash equivalents at the beginning of the year		1,236,767	1,157,702
Cash and cash equivalents at the end of the year		£ 1,148,609	£ 1,236,767

The notes on pages 15 to 27 form part of these financial statements

YORK METHODIST CIRCUIT
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2025

1. GENERAL INFORMATION

The York Methodist Circuit is an unincorporated charity registered in England and Wales. The address of the registered office is given in the charity information on page 2 of these financial statements. The nature of the Circuit's operations and activities are those of a Methodist Circuit.

2. ACCOUNTING POLICIES

a) *Basis of preparation of the financial statements*

The financial statements have been prepared in accordance with Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (effective 1 January 2019) - (Charities SORP (FRS 102)), and the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) and UK Generally Accepted Accounting Practice.

The financial statements have been prepared to give a 'true and fair' view and have departed from the Charities (Accounts and Reports) Regulations 2008 only to the extent required to provide a 'true and fair' view. This departure has involved following the Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland issued in October 2019 rather than the Accounting and Reporting by Charities: Statement of Recommended Practice effective from 1 April 2005 which has since been withdrawn.

York Methodist Circuit meets the definition of a public benefit entity under FRS 102.

The financial statements are prepared on a going concern basis under the historical cost convention, modified to include certain items at fair value. Assets and liabilities are initially recognised at historical cost or transaction value unless otherwise stated in the relevant accounting policy. The financial statements are presented in sterling which is the functional currency of the charity and rounded to the nearest £.

The significant accounting policies applied in the preparation of these financial statements are set out below. These policies have been consistently applied to all years presented unless otherwise stated.

b) *Going Concern*

The Trustees have prepared forecasts of income and expenditure for the period to 31 August 2025 and beyond and subjected these forecasts to sensitivity analysis which shows that they have sufficient reserves to be able to continue for the foreseeable future. Furthermore, the Trustees have not identified any material uncertainties which in their view cast a significant doubt over the going concern of the Circuit. They will continue to monitor the impact on income and take appropriate action as necessary. The Trustees therefore continue to adopt the going concern basis of preparation for these financial statements.

c) *Income*

All income is recognised once the Circuit has entitlement to the income, it is probable that the income will be received and the amount of income receivable can be measured reliably.

The recognition of income from legacies is dependent on establishing entitlement, the probability of receipt and the ability to estimate with sufficient accuracy the amount receivable. Evidence of entitlement to a legacy exists when the Circuit has sufficient evidence that a gift has been left to them (through knowledge of the existence of a valid will and the death of the benefactor) and the executor is satisfied that the property in question will not be required to satisfy claims in the estate. Receipt of a legacy is recognised when it is probable that it will be received and the fair value of the amount receivable, which will generally be the expected cash amount to be distributed to the Circuit, can be reliably measured.

YORK METHODIST CIRCUIT
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2025 (CONTINUED)

2. ACCOUNTING POLICIES (CONTINUED)

d) *Expenditure*

Expenditure is recognised when a liability is incurred, or a constructive obligation arises that results in the payment being unavoidable. Resources expended include attributable VAT which cannot be recovered.

Expenditure is accounted for on an accruals basis. All expenses including support costs and governance costs are allocated to the applicable expenditure headings.

Expenditure on charitable activities is incurred on directly undertaking the activities which further the Circuit's objectives, as well as any associated support costs.

e) *Interest receivable*

Interest on funds held on deposit is included when receivable and the amount can be measured reliably by the Circuit; this is normally upon notification of the interest paid or payable by the institution with whom the funds are deposited.

f) *Taxation*

As a charity, York Methodist Circuit is exempt from tax on income and gains falling within the available tax exemptions to the extent that these are applied to its charitable objects. No direct tax charges have arisen in the Circuit. The Circuit suffers VAT on expenses which is not recoverable.

g) *Tangible fixed assets and depreciation*

Freehold property:

Tangible fixed assets are initially recognised at cost. After recognition, under the revaluation model, tangible fixed assets whose fair value can be measured reliably shall be carried at a revalued amount, being their fair value at the date of revaluation less any subsequent accumulated depreciation and subsequent accumulated impairment losses.

Revaluations are made with sufficient regularity to ensure that the carrying amount does not differ materially from that which would be determined using fair value at the end of the reporting date.

Fair values are determined from market-based evidence by appraisal with reference to local, similar property sales and the ONS Property Index. If there is no market-based evidence of fair value because of the specialised nature of the tangible fixed asset and it is rarely sold, except as part of a contributing business, fair value is estimated using an income or depreciated replacement cost approach.

Gains and losses on revaluation are recognised in the Statement of Financial Activities (SOFA), with a separate revaluation reserve being shown in the Statement of funds note 17.

Depreciation is not provided on freehold properties as it is the Circuit's policy to maintain the property in good repair. Consequently, the trustees consider the life of the properties to be so long that there is no significant annual depreciation.

Items costing less than £5,000 are written off as an expense as acquired and are not capitalised.

h) *Investments*

Fixed asset investments are a form of financial instrument and are initially recognised at their transaction cost and subsequently measured at fair value at the balance sheet date, unless the value cannot be measured reliably in which case it is measured at cost less impairment. Investment gains and losses, whether realised or unrealised, are combined and presented as 'gains/(losses) on investments' in the SOFA.

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.

i) *Debtors*

Trade and other debtors are recognised at the settlement amount due after any trade discount offered. Prepayments are valued at the amount prepaid net of any trade discounts due.

j) *Cash at bank and in hand*

Cash at bank and cash in hand includes cash and short term highly liquid investments with a short maturity of three months or less from the date of acquisition or opening of the deposit of similar account.

YORK METHODIST CIRCUIT
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2025 (CONTINUED)

2. ACCOUNTING POLICIES (CONTINUED)

k) Creditors and provisions

Creditors and provisions are recognised when there is an obligation at the balance sheet date as a result of a past event, it is probable that a transfer of economic benefit will be required in settlement, and the amount of the settlement can be estimated reliably.

Creditors and provisions are recognised at the amount that the Circuit anticipates it will pay to settle the debt or the amount it has received as advanced payments for the goods or services it must provide.

l) Financial instruments

The Circuit 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.

m) Employee benefits

When employees have rendered service to the Circuit, short-term employee benefits to which the employees are entitled are recognised at the undiscounted amount expected to be paid in exchange for that service.

The Circuit operates a defined contribution pension scheme and the pension charge represents the amounts payable by the Circuit to the fund in respect of the year.

n) Fund accounting

General funds are unrestricted funds which are available for use at the discretion of the Trustees in furtherance of the general objectives of the Circuit and which have not been designated for other purposes.

Designated funds comprise unrestricted funds that have been set aside by the Trustees for particular purposes. The aim and use of each designated fund is set out in the notes to the financial statements.

Restricted funds are funds which are to be used in accordance with specific restrictions imposed by donors or which have been raised by the Circuit for particular purposes. The costs of raising and administering such funds are charged against the specific fund. The aim and use of each restricted fund is set out in the notes to the financial statements.

Endowment funds are expendable funds which are held on trust to be retained for the benefit of the Circuit as a capital fund. Any capital gains or losses arising on the investments form part of the fund. Investment management charges and legal advice relating to the fund are charged against the fund.

Investment income, gains and losses are allocated to the appropriate fund.

3. CRITICAL ACCOUNTING ESTIMATES AND AREAS OF JUDGEMENT

Estimates and judgments are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

Critical accounting estimates and assumptions:

The Circuit makes estimates and assumptions concerning the future. The resulting accounting estimates and assumptions will, by definition, seldom equal the related actual results. The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are discussed below.

The main assumption concerning the future of the Circuit is that the assessment income will continue to be sufficient to meet the costs of stipends, salaries and manse maintenance. The annual budget, approved by the Circuit meeting, includes sums necessary for covering these costs. This is then allocated among each Church in the Circuit, hence the income is dependent upon the Churches' ability to meet the assessment.

YORK METHODIST CIRCUIT
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2025 (CONTINUED)

4. INCOME FROM DONATIONS AND LEGACIES

	Unrestricted Funds £	Restricted Funds £	2025 £	2024 £
Assets transferred from ceasing churches	16,583	-	16,583	76,036
Donations, including Gift Aid	35	106,156	106,191	115,737
Legacies	2,176	-	2,176	12,380
Grants	-	-	-	9,500
	<u>£ 18,794</u>	<u>£ 106,156</u>	<u>£ 124,950</u>	<u>£ 213,653</u>

In 2024 income from donations and legacies amounting to £137,617 related to restricted funds.

5. INCOME FROM CHARITABLE ACTIVITIES

	Unrestricted Funds £	Restricted Funds £	2025 £	2024 £
Circuit assessment	543,340	-	543,340	523,783
Carecent services	-	1,556	1,556	4,332
Recharge for Lay Workers	61,866	-	61,866	93,342
	<u>£ 605,206</u>	<u>£ 1,556</u>	<u>£ 606,762</u>	<u>£ 621,457</u>

In 2024 income from charitable activities amounting to £4,332 related to restricted funds.

6. INCOME FROM OTHER TRADING ACTIVITIES

Income from non charitable trading activities

	Unrestricted Funds £	2025 £	2024 £
Lettings	75,242	75,242	92,754
Other income	4,270	4,270	4,722
	<u>£ 79,512</u>	<u>£ 79,512</u>	<u>£ 97,476</u>

In 2024 all income from other trading activities related to unrestricted funds.

7. INVESTMENT INCOME

	Unrestricted Funds £	Restricted Funds £	Endowment Funds £	2025 £	2024 £
Central Finance Board	2,633	1,569	-	4,202	2,263
Other investments	34,021	10,798	11	44,830	53,557
	<u>£ 36,654</u>	<u>£ 12,367</u>	<u>£ 11</u>	<u>£ 49,032</u>	<u>£ 55,820</u>

In 2024 income from investments amounting to £9,018 related to restricted funds and £14 to endowment funds.

YORK METHODIST CIRCUIT
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2025 (CONTINUED)

8. ANALYSIS OF EXPENDITURE ON CHARITABLE ACTIVITIES

Summary by fund type

	Unrestricted Funds £	Restricted Funds £	Endowment Funds £	2025 £	2024 £
Stipends, salaries, NIC & pension costs	426,960	43,885	-	470,845	529,620
District assessment	130,824	-	-	130,824	135,732
Administration, telephone & travel	38,974	3,757	-	42,731	33,898
Insurance, utilities, etc	50,676	549	-	51,225	73,306
Maintenance of manses	68,218	-	-	68,218	49,986
Expenditure on other Circuit property	1,568	15,570	-	17,138	41,678
Other expenditure	15,291	133	2	15,426	(73,891)
Grants & donations	41,798	-	-	41,798	9,735
Contribution to District Advance Fund	35,225	-	-	35,225	36,384
Connexional Priority Fund Levy	-	-	-	-	11,166
Rent	-	25,736	-	25,736	26,646
Carecent services	-	30,450	-	30,450	34,455
	<u>£ 809,534</u>	<u>£ 120,080</u>	<u>£ 2</u>	<u>£ 929,616</u>	<u>£ 908,715</u>

In 2024 expenditure amounting to £104,442 related to restricted funds and £1 related to endowment funds.

9. AUDITOR'S REMUNERATION

	2025	2024
Auditor's remuneration - audit	<u>£ 9,000</u>	<u>£ 7,180</u>

10. TRUSTEES' REMUNERATION AND EXPENSES

During the year, 6 Trustees, who are Circuit Ministers, have been paid remuneration amounting to £220,243 (2024: 7 Trustees - £261,443).

During the year ended 31 August 2025, expenses totalling £15,423 were reimbursed or paid directly to 6 Trustees (2024: £13,652 to 6 Trustees) in relation to travel and other expenses incurred on Circuit work.

YORK METHODIST CIRCUIT
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2025 (CONTINUED)

11. STAFF COSTS

	2025 £	2024 £
Wages and salaries	387,001	427,457
Social security costs	38,486	37,608
Contribution to defined contribution pension schemes	45,358	64,555
	<u>£ 470,845</u>	<u>£ 529,620</u>

The average number of persons employed by the Circuit during the year was as follows:

	2025 No.	2024 No.
Stipendiary clergy	6	7
Other Circuit staff	<u>10</u>	<u>12</u>
	<u>16</u>	<u>19</u>

No employee received remuneration amounting to more than £60,000 in either year.

The total key management personnel remuneration for the year totalled £44,320 (2024: £43,130). The Circuit considers its key management personnel comprises of the Superintendent and Circuit Stewards.

12. TANGIBLE FIXED ASSETS

	Freehold property £
<i>Cost or valuation</i>	
At 1 September 2024	6,066,226
At 31 August 2025	<u>6,066,226</u>
<i>Net book value</i>	
At 31 August 2025	<u>£ 6,066,226</u>
At 31 August 2024	<u>£ 6,066,226</u>

Freehold land and buildings have been revalued at the year end to fair value. The fair value of residential property is calculated with reference to local property markets and changes to property values in line with the ONS Property Index. Where there is not an active market for freehold property, for example in relation to chapels held by the Circuit, a fair value has been arrived at based on surveyors' reports undertaken by Stephenson's Estate Agents LLP dating between 2016 and 2020.

The Circuit has adopted a policy of revaluation for tangible fixed assets. Had these assets been measured at historic cost, the carrying values would have been as follows. Where actual historic costs are unavailable, a deemed cost equivalent to the 31 August 2015 insurance rebuild valuation has been adopted in line with guidance on the introduction of SORP (FRS 102).

	2025	2024
Freehold property	<u>£ 3,684,406</u>	<u>£ 3,684,406</u>

YORK METHODIST CIRCUIT
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2025 (CONTINUED)

13. FIXED ASSET INVESTMENTS

	Other Investments £
<i>Cost or valuation</i>	
At 1 September 2024	82,477
Revaluations	885
At 31 August 2025	<u>£ 83,362</u>
<i>Net book value</i>	
At 31 August 2025	<u>£ 83,362</u>
At 31 August 2024	<u>£ 82,477</u>

The historic cost of investments held at the year end was £57,312 (2024: £57,312).

14. DEBTORS

	2025 £	2024 £
<i>Due within one year</i>		
Other debtors	33,283	26,801
Prepayments	119	8,449
Loans	15,000	-
	<u>£ 48,402</u>	<u>£ 35,250</u>

15. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2025 £	2024 £
Trade creditors	1,523	1,103
Accruals	11,314	10,247
Income in advance	118,988	123,183
Other creditors	-	2,938
	<u>£ 131,825</u>	<u>£ 137,471</u>

YORK METHODIST CIRCUIT
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2025 (CONTINUED)

16. STATEMENT OF FUNDS

Statement of funds - current year

	At 1 September 2024 £	Income £	Expenditure £	Transfers in/(out) £	Gains £	At 31 August 2025 £
Unrestricted funds						
<i>Designated funds</i>						
Shipton Mission and Transformation Fund	128,749	-	-	-	-	128,749
Property cost	3,724,113	-	-	-	-	3,724,113
Revaluation reserve	2,342,113	-	-	-	-	2,342,113
Approved Circuit Model Trust Funds	25,000	-	-	-	-	25,000
	<u>6,219,975</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>6,219,975</u>
General funds	<u>659,281</u>	<u>740,166</u>	<u>(809,534)</u>	<u>738</u>	<u>809</u>	<u>591,460</u>
Total Unrestricted funds	<u>6,879,256</u>	<u>740,166</u>	<u>(809,534)</u>	<u>738</u>	<u>809</u>	<u>6,811,435</u>
<i>Endowment funds</i>						
Endowment fund	<u>504</u>	<u>11</u>	<u>(2)</u>	<u>(9)</u>	<u>1</u>	<u>505</u>
<i>Restricted funds</i>						
Supernumerary House Fund	40,886	863	(133)	(729)	75	40,962
Carecent	357,203	119,216	(119,947)	-	-	356,472
All Churches Trust Limited	4,750	-	-	-	-	4,750
Walk to Talk York	650	-	-	-	-	650
	<u>403,489</u>	<u>120,079</u>	<u>(120,080)</u>	<u>(729)</u>	<u>75</u>	<u>402,834</u>
Total of funds	<u>£ 7,283,249</u>	<u>£ 860,256</u>	<u>£ (929,616)</u>	<u>£ -</u>	<u>£ 885</u>	<u>£ 7,214,774</u>

YORK METHODIST CIRCUIT
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2025 (CONTINUED)

16. STATEMENT OF FUNDS (continued)

Statement of funds - prior year

	At 1 September 2023 £	Income £	Expenditure £	Transfers in/(out) £	Gains £	At 31 August 2024 £
Unrestricted funds						
<i>Designated funds</i>						
Sipton Mission and Transformation Fund	128,749	-	-	-	-	128,749
Property cost	3,724,113	-	-	-	-	3,724,113
Revaluation reserve	2,342,113	-	-	-	-	2,342,113
Approved Circuit Model Trust Funds	25,000	-	-	-	-	25,000
	<u>6,219,975</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>6,219,975</u>
<i>General funds</i>						
General funds	620,781	837,425	(804,272)	1,050	4,297	659,281
	<u>6,840,756</u>	<u>837,425</u>	<u>(804,272)</u>	<u>1,050</u>	<u>4,297</u>	<u>6,879,256</u>
<i>Endowment funds</i>						
Endowment fund	467	14	(1)	(12)	36	504
	<u>467</u>	<u>14</u>	<u>(1)</u>	<u>(12)</u>	<u>36</u>	<u>504</u>
<i>Restricted funds</i>						
Supernumerary House Fund	37,950	1,146	(108)	(1,038)	2,936	40,886
Carecent	311,716	149,821	(104,334)	-	-	357,203
All Churches Trust Limited	4,750	-	-	-	-	4,750
Walk to Talk York	650	-	-	-	-	650
	<u>355,066</u>	<u>150,967</u>	<u>(104,442)</u>	<u>- 1,038</u>	<u>2,936</u>	<u>403,489</u>
Total of funds	<u>£ 7,196,289</u>	<u>£ 988,406</u>	<u>£ (908,715)</u>	<u>£ -</u>	<u>£ 7,269</u>	<u>£ 7,283,249</u>

Fund descriptions

Unrestricted funds

The General Fund is the main operating account through which the expenditure and revenue for both operational and strategic purposes are handled.

Approved Circuit Model Trust Funds are monies which have been approved by the Circuit Council to be paid out to Churches as MTM grants.

YORK METHODIST CIRCUIT
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2025 (CONTINUED)

16. STATEMENT OF FUNDS (continued)

Fund descriptions

Unrestricted funds

The Revaluation reserve represents the difference between property held at valuation and its associated historic cost to the Circuit.

The Shipton Mission and Transformation Fund provides finance for local Church, small-scale mission projects, for circuit-led new forms of worship and Church, and for facilitating the work of the Circuit through information technology.

Endowment funds

The income from the Endowment is expendable. The net income after expenditure is transferred to unrestricted funds. The capital of very small endowment funds may be expended with Connexional approval.

Restricted funds

Carecent is an internal organisation helping disadvantaged members of the community.

All Churches Trust Limited relates to a grant received to be spent on developing the digital capacity of Churches.

The Supernumerary House Fund is for the support of a lay worker in the Circuit.

Walk to Talk York Fund relates to a grant received to help fund the creation of a podcast.

Transfers

Transfers were made out of the Endowment fund and Supernumerary House Fund into the General fund in relation to the surplus made on each fund during the year in relation to the investment income received.

17. SUMMARY OF FUNDS

Summary of funds - current year

	At 1 September 2024 £	Income £	Expenditure £	Transfers in/(out) £	Gains/ (losses) £	At 31 August 2025 £
Designated funds	6,219,975	-	-	-	-	6,219,975
General funds	659,281	740,166	(809,534)	738	809	591,460
Endowment funds	504	11	(2)	(9)	1	505
Restricted funds	403,489	120,079	(120,080)	(729)	75	402,834
	<u>£ 7,283,249</u>	<u>£ 860,256</u>	<u>£ (929,616)</u>	<u>£ -</u>	<u>£ 885</u>	<u>£ 7,214,774</u>

YORK METHODIST CIRCUIT
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2025 (CONTINUED)

17. SUMMARY OF FUNDS (CONTINUED)

Summary of funds - prior year

	At 1 September 2023 £	Income £	Expenditure £	Transfers in/(out) £	Gains/ (losses) £	At 31 August 2024 £
Designated funds	6,219,975	-	-	-	-	6,219,975
General funds	620,781	837,425	(804,272)	1,050	4,297	659,281
Endowment funds	467	14	(1)	(12)	36	504
Restricted funds	355,066	150,967	(104,442)	(1,038)	2,936	403,489
	<u>£ 7,196,289</u>	<u>£ 988,406</u>	<u>£ (908,715)</u>	<u>£ -</u>	<u>£ 7,269</u>	<u>£ 7,283,249</u>

18. ANALYSIS OF NET ASSETS BETWEEN FUNDS

Analysis of net assets between funds - current period

	Unrestricted funds 2025 £	Designated funds 2025 £	Restricted funds 2025 £	Endowment funds 2025 £	Total funds 2025 £
Tangible fixed assets	-	6,066,226	-	-	6,066,226
Fixed asset investments	41,895	-	40,962	505	83,362
Current assets	681,390	153,749	361,872	-	1,197,011
Creditors due within one year	(131,825)	-	-	-	(131,825)
	<u>£ 591,460</u>	<u>£ 6,219,975</u>	<u>£ 402,834</u>	<u>£ 505</u>	<u>£ 7,214,774</u>

Analysis of net assets between funds - prior period

	Unrestricted funds 2024 £	Designated funds 2024 £	Restricted funds 2024 £	Endowment funds 2024 £	Total funds 2024 £
Tangible fixed assets	-	6,066,226	-	-	6,066,226
Fixed asset investments	41,087	-	40,886	504	82,477
Current assets	755,665	153,749	362,603	-	1,272,017
Creditors due within one year	(137,471)	-	-	-	(137,471)
	<u>£ 659,281</u>	<u>£ 6,219,975</u>	<u>£ 403,489</u>	<u>£ 504</u>	<u>£ 7,283,249</u>

YORK METHODIST CIRCUIT
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2025 (CONTINUED)

19. RECONCILIATION OF NET MOVEMENT IN FUNDS TO NET CASH FLOW FROM OPERATING ACTIVITIES

	2025 £	2024 £
Net (expenditure)/income for the period (as per Statement of Financial Activities)	(68,475)	86,960
Adjustments for:		
Gains on investments	(885)	(7,269)
Losses on revaluation of fixed assets	-	-
Dividends and interest from investments	(49,032)	(55,820)
Gain on the sale of freehold property	(16,583)	(64,664)
Increase in debtors	(13,152)	(9,097)
(Decrease)/Increase in creditors	(5,646)	8,471
Net cash used in operating activities provided by/(used)	£ (153,773)	£ (41,419)

20. ANALYSIS OF CASH AND CASH EQUIVALENTS

	2025 £	2024 £
Cash in hand	234,690	380,120
Central Finance Board	227,955	77,152
TMCP deposits	685,964	779,495
Total cash and cash equivalents	£ 1,148,609	£ 1,236,767

21. ANALYSIS OF CHANGES IN NET DEBT

	At 1 September 2024 £	Cash flows £	At 31 August 2025 £
Cash at bank and in hand	1,236,767	(88,158)	1,148,609
	£ 1,236,767	£ (88,158)	£ 1,148,609

22. PENSION COMMITMENTS

The ordained presbyters and deacons are members of the Methodist Ministers' Pension Scheme (MMPS). This is a defined benefit scheme where ministers contribute 9.3% of stipend and the Circuit 26.9% to this scheme. The Connexional accounts show the figures in the annual Methodist Church in Great Britain account.

Note: The Supreme Court held in 2014 that Methodist ministers (which term includes presbyters and deacons) are not employees of the Church. For simplicity, however, when dealing with National Insurance contributions and pension contributions, the terms 'employer' and 'employee' are used as they would be in an employing body.

Lay employees are contractually employees and where applicable are auto-enrolled into the Circuit's pension scheme arranged with The Pensions Trust. This is a defined contribution scheme where employees contribute 6% of salary and the Circuit 6% to this scheme.

The assets of both schemes are held separately from those of the Circuit in independently administered funds. The pension cost charge represents contributions payable by the Circuit to the funds and amounted to £45,358 (2024: £53,901). No contributions were payable to the funds at the balance sheet date in either this or the previous year.

YORK METHODIST CIRCUIT
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2025 (CONTINUED)

23. RELATED PARTY TRANSACTIONS

During the year the Circuit received assessment income totalling £537,530 (2024: £523,783) from the various churches within the Circuit.

The Circuit also incurred assessment costs of £130,824 (2024: £135,732) payable to the District.

24. OPERATING LEASES

As at 31 August 2025 the Circuit had future minimum lease payments under non-cancellable operating as follows:

Equipment	2025 £	2024 £
Within one year	1,402	1,402
Within two years	1,402	1,402
Within five years	351	1,753
	£ 3,155	£ 4,557

YORK METHODIST CIRCUIT

England & Wales - Charity number 1134381

Accounts

YORK METHODIST CIRCUIT
TRUSTEES' REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2024



HPH
Chartered Accountants
54 Bootham
YORK
YO30 7XZ

YORK METHODIST CIRCUIT
TRUSTEES' REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2024

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**YORK METHODIST CIRCUIT
ANNUAL TRUSTEES' REPORT
FOR THE YEAR ENDED 31 AUGUST 2024**

The Trustees present their annual report together with the audited financial statements of the York Methodist Circuit for the year 1 September 2023 to 31 August 2024. The trustees have adopted the provisions of the Statement of Recommended Practice (SORP) "Accounting and Reporting by Charities" (FRS 102) in preparing the annual report and financial statements of the charity.

The financial statements have been prepared in accordance with the accounting policies set out in notes to the accounts 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 accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland published in October 2019.

REFERENCE AND ADMINISTRATIVE DETAILS OF THE CIRCUIT, ITS CIRCUIT MINISTERS AND ADVISERS

The Trustees who served the charity during the period and to the date of this report were as follows:

Circuit Ministers

Revd David Bidnell, Superintendent
Revd Elizabeth Cushion
Revd Rory Dalgliesh
Revd John Hayward
Revd Andy Lindley (resigned August 2024)
Revd John Schofield
Deacon Judith Stoddart

Circuit Stewards

Mrs Janet Bowling, Senior steward
Mrs Ruth Morrison, Joint senior (resigned September 2023)
Mr Nick Dawson, Treasurer
Mr Vic Paylor
Mrs Ann Smallwood
Mrs Sally Gall (appointed December 2023)
Ms Sue Gill (appointed December 2023)

Church Representatives to Circuit Council

Circuit Council Secretary – Stephen Leah
Acaster Malbis - Graham Langton
Acomb – Janet Holdaway (resigned September 2023), Richard Grosberg (appointed September 2023)
Bishopthorpe - Mandy Brewer (resigned September 2023), Malcolm Parker (appointed September 2023)
Central – Philip Paul (resigned October 2023). Vacant thereafter.
Clifton - Christopher Rouse
Clifton Moor - Emma Dearlove (resigned September 2023), David Anderson (appointed September 2023)
Copmanthorpe - Russ Smallwood
Easingwold – Sue Gill
Haxby & Wigginton - John Freeman
Heslington - Ruth Schofield
Hessay - Kathryn Wright
Heworth - David Thompson (resigned September 2023), Peter Kitchin (appointed September 2023)
Holgate - Mark Bevan (resigned September 2023), Richard Storer (appointed September 2023)

**YORK METHODIST CIRCUIT
ANNUAL TRUSTEES' REPORT
FOR THE YEAR ENDED 31 AUGUST 2024**

REFERENCE AND ADMINISTRATIVE DETAILS OF THE CIRCUIT, ITS CIRCUIT MINISTERS AND ADVISERS (continued)

Church Representatives to Circuit Council (continued)

Huntington – Peter Harrison (resigned September 2023), George Garbutt (appointed September 2024)
Lidgett - Rosamond Carter
Poppleton - Sheila Middleton
Rufforth - Karen Valentine
Sheriff Hutton - Eric Hayhurst (resigned September 2024), Gail Lazenby (appointed September 2024)
Southlands - David Whittaker
Strensall - June Taylor
Villages Together* – Sally Gall
West Thorpe - Chris Jarratt

* Alne, Tholthorpe, Huby & Stillington churches amalgamated into Villages Together in September 2022.

Charity registered number

1134381

Principal office

York Methodist Circuit Hub, Melbourne Terrace Methodist Church, Cemetery Road, YORK, YO10 5AF

Independent auditor

HPH, Chartered Accountants, 54 Bootham, YORK, YO30 7XZ

Bankers

CAF Bank, 25 Kings Hill Avenue, Kings Hill, West Malling, KENT, ME19 4JQ

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

Investment managers and custodian trustees

Trustees for Methodist Church Purposes, Central Buildings, Oldham Street, MANCHESTER, M1 1JQ

OBJECTIVES AND ACTIVITIES

Policies and objectives

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

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

In setting our objectives and planning our activities for the year, the Circuit Council meets about four times in each year and as managing trustees have considered the Charity Commission's guidance on public benefit and, the specific guidance on charities for the advancement of religion and conforms to the Charities Act 2011.

Details on how the Circuit carries out its activities for the public benefit are given in the sections on Achievements and Performance and Plans for the Future below

YORK METHODIST CIRCUIT
ANNUAL TRUSTEES' REPORT
FOR THE YEAR ENDED 31 AUGUST 2024

OBJECTIVES AND ACTIVITIES (continued)

Grant making policies

There are three types of grants paid by the Circuit, all of which are approved based on the applicants meeting certain criteria.

- Non-property grants are applied for by Churches from the Model Trust Money (MTM), the case must be presented in writing for consideration by the MTM Group which is then passed to the Circuit Council for approval.
- Small grants can be applied for in relation to training of Ministers, lay staff or church members. Applications are made to the Circuit Financial Steward.
- Property grants are dealt with through the Methodist Connexion by way of an online application system.

ACHIEVEMENTS AND PERFORMANCE

Main achievements of the Circuit

York continues to be a busy and lively Circuit, with a number of specialist working groups which assist the Circuit Council and Circuit Stewards in particular areas of the Circuit's life. These include property, lay employment, care and repair of manses and safeguarding. In addition, we form other groups where necessary, for example to organise events.

The Circuit Hub continues to operate in Melbourne Terrace and is fully opened up regularly now to host meetings and support staff. Parts of the Melbourne Terrace building are rented out to Blueberry Academy which is an organisation supporting people with learning difficulties. Also, the building is used by Refugee Action York to support those living in the city and seeking asylum, and York Learning (part of the city council) to support both refugees and local families. Activities include language classes and opportunities for practical help and advice.

The former Stillingfleet Methodist Church was sold in early 2024, and the former church properties at Trinity Methodist Church and New Earswick Methodist Church have both been sold in the latter half of 2024. The former Stamford Bridge Methodist Church property is currently on the market.

Two of our surplus manses continue to be rented out via City of York Council for use by a Syrian family and a family with the Afghan resettlement scheme. The manse at Easingwold is now empty and being prepared for a minister to move in in 2025.

Several of our smaller churches have worked together to achieve a 'Villages Together' church to better support each other and their local communities. A decision has now been made to sell the chapel at Stillington. As Villages Together, they will now be worshipping in two buildings rather than three and they look forward to the future together.

The Circuit has set up a Circuit Eco Task Force to work towards achieving Eco Circuit status and support local churches who want to become eco churches.

Plans for the future

The Circuit Leadership Team continues to review work in the Circuit and bring proposals for changes based on the findings of the Circuit Consultation. The Circuit Council directed that planning for the resourcing of the Circuit from 2025 should be based on a reduced number of Church Governing bodies. Work is ongoing to affirm church buildings in their current use or to be sold or other uses explored.

The process of selling some of our properties is ongoing and that will assist in financing future projects. Two of our unused manses will continue to be rented to City of York Council for housing refugee families. The Hub is available for other city centre needs.

Staffing (Lay and ordained) will be organised in ways that encourages use of specialist gifts and passions. Churches have been grouped together to encourage thinking about decisions regarding future work, people, governance and buildings. 2025 will bring changes to the staff team, and we are sad that our Superintendent, one Presbyter and a Deacon will be moving on to new Circuits. However, we are pleased that we are welcoming two new Presbyters and a City Centre Deacon.

**YORK METHODIST CIRCUIT
ANNUAL TRUSTEES' REPORT
FOR THE YEAR ENDED 31 AUGUST 2024**

ACHIEVEMENTS AND PERFORMANCE (continued)

Carecent based at Central Methodist Church continues to work with homeless people in York, providing a daily breakfast service and support. Around 40-50 customers attend each day supported by around 80 volunteers working different shifts each week.

'Growing in Christ' continues to be our challenge. Churches work hard to try to meet the needs of local communities as far as they can. Activities include community cafes and film shows. A number of churches have 'Warm spaces' to help people in colder weather during this cost-of-living crisis.

We give thanks for the ongoing work of people and churches in our Circuit and appreciate the prayer support. We pray and seek God's guidance with our plans for the future.

FINANCIAL REVIEW

Review of results

The Circuit Account includes:

- The General Fund is the main operating account through which the expenditure and revenue for both operational and strategic purposes were handled.
- The Circuit Model Trust Fund which primarily arises from the sale of buildings no longer required within the Circuit. Under Conference directions the Fund can be used for any purpose supporting the mission of the Church. Applications have to be made to the Circuit Council.
- The various restricted funds which are detailed within the notes to the accounts.
- The endowment fund holds money which cannot be spent but must be retained (as capital) to generate an income.

There were no significant events during the year and the trustees of the Circuit have every reason to believe that the Circuit is a going concern, principally because Churches continue to meet the majority of the assessment and the Circuit has adequate reserves to cover a shortfall in anticipated income. The Trustees do not foresee any factors that will significantly affect the financial performance or position in the next year or two and for these reasons they continue to adopt the going concern basis in preparing the financial statements.

As at 31 August 2024 the Circuit held 16 (17 in 2023) freehold properties being 10 manses; 30 The Village, Haxby; the former Melbourne Terrace Methodist Church buildings, and the former Methodist Church buildings at Trinity, Dunnington, New Earswick, and Stamford Bridge.

Subsequent to the year-end the former Methodist Church Buildings at New Earswick and Trinity have been sold. As Trinity was designated a City Centre Church the proceeds from the sale have gone to the Yorkshire North and East District to be used for work in the city. The York Circuit has successfully applied for a portion of these funds to fully finance the appointment of a City Centre Deacon for the duration of the five-year term from September 2025.

The Circuit has the following principal sources of funds:

- Interest on investments
- The Circuit Model Trust Fund
- Assessments on Churches within the Circuit

These sums are used to administer and facilitate the work of the Circuit

Incoming resources for the year amounted to £988,406 (2023: £821,576). The total resources expended were £908,715 (2023: £1,070,382). After taking account of a gain on investment assets of £7,269 (2023: loss £1,405) and the property valuation being unchanged (2023: loss £46,000), the Circuit has a net surplus for the year of £86,960 (2023: net deficit £296,211)

**YORK METHODIST CIRCUIT
ANNUAL TRUSTEES' REPORT
FOR THE YEAR ENDED 31 AUGUST 2024**

FINANCIAL REVIEW (continued)

After taking into account property acquisitions and disposals in the year, net cash incoming totalled £79,065 (2023: 335,380). The free reserves held by the Circuit as at 31 August 2024 totalled £659,281 (2023: £620,781).

Reserves level and policy

The reserves policy for the York Methodist Circuit is to hold a sum equivalent to 6 months average unrestricted expenditure. Taking into account that some of the expenditure in the year is directly recharged to other Churches and the District, this amount is estimated to be in the region of £400,000. This is believed to be sufficient to meet any unforeseen item of major expenditure and/or be able to continue in the short term funding planned activities in the event of an inability to raise the full circuit assessment from churches. It is also necessary to hold sufficient funds to enable the payment of stipends and expenses for the ministers and lay workers and our contribution to the District and Connexion.

Free reserves, being those funds which are not restricted by the donor, designated as functional fixed assets by the Trustees or designated for a particular purpose by the Trustees, amounted to £659,281. The Trustees recognise that this is higher than the reserves policy and will ensure these are applied to the charitable purposes.

All funds are separately invested either in CFB (Central Finance Board) or TMCP (Trustees for Methodist Church Purposes). No money is directly invested in property, securities or other forms of investment. The Circuit Model Trust Fund, which primarily arises from the sale of buildings no longer required within the Circuit, can be used for any purpose supporting the mission of the Church. Applications have to be made to the Circuit Council.

Collaborative arrangements with connected charities

The Circuit's main source of funding is the assessment obtained from each Church within the Circuit based on membership, offerings, gift aid and lettings which is used to defray most of the cost of administering the Circuit.

It also meets the District and Connexional assessments.

There is a District levy on the Circuit Model Trust Fund based on the size of the fund at the start of the connexional year (1 September) and on manse replacement projects. In 2023/24 this sum was £36,384 (2022/23: £9,379) and was credited to the District Advance Fund.

Investment policy and performance

To comply with Methodist standing orders, monies for long term investment are held by the Trustees for Methodist Church Purposes (TMCP) who also act as Custodian Trustees for Circuit property, for all large bequests and for the proceeds of sale of any property formerly owned by the Circuit or Churches. These sums are invested in unitised investments or held on deposit. The investment returns are close to tracking the movements in the FTSE100 index. The deposit income mirrors the deposit rates available elsewhere. The Circuit Trustees' investment policy is aligned with that of the Central Finance Board (CFB) and TMCP because these organisations take into consideration the social, environmental and ethical considerations, both negatively and positively, that make investments suitable for the Methodist Church.

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

There are no bench marks for the expected returns or appreciation on investments at TMCP and CFB. It is the Circuit's policy to manage the cash and investment resources of the Circuit so that a rate of return on investment - both by way of capital appreciation and income - is obtained at least as good as market rate considering the Circuit's low appetite for risk.

**YORK METHODIST CIRCUIT
ANNUAL TRUSTEES' REPORT
FOR THE YEAR ENDED 31 AUGUST 2024**

FINANCIAL REVIEW (continued)

Going concern

The Trustees have prepared forecasts of income and expenditure for the period to 31 August 2025 and beyond and subjected these forecasts to sensitivity analysis which shows that they have sufficient reserves to be able to continue for the foreseeable future. They will continue to monitor the impact on income and take appropriate action as necessary.

For the reasons set out above the trustees therefore continue to adopt the going concern basis of preparation for these financial statements.

STRUCTURE, GOVERNANCE AND MANAGEMENT

Constitution

The Circuit is an unincorporated charity and is governed under Deed of Union (1932) and the Methodist Church Act (1976) and was registered with the Charity Commission in 2010.

Methods of appointment or election of Trustees

The management of the Circuit is the responsibility of the Trustees who are elected and co-opted under the terms of the constitution.

Induction and training of Trustees

A range of guidance is produced by the Methodist Connexion and the leaflet 'The Role of a Trustee in The Methodist Church' is given to each Trustee.

In this year the Circuit was staffed by 7 (6.1 full time equivalents) Ministers (7 in 2022-23) and 8 (5.5 full time equivalents) Lay Employees (7.8 FTE in 2022-23).

Structure

The Circuit is part of the Yorkshire North & East District and is accountable to the Methodist Conference. It pays the stipends of the ministers and employs lay staff. The Methodist Conference meets once each year as the supreme denominational body for all Methodist Churches.

- Overall regulatory authority rests with the Methodist Conference and Connexional Council.
- The Connexional Office implements decisions made by Conference and is also responsible for the stationing of presbyters and deacons in the Circuit.
- Conference decisions are passed through the District to the Circuit for implementation by the Superintendent Minister, ministerial staff and Circuit Stewards, and authority is delegated to the Circuit Council for certain matters.
- The Circuit Council passes regulatory control to Church Councils for local implementation by the presbyter, the Church Stewards, and other officers, and this regulatory authority is then exercised by Church Councils as Managing Trustees of the Charity.

The following Methodist Churches were linked to the Circuit during the year: Acaster Malbis, Acomb, Bishopthorpe, Central, Clifton, Clifton Moor **LEP**, Copmanthorpe, Easingwold, Haxby & Wigginton, Heslington **LEP**, Hessay, Heworth, Holgate, Huntington (including Thornton-Le-Clay), Lidgett Grove, Poppleton, Rufforth, Sheriff Hutton, Southlands, Strensall, Villages Together, and West Thorpe.

Villages Together Methodist Church was formed from a merger on 1st September 2022 of the former Alne, Huby, Stillington and Tholthorpe Methodist Churches.

Purpose of the Circuit

The Circuit is an expression, over a wider geographical area than the local Church, of the Connexional character of the Church.

The primary purpose of this Circuit is to advance the mission of the Church in York and the surrounding area:

- by providing opportunities for Churches to work together and support each other
- by offering support and expertise.

YORK METHODIST CIRCUIT
ANNUAL TRUSTEES' REPORT
FOR THE YEAR ENDED 31 AUGUST 2024

STRUCTURE, GOVERNANCE AND MANAGEMENT (continued)

The Circuit serves the Local Churches and the Conference in the support, deployment and oversight of the various ministries of the Church, and in programmes of training.

Governance

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

The Circuit operates within standing orders Section 58 (Circuits with Modified Constitutions) set up in September 2013 for the running of the York Circuit of the Methodist Church and which was updated in July 2018. The Circuit Council which replaced the Circuit Meeting includes an elected representative from each Church. This group meets every three months and is the decision making body for the circuit.

The Trustees are appointed by local churches and existing trustees. Ministers and Circuit Stewards are automatically trustees.

Risk management

The Trustees have assessed the major risks to which the Circuit is exposed, in particular those related to the operations and finances of the Circuit, and are satisfied that systems and procedures are in place to mitigate our exposure to the major risks.

The Circuit identifies and monitors the key risks it faces, which are held on a risk register. The main risks and mitigations have been identified as follows:

- Financial impact from the loss of weekly collections and lettings income for Churches. Although this is a matter for individual Churches, the consequential impact will be on the level of assessment collected by the Circuit. The ongoing effects of Covid have been seen in reduced church attendance and several churches closing, which has an impact on the assessment and mitigating actions are being discussed by the Circuit Leadership Team (CLT).
- Ongoing risk around future assessment, and the ability of Churches to continue to make their payments. This risk is always present and is managed through ongoing dialogue with Churches about their assessment for future years. This includes an annual meeting with Church Treasurers.
- There is always an ongoing risk around safeguarding, and this is managed through DBS checks and mandatory training for volunteers. The Circuit's approach to this is outlined in a separate Safeguarding Policy.
- There is a risk that there will be insufficient Ministerial staff over the next five years to meet the needs of the Circuit. This has been addressed with the appointment of several Local Pastors to work alongside ministerial staff, and through plans for the redeployment of existing ministerial staff to new areas within the Circuit.
- Delays in selling Church property could result in Circuit reserves being depleted faster than planned. This is managed through the employment of a full-time Resources Manager who is employed to ensure all processes and procedures are followed, and to manage issues that prevent or delay the successful sale of Church property.

Responsibilities of the Circuit

- to formulate and promote policies which will advance the mission of the Church in the Circuit and Local Churches and, in particular, to supervise the use of resources of personnel, property and finance and to assist Local Churches where necessary.
- to encourage inter-Church and ecumenical co-operation.
- to keep within its purview all Circuit concerns not dealt with elsewhere.
- to contribute and respond, as the case may be, to the development of Connexional policies as reflected in the work of the Conference and to carry out its other responsibilities with any such developments in mind.
- to consider potential risks and take professional advice as required. There is regular review process.
- to adopt a Safeguarding Policy and ensure it is rolled out to the Churches.
- to be constantly aware of the public benefit guidance issued by the Charity Commission.

Information on fundraising practices

The charity has not carried out any fundraising activities in the year nor has it instructed any persons on its behalf to do this.

**YORK METHODIST CIRCUIT
ANNUAL TRUSTEES' REPORT
FOR THE YEAR ENDED 31 AUGUST 2024**

STATEMENT OF TRUSTEES' RESPONSIBILITIES

The Trustees are responsible for preparing the Trustees' report and the 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 & Wales requires the Trustees to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the Circuit and of its incoming resources and application of resources, including its income and expenditure, for that period. In preparing these financial statements, the Trustees are required to:

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles of the Charities SORP (FRS 102);
- make judgments and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards (FRS 102) have been followed, subject to any material departures disclosed and explained in the financial statements;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Circuit will continue in business.

The Trustees are responsible for keeping adequate accounting records that are sufficient to show and explain the Circuit's transactions and 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 Charities Act 2011, the Charity (Accounts and Reports) Regulations 2008 and the provisions of the Trust deed. 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.

Disclosure of information to the auditor

Each of the persons who are Trustees at the time when this Trustees' report is approved has confirmed that:

- so far as that Trustee is aware, there is no relevant audit information of which the charity's auditor is unaware, and
- that Trustee has taken all the steps that ought to have been taken as a Trustee in order to be aware of any relevant audit information and to establish that the charity's auditor is aware of that information.

Approved by order of the members of the board of Trustees and signed on their behalf by:

Revd David Bidnell, Superintendent

Date: 12 March 2025

INDEPENDENT AUDITOR'S REPORT TO THE TRUSTEES OF YORK METHODIST CIRCUIT

Opinion

We have audited the financial statements of York Methodist Circuit for the year ended 31 August 2024, which comprise the Statement of Financial Activities, Balance Sheet, Cash Flow Statement 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 2024 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

In auditing the financial statements, we have concluded that the trustees' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the charity's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

Our responsibilities and the responsibilities of the trustees with respect to going concern are described in the relevant sections of this report.

Other information

The trustees are responsible for the other information contained within the annual report. The other information comprises the information included in the annual 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 we do not express any form of assurance conclusion thereon.

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 this gives rise to a material misstatement in the financial statements themselves. 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.

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 trustees' report; or
- sufficient accounting records have not been kept; or
- the financial statements are not in agreement with the accounting records and returns; or
- we have not received all the information and explanations we require for our audit

INDEPENDENT AUDITOR'S REPORT TO THE TRUSTEES OF YORK METHODIST CIRCUIT

Responsibilities of Trustees

As explained more fully in the trustees' responsibilities statement set out on page 8, the trustees are responsible for the preparation of the financial statements and for being satisfied that they 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 the Act and relevant regulations made or having effect thereunder.

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.

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below:

We obtained an understanding of the legal and regulatory frameworks within which the charity operates, focusing on those laws and regulations that have a direct effect on the determination of material amounts and disclosures in the financial statements. The laws and regulations we considered in this context were the Charities SORP (FRS102) 2019 and The Constitutional Practice and Discipline of the Methodist Church 2024. We assessed the required compliance with these laws and regulations as part of our audit procedures on the related financial statement items.

In addition, we considered provisions of other laws and regulations that do not have a direct effect on the financial statements but compliance with which might be fundamental to the charity's ability to operate or to avoid a material penalty. We also considered the opportunities and incentives that may exist within the charity for fraud. The laws and regulations we considered in this context for the UK operations were Employment legislation, Charity Commission regulations and General Data Protection Regulation (GDPR).

Auditing standards limit the required audit procedures to identify non-compliance with these laws and regulations to enquiry of the Trustees and other management and inspection of regulatory and legal correspondence, if any.

We identified the greatest risk of material impact on the financial statements from irregularities, including fraud, to be the override of controls by management and income recognition. Our audit procedures to respond to these risks included enquiries of management about their own identification and assessment of the risks of irregularities, proof in total testing of assessment income, detailed substantive testing on the completeness of other sources of income and reading minutes of meetings of those charged with governance.

Owing to the inherent limitations of an audit, there is an unavoidable risk that we may not have detected some material misstatements in the financial statements, even though we have properly planned and performed our audit in accordance with auditing standards. We are not responsible for preventing non-compliance and cannot be expected to detect non-compliance with all laws and regulations.

These inherent limitations are particularly significant in the case of misstatement resulting from fraud as this may involve sophisticated schemes designed to avoid detection, including deliberate failure to record transactions, collusion or the provision of intentional misrepresentations.

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.

**INDEPENDENT AUDITOR'S REPORT TO THE TRUSTEES OF
YORK METHODIST CIRCUIT**

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 trustees 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.

.....
HPH
Chartered Accountants
54 Bootham
YORK
YO30 7XZ

Date: 21 March 2025

HPH is eligible for appointment as auditor of the charity by virtue of its eligibility for appointment as auditor of a company under section 1212 of the Companies Act 2006.

YORK METHODIST CIRCUIT
STATEMENT OF FINANCIAL ACTIVITIES
FOR THE YEAR ENDED 31 AUGUST 2024

	Note	Unrestricted Funds 2024 £	Restricted Funds 2024 £	Endowment Funds 2024 £	Total Funds 2024 £	Total Funds 2023 £
Income and endowments from:						
Donations and legacies	4	76,036	137,617	-	213,653	161,076
Charitable activities	5	617,125	4,332	-	621,457	541,101
Other trading activities	6	97,476	-	-	97,476	84,296
Investments	7	46,788	9,018	14	55,820	35,103
Total income and endowments		837,425	150,967	14	988,406	821,576
Expenditure on:						
Charitable activities	8	804,272	104,442	1	908,715	1,070,382
Total expenditure		804,272	104,442	1	908,715	1,070,382
Net gains/(losses) on investments		4,297	2,936	36	7,269	(1,405)
Net income/(expenditure)		37,450	49,461	49	86,960	(250,211)
Transfers between funds	17	1,050	(1,038)	(12)	-	-
Net movement in funds before other recognised gains/(losses)		38,500	48,423	37	86,960	(250,211)
Losses on revaluation of fixed assets	12	-	-	-	-	(46,000)
Net movement in funds		£ 38,500	£ 48,423	£ 37	£ 86,960	£ (296,211)
Reconciliation of funds:						
Total funds brought forward		6,840,756	355,066	467	7,196,289	7,492,500
Net movement in funds		38,500	48,423	37	86,960	(296,211)
Total funds carried forward		£ 6,879,256	£ 403,489	£ 504	£ 7,283,249	£ 7,196,289

The statement of financial activities includes all gains and losses recognised in the year.

The notes on pages 15 to 27 form part of these financial statements.

YORK METHODIST CIRCUIT
BALANCE SHEET
AS AT 31 AUGUST 2024

	Note	2024 £	2023 £
Fixed assets			
Tangible assets	12	6,066,226	6,066,226
Investments	13	82,477	75,208
		<u>6,148,703</u>	<u>6,141,434</u>
Current assets			
Debtors	14	35,250	26,153
Cash at bank and in hand		1,236,767	1,157,702
		<u>1,272,017</u>	<u>1,183,855</u>
Creditors: amounts falling due within one year	15	(137,471)	(129,000)
		<u>1,134,546</u>	<u>1,054,855</u>
Net current assets		<u>1,134,546</u>	<u>1,054,855</u>
Total net assets		<u>£ 7,283,249</u>	<u>£ 7,196,289</u>
Charity funds			
Endowment funds	16	504	467
Restricted funds	16	403,489	355,066
<i>Unrestricted funds:</i>			
Free reserves	16	659,281	620,781
Designated funds	16	6,219,975	6,219,975
Total funds		<u>£ 7,283,249</u>	<u>£ 7,196,289</u>

The financial statements were approved and authorised for issue by the Trustees on 12 March 2025 and signed on their behalf by:

Revd David Bidnell, Superintendent

The notes on pages 15 to 27 form part of these financial statements.

YORK METHODIST CIRCUIT
STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 AUGUST 2024

	Note	2024 £	2023 £
Cash flows from operating activities			
Net cash used in operating activities	19	(41,419)	(318,971)
Cash flows from investing activities:			
Dividends and interest from investments		55,820	35,103
Proceeds from the sale of tangible fixed assets		64,664	619,248
Net cash provided by investing activities		120,484	654,351
Change in cash and cash equivalents in the year		79,065	335,380
Cash and cash equivalents at the beginning of the year		1,157,702	822,322
Cash and cash equivalents at the end of the year		£ 1,236,767	£ 1,157,702

The notes on pages 15 to 27 form part of these financial statements

YORK METHODIST CIRCUIT
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2024

1. GENERAL INFORMATION

The York Methodist Circuit is an unincorporated charity registered in England and Wales. The address of the registered office is given in the charity information on page 2 of these financial statements. The nature of the Circuit's operations and activities are those of a Methodist Circuit.

2. ACCOUNTING POLICIES

a) *Basis of preparation of the financial statements*

The financial statements have been prepared in accordance with Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (effective 1 January 2019) - (Charities SORP (FRS 102)), and the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) and UK Generally Accepted Accounting Practice.

The financial statements have been prepared to give a 'true and fair' view and have departed from the Charities (Accounts and Reports) Regulations 2008 only to the extent required to provide a 'true and fair' view. This departure has involved following the Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland issued in October 2019 rather than the Accounting and Reporting by Charities: Statement of Recommended Practice effective from 1 April 2005 which has since been withdrawn.

York Methodist Circuit meets the definition of a public benefit entity under FRS 102.

The financial statements are prepared on a going concern basis under the historical cost convention, modified to include certain items at fair value. Assets and liabilities are initially recognised at historical cost or transaction value unless otherwise stated in the relevant accounting policy. The financial statements are presented in sterling which is the functional currency of the charity and rounded to the nearest £.

The significant accounting policies applied in the preparation of these financial statements are set out below. These policies have been consistently applied to all years presented unless otherwise stated.

b) *Going Concern*

The Trustees have prepared forecasts of income and expenditure for the period to 31 August 2024 and beyond and subjected these forecasts to sensitivity analysis which shows that they have sufficient reserves to be able to continue for the foreseeable future. Furthermore, the Trustees have not identified any material uncertainties which in their view cast a significant doubt over the going concern of the Circuit. They will continue to monitor the impact on income and take appropriate action as necessary. The Trustees therefore continue to adopt the going concern basis of preparation for these financial statements.

c) *Income*

All income is recognised once the Circuit has entitlement to the income, it is probable that the income will be received and the amount of income receivable can be measured reliably.

The recognition of income from legacies is dependent on establishing entitlement, the probability of receipt and the ability to estimate with sufficient accuracy the amount receivable. Evidence of entitlement to a legacy exists when the Circuit has sufficient evidence that a gift has been left to them (through knowledge of the existence of a valid will and the death of the benefactor) and the executor is satisfied that the property in question will not be required to satisfy claims in the estate. Receipt of a legacy is recognised when it is probable that it will be received and the fair value of the amount receivable, which will generally be the expected cash amount to be distributed to the Circuit, can be reliably measured.

Income from the activities of Carecent have been split out in more detail and the comparatives have been restated.

YORK METHODIST CIRCUIT
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2024 (CONTINUED)

2. ACCOUNTING POLICIES (CONTINUED)

d) *Expenditure*

Expenditure is recognised when a liability is incurred, or a constructive obligation arises that results in the payment being unavoidable. Resources expended include attributable VAT which cannot be recovered.

Expenditure is accounted for on an accruals basis. All expenses including support costs and governance costs are allocated to the applicable expenditure headings.

Expenditure on charitable activities is incurred on directly undertaking the activities which further the Circuit's objectives, as well as any associated support costs.

Expenditure for the activities of Carecent have been split out in more detail and the comparatives have been restated.

e) *Interest receivable*

Interest on funds held on deposit is included when receivable and the amount can be measured reliably by the Circuit; this is normally upon notification of the interest paid or payable by the institution with whom the funds are deposited.

f) *Taxation*

As a charity, York Methodist Circuit is exempt from tax on income and gains falling within the available tax exemptions to the extent that these are applied to its charitable objects. No direct tax charges have arisen in the Circuit. The Circuit suffers VAT on expenses which is not recoverable.

g) *Tangible fixed assets and depreciation*

Freehold property:

Tangible fixed assets are initially recognised at cost. After recognition, under the revaluation model, tangible fixed assets whose fair value can be measured reliably shall be carried at a revalued amount, being their fair value at the date of revaluation less any subsequent accumulated depreciation and subsequent accumulated impairment losses.

Revaluations are made with sufficient regularity to ensure that the carrying amount does not differ materially from that which would be determined using fair value at the end of the reporting date.

Fair values are determined from market-based evidence by appraisal with reference to local, similar property sales and the ONS Property Index. If there is no market-based evidence of fair value because of the specialised nature of the tangible fixed asset and it is rarely sold, except as part of a contributing business, fair value is estimated using an income or depreciated replacement cost approach.

Gains and losses on revaluation are recognised in the Statement of Financial Activities (SOFA), with a separate revaluation reserve being shown in the Statement of funds note 17.

Depreciation is not provided on freehold properties as it is the Circuit's policy to maintain the property in good repair. Consequently, the trustees consider the life of the properties to be so long that there is no significant annual depreciation.

Items costing less than £5,000 are written off as an expense as acquired and are not capitalised.

h) *Investments*

Fixed asset investments are a form of financial instrument and are initially recognised at their transaction cost and subsequently measured at fair value at the balance sheet date, unless the value cannot be measured reliably in which case it is measured at cost less impairment. Investment gains and losses, whether realised or unrealised, are combined and presented as 'gains/(losses) on investments' in the SOFA.

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.

i) *Debtors*

Trade and other debtors are recognised at the settlement amount due after any trade discount offered. Prepayments are valued at the amount prepaid net of any trade discounts due.

j) *Cash at bank and in hand*

Cash at bank and cash in hand includes cash and short term highly liquid investments with a short maturity of three months or less from the date of acquisition or opening of the deposit of similar account.

YORK METHODIST CIRCUIT
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2024 (CONTINUED)

2. ACCOUNTING POLICIES (CONTINUED)

k) Creditors and provisions

Creditors and provisions are recognised when there is an obligation at the balance sheet date as a result of a past event, it is probable that a transfer of economic benefit will be required in settlement, and the amount of the settlement can be estimated reliably.

Creditors and provisions are recognised at the amount that the Circuit anticipates it will pay to settle the debt or the amount it has received as advanced payments for the goods or services it must provide.

l) Financial instruments

The Circuit 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.

m) Employee benefits

When employees have rendered service to the Circuit, short-term employee benefits to which the employees are entitled are recognised at the undiscounted amount expected to be paid in exchange for that service.

The Circuit operates a defined contribution pension scheme and the pension charge represents the amounts payable by the Circuit to the fund in respect of the year.

n) Fund accounting

General funds are unrestricted funds which are available for use at the discretion of the Trustees in furtherance of the general objectives of the Circuit and which have not been designated for other purposes.

Designated funds comprise unrestricted funds that have been set aside by the Trustees for particular purposes. The aim and use of each designated fund is set out in the notes to the financial statements.

Restricted funds are funds which are to be used in accordance with specific restrictions imposed by donors or which have been raised by the Circuit for particular purposes. The costs of raising and administering such funds are charged against the specific fund. The aim and use of each restricted fund is set out in the notes to the financial statements.

Endowment funds are expendable funds which are held on trust to be retained for the benefit of the Circuit as a capital fund. Any capital gains or losses arising on the investments form part of the fund. Investment management charges and legal advice relating to the fund are charged against the fund.

Investment income, gains and losses are allocated to the appropriate fund.

3. CRITICAL ACCOUNTING ESTIMATES AND AREAS OF JUDGEMENT

Estimates and judgments are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

Critical accounting estimates and assumptions:

The Circuit makes estimates and assumptions concerning the future. The resulting accounting estimates and assumptions will, by definition, seldom equal the related actual results. The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are discussed below.

The main assumption concerning the future of the Circuit is that the assessment income will continue to be sufficient to meet the costs of stipends, salaries and manse maintenance. The annual budget, approved by the Circuit meeting, includes sums necessary for covering these costs. This is then allocated among each Church in the Circuit, hence the income is dependent upon the Churches' ability to meet the assessment.

YORK METHODIST CIRCUIT
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2024 (CONTINUED)

4. INCOME FROM DONATIONS AND LEGACIES

	Unrestricted Funds £	Restricted Funds £	2024 £	2023 £
Assets transferred from ceasing churches	76,036	-	76,036	33,842
Donations, including Gift Aid	-	115,737	115,737	107,232
Legacies	-	12,380	12,380	9,500
Grants	-	9,500	9,500	10,502
	<u>£ 76,036</u>	<u>£ 137,617</u>	<u>£ 213,653</u>	<u>£ 161,076</u>

In 2023 income from donations and legacies amounting to £116,732 related to restricted funds.

5. INCOME FROM CHARITABLE ACTIVITIES

	Unrestricted Funds £	Restricted Funds £	2024 £	2023 £
Circuit assessment	523,783	-	523,783	476,915
Carecent services	-	4,332	4,332	4,047
Recharge for Lay Workers	93,342	-	93,342	60,139
	<u>£ 617,125</u>	<u>£ 4,332</u>	<u>£ 621,457</u>	<u>£ 541,101</u>

In 2023 income from charitable activities amounting to £nil related to restricted funds.

6. INCOME FROM OTHER TRADING ACTIVITIES

Income from non charitable trading activities

	Unrestricted Funds £	2024 £	2023 £
Lettings	92,754	92,754	78,092
Other income	4,722	4,722	6,204
	<u>£ 97,476</u>	<u>£ 97,476</u>	<u>£ 84,296</u>

In 2023 all income from other trading activities related to unrestricted funds.

7. INVESTMENT INCOME

	Unrestricted Funds £	Restricted Funds £	Endowment Funds £	2024 £	2023 £
Central Finance Board	2,263	-	-	2,263	7,222
Other investments	44,525	9,018	14	53,557	27,881
	<u>£ 46,788</u>	<u>£ 9,018</u>	<u>£ 14</u>	<u>£ 55,820</u>	<u>£ 35,103</u>

In 2023 income from investments amounting to £3,369 related to restricted funds and £14 to endowment funds.

YORK METHODIST CIRCUIT
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2024 (CONTINUED)

8. ANALYSIS OF EXPENDITURE ON CHARITABLE ACTIVITIES

Summary by fund type

	Unrestricted Funds £	Restricted Funds £	Endowment Funds £	2024 £	2023 £
Stipends, salaries, NIC & pension costs	490,830	38,790	-	529,620	530,412
District assessment	135,732	-	-	135,732	146,280
Administration, telephone & travel	30,631	3,267	-	33,898	30,464
Insurance, utilities, etc	72,499	807	-	73,306	64,918
Maintenance of manses	49,986	-	-	49,986	26,575
Expenditure on other Circuit property	41,309	369	-	41,678	39,030
Other expenditure	(74,000)	108	1	(73,891)	23,694
Grants & donations	9,735	-	-	9,735	6,355
Contribution to District Advance Fund	36,384	-	-	36,384	9,379
Connexional Priority Fund Levy	11,166	-	-	11,166	143,879
Rent	-	26,646	-	26,646	26,516
Carecent services	-	34,455	-	34,455	22,880
	<u>£ 804,272</u>	<u>£ 104,442</u>	<u>£ 1</u>	<u>£ 908,715</u>	<u>£ 1,070,382</u>

In 2023 expenditure amounting to £92,268 related to restricted funds and £14 related to endowment funds.

9. AUDITOR'S REMUNERATION

	2024	2023
Auditor's remuneration - audit	<u>£ 7,180</u>	<u>£ 6,972</u>

10. TRUSTEES' REMUNERATION AND EXPENSES

During the year, 7 Trustees, who are Circuit Ministers, have been paid remuneration amounting to £261,443 (2023: 7 Trustees - £247,642).

During the year ended 31 August 2024, expenses totalling £13,652 were reimbursed or paid directly to 6 Trustees (2023: £16,334 to 7 Trustees) in relation to travel and other expenses incurred on Circuit work.

YORK METHODIST CIRCUIT
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2024 (CONTINUED)

11. STAFF COSTS

	2024	2023
	£	£
Wages and salaries	427,457	432,243
Social security costs	37,608	37,040
Contribution to defined contribution pension schemes	64,555	61,129
	<u>£ 529,620</u>	<u>£ 530,412</u>

The average number of persons employed by the Circuit during the year was as follows:

	2024	2023
	No.	No.
Stipendiary clergy	7	8
Other Circuit staff	<u>12</u>	<u>12</u>
	<u>19</u>	<u>20</u>

No employee received remuneration amounting to more than £60,000 in either year.

The total key management personnel remuneration for the year totalled £43,130 (2023: £39,963). The Circuit considers its key management personnel comprises of the Superintendent and Circuit Stewards.

12. TANGIBLE FIXED ASSETS

	Freehold property £
<i>Cost or valuation</i>	
At 1 September 2023	6,066,226
At 31 August 2024	<u>6,066,226</u>
<i>Net book value</i>	
At 31 August 2024	<u>£ 6,066,226</u>
At 31 August 2023	<u>£ 6,066,226</u>

Freehold land and buildings have been revalued at the year end to fair value. The fair value of residential property is calculated with reference to local property markets and changes to property values in line with the ONS Property Index. Where there is not an active market for freehold property, for example in relation to chapels held by the Circuit, a fair value has been arrived at based on surveyors' reports undertaken by Stephenson's Estate Agents LLP dating between 2016 and 2020.

The Circuit has adopted a policy of revaluation for tangible fixed assets. Had these assets been measured at historic cost, the carrying values would have been as follows. Where actual historic costs are unavailable, a deemed cost equivalent to the 31 August 2015 insurance rebuild valuation has been adopted in line with guidance on the introduction of SORP (FRS 102).

	2024	2023
	£ 3,684,406	£ 3,684,406
Freehold property	<u>£ 3,684,406</u>	<u>£ 3,684,406</u>

YORK METHODIST CIRCUIT
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2024 (CONTINUED)

13. FIXED ASSET INVESTMENTS

	Other Investments £
<i>Cost or valuation</i>	
At 1 September 2023	75,208
Revaluations	7,269
At 31 August 2024	£ 82,477
<i>Net book value</i>	
At 31 August 2024	£ 82,477
At 31 August 2023	£ 75,208

The historic cost of investments held at the year end was £57,312 (2023: £57,312).

14. DEBTORS

	2024 £	2023 £
<i>Due within one year</i>		
Other debtors	26,801	23,653
Prepayments	8,449	-
Loans	-	2,500
	£ 35,250	£ 26,153

15. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2024 £	2023 £
Trade creditors	1,103	6,756
Accruals	10,247	6,972
Income in advance	123,183	115,272
Other creditors	2,938	-
	£ 137,471	£ 129,000

YORK METHODIST CIRCUIT
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2024 (CONTINUED)

16. STATEMENT OF FUNDS

Statement of funds - current year

	At 1 September 2023 £	Income £	Expenditure £	Transfers in/(out) £	Gains £	At 31 August 2024 £
Unrestricted funds						
<i>Designated funds</i>						
Shipton Mission and Transformation Fund	128,749	-	-	-	-	128,749
Property cost	3,724,113	-	-	-	-	3,724,113
Revaluation reserve	2,342,113	-	-	-	-	2,342,113
Approved Circuit Model Trust Funds	25,000	-	-	-	-	25,000
	<u>6,219,975</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>6,219,975</u>
General funds	<u>620,781</u>	<u>837,425</u>	<u>(804,272)</u>	<u>1,050</u>	<u>4,297</u>	<u>659,281</u>
Total Unrestricted funds	<u>6,840,756</u>	<u>837,425</u>	<u>(804,272)</u>	<u>1,050</u>	<u>4,297</u>	<u>6,879,256</u>
<i>Endowment funds</i>						
Endowment fund	<u>467</u>	<u>14</u>	<u>(1)</u>	<u>(12)</u>	<u>36</u>	<u>504</u>
<i>Restricted funds</i>						
Supernumerary House Fund	37,950	1,146	(108)	(1,038)	2,936	40,886
Carecent	311,716	149,821	(104,334)	-	-	357,203
All Churches Trust Limited	4,750	-	-	-	-	4,750
Walk to Talk York	650	-	-	-	-	650
	<u>355,066</u>	<u>150,967</u>	<u>(104,442)</u>	<u>(1,038)</u>	<u>2,936</u>	<u>403,489</u>
Total of funds	<u>£ 7,196,289</u>	<u>£ 988,406</u>	<u>£ (908,715)</u>	<u>£ -</u>	<u>£ 7,269</u>	<u>£ 7,283,249</u>

YORK METHODIST CIRCUIT
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2024 (CONTINUED)

16. STATEMENT OF FUNDS (continued)

Statement of funds - prior year

	At 1 September 2022 £	Income £	Expenditure £	Transfers in/(out) £	Gains £	At 31 August 2023 £
Unrestricted funds						
<i>Designated funds</i>						
Sipton Mission and Transformation Fund	128,749	-	-	-	-	128,749
Property cost	4,056,090	-	-	(331,977)	-	3,724,113
Revaluation reserve	2,693,636	-	-	(305,523)	(46,000)	2,342,113
Approved Circuit Model Trust Funds	25,000	-	-	-	-	25,000
	<u>6,903,475</u>	<u>-</u>	<u>-</u>	<u>(637,500)</u>	<u>(46,000)</u>	<u>6,219,975</u>
<i>General funds</i>						
General funds	259,621	701,461	(978,100)	637,521	278	620,781
	<u>7,163,096</u>	<u>701,461</u>	<u>(978,100)</u>	<u>21</u>	<u>(45,722)</u>	<u>6,840,756</u>
<i>Total Unrestricted funds</i>						
<i>Endowment funds</i>						
Endowment fund	488	14	(14)	(21)	-	467
	<u>488</u>	<u>14</u>	<u>(14)</u>	<u>(21)</u>	<u>-</u>	<u>467</u>
<i>Restricted funds</i>						
Supernumerary House Fund	39,633	1,169	(1,169)	-	(1,683)	37,950
Carecent	277,883	118,932	(85,099)	-	-	311,716
All Churches Trust Limited	10,750	-	(6,000)	-	-	4,750
Walk to Talk York	650	-	-	-	-	650
	<u>328,916</u>	<u>120,101</u>	<u>(92,268)</u>	<u>-</u>	<u>(1,683)</u>	<u>355,066</u>
<i>Total of funds</i>	<u>£ 7,492,500</u>	<u>£ 821,576</u>	<u>£ (1,070,382)</u>	<u>£ -</u>	<u>£ (47,405)</u>	<u>£ 7,196,289</u>

Fund descriptions

Unrestricted funds

The General Fund is the main operating account through which the expenditure and revenue for both operational and strategic purposes are handled.

Approved Circuit Model Trust Funds are monies which have been approved by the Circuit Council to be paid out to Churches as MTM grants.

YORK METHODIST CIRCUIT
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2024 (CONTINUED)

16. STATEMENT OF FUNDS (continued)

Fund descriptions

Unrestricted funds

The Revaluation reserve represents the difference between property held at valuation and its associated historic cost to the Circuit.

The Shipton Mission and Transformation Fund provides finance for local Church, small-scale mission projects, for circuit-led new forms of worship and Church, and for facilitating the work of the Circuit through information technology.

Endowment funds

The income from the Endowment is expendable. The net income after expenditure is transferred to unrestricted funds. The capital of very small endowment funds may be expended with Connexional approval.

Restricted funds

Carecent is an internal organisation helping disadvantaged members of the community.

All Churches Trust Limited relates to a grant received to be spent on developing the digital capacity of Churches.

The Supernumerary House Fund is for the support of a lay worker in the Circuit.

Walk to Talk York Fund relates to a grant received to help fund the creation of a podcast.

Transfers

Transfers were made out of the Endowment fund and Supernumerary House Fund into the General fund in relation to the surplus made on each fund during the year in relation to the investment income received.

Transfers were made in to and out of the revaluation reserve in relation to the disposals and revaluations of property.

Transfers were made from General Funds to Approved Circuit Model Trust Funds in relation to grants payable approved by the Circuit Council.

17. SUMMARY OF FUNDS

Summary of funds - current year

	At 1 September 2023 £	Income £	Expenditure £	Transfers in/(out) £	Gains/ (losses) £	At 31 August 2024 £
Designated funds	6,219,975	-	-	-	-	6,219,975
General funds	620,781	837,425	(804,272)	1,050	4,297	659,281
Endowment funds	467	14	(1)	(12)	36	504
Restricted funds	355,066	150,967	(104,442)	(1,038)	2,936	403,489
	<u>£ 7,196,289</u>	<u>£ 988,406</u>	<u>£ (908,715)</u>	<u>£ -</u>	<u>£ 7,269</u>	<u>£ 7,283,249</u>

YORK METHODIST CIRCUIT
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2024 (CONTINUED)

17. SUMMARY OF FUNDS (CONTINUED)

Summary of funds - prior year

	At 1 September 2022 £	Income £	Expenditure £	Transfers in/(out) £	Gains/ (losses) £	At 31 August 2023 £
Designated funds	6,903,475	-	-	(637,500)	(46,000)	6,219,975
General funds	259,621	701,461	(978,100)	637,521	278	620,781
Endowment funds	488	14	(14)	(21)	-	467
Restricted funds	328,916	120,101	(92,268)	-	(1,683)	355,066
	<u>£ 7,492,500</u>	<u>£ 821,576</u>	<u>£ (1,070,382)</u>	<u>£ -</u>	<u>£ (47,405)</u>	<u>£ 7,196,289</u>

18. ANALYSIS OF NET ASSETS BETWEEN FUNDS

Analysis of net assets between funds - current period

	Unrestricted funds 2024 £	Designated funds 2024 £	Restricted funds 2024 £	Endowment funds 2024 £	Total funds 2024 £
Tangible fixed assets	-	6,066,226	-	-	6,066,226
Fixed asset investments	41,087	-	40,886	504	82,477
Current assets	755,665	153,749	362,603	-	1,272,017
Creditors due within one year	(137,471)	-	-	-	(137,471)
Total	<u>£ 659,281</u>	<u>£ 6,219,975</u>	<u>£ 403,489</u>	<u>£ 504</u>	<u>£ 7,283,249</u>

Analysis of net assets between funds - prior period

	Unrestricted funds 2023 £	Designated funds 2023 £	Restricted funds 2023 £	Endowment funds 2023 £	Total funds 2023 £
Tangible fixed assets	-	6,066,226	-	-	6,066,226
Fixed asset investments	36,791	-	37,950	467	75,208
Current assets	712,990	153,749	317,116	-	1,183,855
Creditors due within one year	(129,000)	-	-	-	(129,000)
Total	<u>£ 620,781</u>	<u>£ 6,219,975</u>	<u>£ 355,066</u>	<u>£ 467</u>	<u>£ 7,196,289</u>

YORK METHODIST CIRCUIT
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2024 (CONTINUED)

19. RECONCILIATION OF NET MOVEMENT IN FUNDS TO NET CASH FLOW FROM OPERATING ACTIVITIES

	2024 £	2023 £
Net income/(expenditure) for the period (as per Statement of Financial Activities)	86,960	(296,211)
Adjustments for:		
(Gains)/Losses on investments	(7,269)	1,405
Losses on revaluation of fixed assets	-	46,000
Dividends and interest from investments	(55,820)	(35,103)
(Gain)/Loss on the sale of freehold property	(64,664)	18,252
Decrease/(increase) in debtors	(9,097)	(1,896)
Increase/(decrease) in creditors	8,471	(51,418)
Net cash used in operating activities provided by/(used)	£ (41,419)	£ (318,971)

20. ANALYSIS OF CASH AND CASH EQUIVALENTS

	2024 £	2023 £
Cash in hand	380,120	363,615
Central Finance Board	77,152	99,198
TMCP deposits	779,495	694,889
Total cash and cash equivalents	£ 1,236,767	£ 1,157,702

21. ANALYSIS OF CHANGES IN NET DEBT

	At 1 September 2023 £	Cash flows £	At 31 August 2024 £
Cash at bank and in hand	1,157,702	79,065	1,236,767
	£ 1,157,702	£ 79,065	£ 1,236,767

22. PENSION COMMITMENTS

The ordained presbyters and deacons are members of the Methodist Ministers' Pension Scheme (MMPS). This is a defined benefit scheme where ministers contribute 9.3% of stipend and the Circuit 26.9% to this scheme. The Connexional accounts show the figures in the annual Methodist Church in Great Britain account.

Note: The Supreme Court held in 2014 that Methodist ministers (which term includes presbyters and deacons) are not employees of the Church. For simplicity, however, when dealing with National Insurance contributions and pension contributions, the terms 'employer' and 'employee' are used as they would be in an employing body.

Lay employees are contractually employees and where applicable are auto-enrolled into the Circuit's pension scheme arranged with The Pensions Trust. This is a defined contribution scheme where employees contribute 6% of salary and the Circuit 6% to this scheme.

The assets of both schemes are held separately from those of the Circuit in independently administered funds. The pension cost charge represents contributions payable by the Circuit to the funds and amounted to £53,901 (2023: £51,037). No contributions were payable to the funds at the balance sheet date in either this or the previous year.

YORK METHODIST CIRCUIT
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2024 (CONTINUED)

23. RELATED PARTY TRANSACTIONS

During the year the Circuit received assessment income totalling £523,783 (2023: £476,915) from the various churches within the Circuit.

The Circuit also incurred assessment costs of £135,732 (2023: £146,280) payable to the District.

24. OPERATING LEASES

As at 31 August 2024 the Circuit had future minimum lease payments under non-cancellable operating as follows:

Equipment	2024 £	2023 £
Within one year	1,402	1,402
Within two years	1,402	1,402
Within five years	1,753	3,155
	£ 4,557	£ 5,959

YORK METHODIST CIRCUIT

England & Wales - Charity number 1134381

Accounts

YORK METHODIST CIRCUIT
TRUSTEES' REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2023



HPH
Chartered Accountants
54 Bootham
YORK
YO30 7XZ

YORK METHODIST CIRCUIT
TRUSTEES' REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2023

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**YORK METHODIST CIRCUIT
ANNUAL TRUSTEES' REPORT
FOR THE YEAR ENDED 31 AUGUST 2023**

The Trustees present their annual report together with the audited financial statements of the York Methodist Circuit for the year 1 September 2022 to 31 August 2023. The trustees have adopted the provisions of the Statement of Recommended Practice (SORP) "Accounting and Reporting by Charities" (FRS 102) in preparing the annual report and financial statements of the charity.

The financial statements have been prepared in accordance with the accounting policies set out in notes to the accounts 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 accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland published in October 2019.

REFERENCE AND ADMINISTRATIVE DETAILS OF THE CIRCUIT, ITS CIRCUIT MINISTERS AND ADVISERS

The Trustees who served the charity during the period and to the date of this report were as follows:

Circuit Ministers

Revd David Bidnell, Superintendent
Revd Elizabeth Cushion
Revd Rory Dalgliesh
Revd John Hayward
Revd Andy Lindley
Revd John Schofield
Deacon Judith Stoddart

Local Preachers' representatives

Mr John Freeman

Circuit Stewards

Mrs Janet Bowling, Joint senior
Mrs Ruth Morrison, Joint senior (resigned September 2023)
Mr Nick Dawson, Treasurer
Mr Vic Paylor
Mrs Ann Smallwood (appointed December 2022)

Church Representatives to Circuit Council

Acaster Malbis - Graham Langton
Acomb – Janet Holdaway (resigned September 2023), Richard Grosberg (appointed September 2023)
Bishopthorpe - Mandy Brewer (resigned September 2023), Malcom Parker (appointed September 2023)
Central – Philip Paul (resigned October 2023)
Clifton - Christopher Rouse
Clifton Moor - Emma Dearlove (resigned September 2023), David Anderson (appointed September 2023)
Copmanthorpe - Russ Smallwood
Easingwold – Sue Gill
Haxby & Wigginton - John Freeman
Heslington - Ruth Schofield
Hessay - Kathryn Wright
Heworth - David Thompson (resigned September 2023), Peter Kitchin (appointed September 2023)
Holgate - Mark Bevan (resigned September 2023), Richard Storer (appointed September 2023)

**YORK METHODIST CIRCUIT
ANNUAL TRUSTEES' REPORT
FOR THE YEAR ENDED 31 AUGUST 2023**

REFERENCE AND ADMINISTRATIVE DETAILS OF THE CIRCUIT, ITS CIRCUIT MINISTERS AND ADVISERS (continued)

Church Representatives to Circuit Council (continued)

Huntington – Peter Harrison (resigned September 2023)

Lidgett - Rosamond Carter

Poppleton - Sheila Middleton

Rufforth - Karen Valentine

Sheriff Hutton - Eric Hayhurst

Southlands - David Whittaker

Stamford Bridge - Catherine Richardson

Strensall - June Taylor

Villages Together* – Sally Gall

West Thorpe - Chris Jarratt

* Alne, Tholthorpe, Huby & Stillington churches amalgamated into Villages Together in September 2022.

Charity registered number

1134381

Principal office

York Methodist Circuit Hub, Melbourne Terrace Methodist Church, Cemetery Road, YORK, YO10 5AF

Independent auditor

HPH, Chartered Accountants, 54 Bootham, YORK, YO30 7XZ

Bankers

CAF Bank, 25 Kings Hill Avenue, Kings Hill, West Malling, KENT, ME19 4JQ

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

Investment managers and custodian trustees

Trustees for Methodist Church Purposes, Central Buildings, Oldham Street, MANCHESTER, M1 1JQ

OBJECTIVES AND ACTIVITIES

Policies and objectives

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

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

**YORK METHODIST CIRCUIT
ANNUAL TRUSTEES' REPORT
FOR THE YEAR ENDED 31 AUGUST 2023**

OBJECTIVES AND ACTIVITIES (continued)

In setting our objectives and planning our activities for the year, the Circuit Council meets about four times in each year and as managing trustees have considered the Charity Commission's guidance on public benefit and, the specific guidance on charities for the advancement of religion and conforms to the Charities Act 2011.

Details on how the Circuit carries out its activities for the public benefit are given in the sections on Achievements and Performance and Plans for the Future below.

Grant making policies

There are three types of grants paid by the Circuit, all of which are approved based on the applicants meeting certain criteria.

- Non-property grants are applied for by Churches from the Model Trust Money (MTM), the case must be presented in writing for consideration by the MTM Group which is then passed to the Circuit Council for approval.
- Small grants can be applied for in relation to training of Ministers, lay staff or church members. Applications are made to the Circuit Financial Steward.
- Property grants are dealt with through the Methodist Connexion by way of an online application system.

ACHIEVEMENTS AND PERFORMANCE

Main achievements of the Circuit

York continues to be a busy and lively circuit, with a number of specialist working groups which assist the Circuit Council and Circuit Stewards in particular areas of the Circuit's life. These include property, lay employment, care and repair of manses and safeguarding. In addition, we form other groups where necessary, for example to organise events.

The Circuit Hub continues to operate in Melbourne Terrace and is fully opened up regularly now to host meetings and support staff. Parts of the Melbourne Terrace building are rented out to Blueberry Academy which is an organisation supporting people with learning difficulties. Also, the building is used by Refugee Action York to support those living in the city and seeking asylum. Activities include language classes and advice.

A rental licence agreement continues with CFO Activity hub to use the premises at Trinity for another year. The hub is a place for offenders who are supported by the Probation service, or serving community sentences, to receive support on an individual or group basis.

Two of our surplus manses continue to be rented out via City of York Council for use by a Syrian family and a family with the Afghan resettlement scheme. The manse at Easingwold is now empty and being prepared for rental.

Several of our smaller churches have worked together to achieve a 'Villages Together' church to better support each other and their local communities. A decision has now been made to sell the chapel at Stillington. As Villages Together, they will now be worshipping in three buildings rather than four and they look forward to the future together. Stamford Bridge church closed in May 2023 and the Circuit Council agreed to move towards sale of the building.

The circuit has set up a Circuit Eco Task Force to work towards achieving Eco Circuit status and support local churches who want to become eco churches.

Plans for the future

These continue to be challenging times for our Circuit. The Circuit Leadership Team is working towards a strategy to make realistic and suitable proposals on dealing with the current financial deficit. A task group comprising of Circuit Stewards and Circuit Council secretary with support from a Minister from the Connexion team have been undertaking a Circuit consultation and will bring proposals forward to Circuit Council in December 2023.

**YORK METHODIST CIRCUIT
ANNUAL TRUSTEES' REPORT
FOR THE YEAR ENDED 31 AUGUST 2023**

ACHIEVEMENTS AND PERFORMANCE (continued)

The process of selling some of our properties is ongoing and that will assist in financing future projects. Two of our unused manses will continue to be rented to City of York Council for housing refugee families. The Hub is available for other city centre needs.

Carecent based at Central Methodist Church continues to work with homeless people in York, providing a daily breakfast service and support. Around 40-50 customers attend each day supported by around 80 volunteers working different shifts each week.

'Growing in Christ' continues to be our challenge. Churches work hard to try to meet the needs of local communities as far as they can. Activities include community cafes and film shows. A number of churches have 'Warm spaces' to help people in colder weather during this cost-of-living crisis.

We give thanks for the ongoing work of people and churches in our Circuit and appreciate the prayer support. We pray and seek God's guidance with our plans for the future.

FINANCIAL REVIEW

Review of results

The Circuit Account includes:

- The General Fund is the main operating account through which the expenditure and revenue for both operational and strategic purposes were handled.
- The Circuit Model Trust Fund which primarily arises from the sale of buildings no longer required within the Circuit. Under Conference directions the Fund can be used for any purpose supporting the mission of the Church. Applications have to be made to the Circuit Council.
- The various restricted funds which are detailed within the notes to the accounts.
- The endowment fund holds money which cannot be spent but must be retained (as capital) to generate an income.

There were no significant events during the year and the trustees of the Circuit have every reason to believe that the Circuit is a going concern, principally because Churches continue to meet the majority of the assessment and the Circuit has adequate reserves to cover a shortfall in anticipated income. The Trustees do not foresee any factors that will significantly affect the financial performance or position in the next year or two and for these reasons they continue to adopt the going concern basis in preparing the financial statements.

As at 31st August 2023 the Circuit held 17 (16 in 2022) freehold properties being 10 manses; 30 The Village, Haxby; the former Melbourne Terrace Methodist Church buildings, and the former Methodist Church buildings at Trinity, Dunnington, New Earswick, Stillingfleet and Stamford Bridge.

During the year the properties at New Earswick, Stillingfleet and Stamford Bridge came into possession of the Circuit, and the former Methodist Church at Cornerstone was sold together with the manse at Headley Close.

The Circuit has the following principal sources of funds:

- Interest on investments
- The Circuit Model Trust Fund
- Assessments on Churches within the Circuit

These sums are used to administer and facilitate the work of the Circuit.

**YORK METHODIST CIRCUIT
ANNUAL TRUSTEES' REPORT
FOR THE YEAR ENDED 31 AUGUST 2023**

FINANCIAL REVIEW (continued)

Incoming resources for the year amounted to £821,576 (2022: £890,987). The total resources expended were £1,070,382 (2022: £1,165,807). After taking account of a loss on investment assets of £1,405 (2022: £7,365) and a loss on property held at valuation of £46,000 (2022: 1,006,270), the Circuit has a net deficit for the year of £296,211 (2022: Surplus £724,085).

After taking into account property acquisitions and disposals in the year, net cash incoming totalled £335,380 (2022: outgoing £151,756). The free reserves held by the Circuit as at 31 August 2023 totalled £620,781 (2022: £259,621).

Reserves level and policy

The reserves policy for the York Methodist Circuit is to hold a sum equivalent to 6 months average unrestricted expenditure. Taking into account that some of the expenditure in the year is directly recharged to other Churches and the District, this amount is estimated to be in the region of £300,000. This is believed to be sufficient to meet any unforeseen item of major expenditure and/or be able to continue in the short term funding planned activities in the event of an inability to raise the full circuit assessment from churches. It is also necessary to hold sufficient funds to enable the payment of stipends and expenses for the ministers and lay workers and our contribution to the District and Connexion.

Free reserves, being those funds which are not restricted by the donor, designated as functional fixed assets by the Trustees or designated for a particular purpose by the Trustees, amounted to £620,781. The Trustees recognise that this is not in line with the reserves policy and have sold two properties since the year end to increase free reserves to a sufficient level to ensure the continued operation the Charity.

All funds are separately invested either in CFB (Central Finance Board) or TMCP (Trustees for Methodist Church Purposes). No money is directly invested in property, securities or other forms of investment. The Circuit Model Trust Fund, which primarily arises from the sale of buildings no longer required within the Circuit, can be used for any purpose supporting the mission of the Church. Applications have to be made to the Circuit Council.

Collaborative arrangements with connected charities

The Circuit's main source of funding is the assessment obtained from each Church within the Circuit based on membership, offerings, gift aid and lettings which is used to defray most of the cost of administering the Circuit.

It also meets the District and Connexional assessments.

There is a District levy on the Circuit Model Trust Fund based on the size of the fund at the start of the connexional year (1 September) and on manse replacement projects. In 2022/23 this sum was £18,360 (2021/22: £10,131) and was credited to the District Advance Fund.

Investment policy and performance

To comply with Methodist standing orders, monies for long term investment are held by the Trustees for Methodist Church Purposes (TMCP) who also act as Custodian Trustees for Circuit property, for all large bequests and for the proceeds of sale of any property formerly owned by the Circuit or Churches. These sums are invested in unitised investments or held on deposit. The investment returns are close to tracking the movements in the FTSE100 index. The deposit income mirrors the deposit rates available elsewhere. The Circuit Trustees' investment policy is aligned with that of the Central Finance Board (CFB) and TMCP because these organisations take into consideration the social, environmental and ethical considerations, both negatively and positively, that make investments suitable for the Methodist Church.

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

There are no bench marks for the expected returns or appreciation on investments at TMCP and CFB. It is the Circuit's policy to manage the cash and investment resources of the Circuit so that a rate of return on investment - both by way of capital appreciation and income - is obtained at least as good as market rate considering the Circuit's low appetite for risk.

**YORK METHODIST CIRCUIT
ANNUAL TRUSTEES' REPORT
FOR THE YEAR ENDED 31 AUGUST 2023**

FINANCIAL REVIEW (continued)

Going concern

The Trustees have prepared forecasts of income and expenditure for the period to 31 August 2024 and beyond and subjected these forecasts to sensitivity analysis which shows that they have sufficient reserves to be able to continue for the foreseeable future. They will continue to monitor the impact on income and take appropriate action as necessary.

For the reasons set out above the trustees therefore continue to adopt the going concern basis of preparation for these financial statements.

STRUCTURE, GOVERNANCE AND MANAGEMENT

Constitution

The Circuit is an unincorporated charity and is governed under Deed of Union (1932) and the Methodist Church Act (1976) and was registered with the Charity Commission in 2010.

Methods of appointment or election of Trustees

The management of the Circuit is the responsibility of the Trustees who are elected and co-opted under the terms of the constitution.

Induction and training of Trustees

A range of guidance is produced by the Methodist Connexion and the leaflet 'The Role of a Trustee in The Methodist Church' is given to each Trustee.

In this year the Circuit was staffed by 7 (6.3 full time equivalents) Ministers (7 in 2021-22) and 10 (7.8 full time equivalents) Lay Employees (7 FTE in 2021-22).

Structure

The Circuit is part of the Yorkshire North & East District and is accountable to the Methodist Conference. It pays the stipends of the ministers and employs lay staff. The Methodist Conference meets once each year as the supreme denominational body for all Methodist Churches.

- Overall regulatory authority rests with the Methodist Conference.
- The Connexional Office implements decisions made by Conference and is also responsible for the stationing of presbyters and deacons in the Circuit.
- Conference decisions are passed through the District to the Circuit for implementation by the Superintendent Minister, ministerial staff and Circuit Stewards, and authority is delegated to the Circuit Council for certain matters.
- The Circuit communicates Conference decisions to local Churches to implement as independent charities, where appropriate.

The following Methodist Churches were linked to the Circuit during the year: Acaster Malbis, Acomb, Bishopthorpe, Central, Clifton, Clifton Moor **LEP**, Copmanthorpe, Easingwold, Haxby & Wigginton, Heslington **LEP**, Hessay, Heworth, Holgate, Huntington (including Thornton-Le-Clay), Lidgett Grove, Poppleton, Rufforth, Sheriff Hutton, Southlands, Stamford Bridge, Strensall, Villages Together, and West Thorpe.

Villages Together Methodist Church was formed from a merger on 1st September 2022 of the former Alne, Huby, Stillington and Tholthorpe Methodist Churches.

Stamford Bridge Methodist Church ceased worship on 15th May 2023.

**YORK METHODIST CIRCUIT
ANNUAL TRUSTEES' REPORT
FOR THE YEAR ENDED 31 AUGUST 2023**

STRUCTURE, GOVERNANCE AND MANAGEMENT (continued)

Purpose of the Circuit

The Circuit is an expression, over a wider geographical area than the local Church, of the Connexional character of the Church.

The primary purpose of this Circuit is to advance the mission of the Church in York and the surrounding area:

- by providing opportunities for Churches to work together and support each other
- by offering support and expertise.

The Circuit serves the Local Churches and the Conference in the support, deployment and oversight of the various ministries of the Church, and in programmes of training.

Governance

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

The Circuit operates within standing orders Section 58 (Circuits with Modified Constitutions) set up in September 2013 for the running of the York Circuit of the Methodist Church and which was updated in July 2018. The Circuit Council which replaced the Circuit Meeting includes an elected representative from each Church. This group meets every three months and is the decision making body for the circuit.

The Trustees are appointed by local churches and existing trustees. Ministers and Circuit Stewards are automatically trustees.

Risk management

The Trustees have assessed the major risks to which the Circuit is exposed, in particular those related to the operations and finances of the Circuit, and are satisfied that systems and procedures are in place to mitigate our exposure to the major risks.

The Circuit identifies and monitors the key risks it faces, which are held on a risk register. The main risks and mitigations have been identified as follows:

- Financial impact from the loss of weekly collections and lettings income for Churches. Although this is a matter for individual Churches, the consequential impact will be on the level of assessment collected by the Circuit. The ongoing effects of Covid have been seen in reduced church attendance and several churches closing, which has an impact on the assessment and mitigating actions are being discussed by the Circuit Leadership Team (CLT).
- Ongoing risk around future assessment, and the ability of Churches to continue to make their payments. This risk is always present and is managed through ongoing dialogue with Churches about their assessment for future years. This includes an annual meeting with Church Treasurers.
- There is always an ongoing risk around safeguarding, and this is managed through DBS checks and mandatory training for volunteers. The Circuit's approach to this is outlined in a separate Safeguarding Policy.
- There is a risk that there will be insufficient Ministerial staff over the next five years to meet the needs of the Circuit. This has been addressed with the appointment of several Local Pastors to work alongside ministerial staff, and through plans for the redeployment of existing ministerial staff to new areas within the Circuit.
- Delays in selling Church property could result in Circuit reserves being depleted faster than planned. This is managed through the employment of a full-time Resources Manager who is employed to ensure all processes and procedures are followed, and to manage issues that prevent or delay the successful sale of Church property.

**YORK METHODIST CIRCUIT
ANNUAL TRUSTEES' REPORT
FOR THE YEAR ENDED 31 AUGUST 2023**

STRUCTURE, GOVERNANCE AND MANAGEMENT (continued)

Responsibilities of the Circuit

- to formulate and promote policies which will advance the mission of the Church in the Circuit and Local Churches and, in particular, to supervise the use of resources of personnel, property and finance and to assist Local Churches where necessary.
- to encourage inter-Church and ecumenical co-operation.
- to keep within its purview all Circuit concerns not dealt with elsewhere.
- to contribute and respond, as the case may be, to the development of Connexional policies as reflected in the work of the Conference and to carry out its other responsibilities with any such developments in mind.
- to consider potential risks and take professional advice as required. There is regular review process.
- to adopt a Safeguarding Policy and ensured it is rolled out to the Churches.
- to be constantly aware of the public benefit guidance issued by the Charity Commission.

Information on fundraising practices

The charity has not carried out any fundraising activities in the year nor has it instructed any persons on its behalf to do this.

STATEMENT OF TRUSTEES' RESPONSIBILITIES

The Trustees are responsible for preparing the Trustees' report and the 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 & Wales requires the Trustees to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the Circuit and of its incoming resources and application of resources, including its income and expenditure, for that period. In preparing these financial statements, the Trustees are required to:

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles of the Charities SORP (FRS 102);
- make judgments and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards (FRS 102) have been followed, subject to any material departures disclosed and explained in the financial statements;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Circuit will continue in business.

The Trustees are responsible for keeping adequate accounting records that are sufficient to show and explain the Circuit's transactions and 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 Charities Act 2011, the Charity (Accounts and Reports) Regulations 2008 and the provisions of the Trust deed. 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.

Disclosure of information to the auditor

Each of the persons who are Trustees at the time when this Trustees' report is approved has confirmed that:

- so far as that Trustee is aware, there is no relevant audit information of which the charity's auditor is unaware, and
- that Trustee has taken all the steps that ought to have been taken as a Trustee in order to be aware of any relevant audit information and to establish that the charity's auditor is aware of that information.

Approved by order of the members of the board of Trustees and signed on their behalf by:

Revd David Bidnell, Superintendent
Date: 6 March 2024

INDEPENDENT AUDITOR'S REPORT TO THE TRUSTEES OF YORK METHODIST CIRCUIT

Opinion

We have audited the financial statements of York Methodist Circuit for the year ended 31 August 2023, which comprise the Statement of Financial Activities, Balance Sheet, Cash Flow Statement 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 2023 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

In auditing the financial statements, we have concluded that the trustees' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the charity's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

Our responsibilities and the responsibilities of the trustees with respect to going concern are described in the relevant sections of this report.

Other information

The trustees are responsible for the other information contained within the annual report. The other information comprises the information included in the annual 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 we do not express any form of assurance conclusion thereon.

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 this gives rise to a material misstatement in the financial statements themselves. 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.

INDEPENDENT AUDITOR'S REPORT TO THE TRUSTEES OF YORK METHODIST CIRCUIT

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 trustees' report; or
- sufficient accounting records have not been kept; or
- the financial statements are not in agreement with the accounting records and returns; or
- we have not received all the information and explanations we require for our audit

Responsibilities of Trustees

As explained more fully in the trustees' responsibilities statement set out on page 8, the trustees are responsible for the preparation of the financial statements and for being satisfied that they 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 the Act and relevant regulations made or having effect thereunder.

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.

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below:

We obtained an understanding of the legal and regulatory frameworks within which the charity operates, focusing on those laws and regulations that have a direct effect on the determination of material amounts and disclosures in the financial statements. The laws and regulations we considered in this context were the the Charities SORP (FRS102) 2019. We assessed the required compliance with these laws and regulations as part of our audit procedures on the related financial statement items.

In addition, we considered provisions of other laws and regulations that do not have a direct effect on the financial statements but compliance with which might be fundamental to the charity's ability to operate or to avoid a material penalty. We also considered the opportunities and incentives that may exist within the charity for fraud. The laws and regulations we considered in this context for the UK operations were Employment legislation, Charity Commission regulations and General Data Protection Regulation (GDPR).

**INDEPENDENT AUDITOR'S REPORT TO THE TRUSTEES OF
YORK METHODIST CIRCUIT**

Auditor's responsibilities for the audit of the financial statements (continued)

Auditing standards limit the required audit procedures to identify non-compliance with these laws and regulations to enquiry of the Trustees and other management and inspection of regulatory and legal correspondence, if any.

We identified the greatest risk of material impact on the financial statements from irregularities, including fraud, to be the override of controls by management and income recognition. Our audit procedures to respond to these risks included enquiries of management about their own identification and assessment of the risks of irregularities, proof in total testing of assessment income, detailed substantive testing on the completeness of other sources of income and reading minutes of meetings of those charged with governance.

Owing to the inherent limitations of an audit, there is an unavoidable risk that we may not have detected some material misstatements in the financial statements, even though we have properly planned and performed our audit in accordance with auditing standards. We are not responsible for preventing non-compliance and cannot be expected to detect non-compliance with all laws and regulations.

These inherent limitations are particularly significant in the case of misstatement resulting from fraud as this may involve sophisticated schemes designed to avoid detection, including deliberate failure to record transactions, collusion or the provision of intentional misrepresentations.

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 trustees 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.

.....
HPH
Chartered Accountants
54 Bootham
YORK
YO30 7XZ

Date: 10 May 2024

HPH is eligible to act as auditor in terms of section 1212 of the Companies Act 2006.

YORK METHODIST CIRCUIT
STATEMENT OF FINANCIAL ACTIVITIES
FOR THE YEAR ENDED 31 AUGUST 2023

	Note	Unrestricted Funds 2023 £	Restricted Funds 2023 £	Endowment Funds 2023 £	Total Funds 2023 £	Total Funds 2022 £
Income and endowments from:						
Donations and legacies	4	44,344	-	-	44,344	89,893
Charitable activities	5	541,101	118,932	-	660,033	724,904
Other trading activities	6	84,296	-	-	84,296	70,623
Investments	7	31,720	1,169	14	32,903	5,419
Other income	8	-	-	-	-	148
Total income and endowments		701,461	120,101	14	821,576	890,987
Expenditure on:						
Raising funds:						
Internal organisations		-	54,132	-	54,132	61,920
Charitable activities	9	978,100	38,136	14	1,016,250	1,103,887
Total expenditure		978,100	92,268	14	1,070,382	1,165,807
Net gains/(losses) on investments		278	(1,683)	-	(1,405)	(7,365)
Net (expenditure)/income		(276,361)	26,150	-	(250,211)	(282,185)
Transfers between funds	18	21	-	(21)	-	-
Net movement in funds before other recognised (losses)/gains		(276,340)	26,150	(21)	(250,211)	(282,185)
(Losses)/Gains on revaluation of fixed assets	13	(46,000)	-	-	(46,000)	1,006,270
Net movement in funds		£ (322,340)	£ 26,150	£ (21)	£ (296,211)	£ 724,085
Reconciliation of funds:						
Total funds brought forward		7,163,096	328,916	488	7,492,500	6,768,415
Net movement in funds		(322,340)	26,150	(21)	(296,211)	724,085
Total funds carried forward		£ 6,840,756	£ 355,066	£ 467	£ 7,196,289	£ 7,492,500

The statement of financial activities includes all gains and losses recognised in the year.

The notes on pages 15 to 28 form part of these financial statements.

YORK METHODIST CIRCUIT
BALANCE SHEET
AS AT 31 AUGUST 2023

	Note	2023 £	2022 £
Fixed assets			
Tangible assets	13	6,066,226	6,749,726
Investments	14	75,208	76,613
		<u>6,141,434</u>	<u>6,826,339</u>
Current assets			
Debtors	15	26,153	24,257
Cash at bank and in hand		1,157,702	822,322
		<u>1,183,855</u>	<u>846,579</u>
Creditors: amounts falling due within one year	16	(129,000)	(180,418)
		<u>1,054,855</u>	<u>666,161</u>
Net current assets			
		<u>1,054,855</u>	<u>666,161</u>
Total net assets		<u>£ 7,196,289</u>	<u>£ 7,492,500</u>
Charity funds			
Endowment funds	17	467	488
Restricted funds	17	355,066	328,916
<i>Unrestricted funds:</i>			
Free reserves	17	620,781	259,621
Designated funds	17	6,219,975	6,903,475
		<u>6,207,156</u>	<u>6,903,475</u>
Total funds		<u>£ 7,196,289</u>	<u>£ 7,492,500</u>

The financial statements were approved and authorised for issue by the Trustees on 6 March 2024 and signed on their behalf by:

Revd David Bidnell, Superintendent

The notes on pages 15 to 28 form part of these financial statements.

YORK METHODIST CIRCUIT
STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 AUGUST 2023

	Note	2023 £	2022 £
Cash flows from operating activities			
Net cash used in operating activities	20	(316,771)	(262,175)
Cash flows from investing activities:			
Dividends and interest from investments		32,903	5,419
Proceeds from the sale of tangible fixed assets		619,248	105,000
Net cash provided by investing activities		652,151	110,419
Change in cash and cash equivalents in the year		335,380	(151,756)
Cash and cash equivalents at the beginning of the year		822,322	974,078
Cash and cash equivalents at the end of the year		£ 1,157,702	£ 822,322

The notes on pages 15 to 28 form part of these financial statements

YORK METHODIST CIRCUIT
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2023

1. GENERAL INFORMATION

The York Methodist Circuit is an unincorporated charity registered in England and Wales. The address of the registered office is given in the charity information on page 2 of these financial statements. The nature of the Circuit's operations and activities are those of a Methodist Circuit.

2. ACCOUNTING POLICIES

a) *Basis of preparation of the financial statements*

The financial statements have been prepared in accordance with Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (effective 1 January 2019) - (Charities SORP (FRS 102)), and the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) and UK Generally Accepted Accounting Practice.

The financial statements have been prepared to give a 'true and fair' view and have departed from the Charities (Accounts and Reports) Regulations 2008 only to the extent required to provide a 'true and fair' view. This departure has involved following the Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland issued in October 2019 rather than the Accounting and Reporting by Charities: Statement of Recommended Practice effective from 1 April 2005 which has since been withdrawn.

York Methodist Circuit meets the definition of a public benefit entity under FRS 102.

The financial statements are prepared on a going concern basis under the historical cost convention, modified to include certain items at fair value. Assets and liabilities are initially recognised at historical cost or transaction value unless otherwise stated in the relevant accounting policy. The financial statements are presented in sterling which is the functional currency of the charity and rounded to the nearest £.

The significant accounting policies applied in the preparation of these financial statements are set out below. These policies have been consistently applied to all years presented unless otherwise stated.

b) *Going Concern*

The Trustees have prepared forecasts of income and expenditure for the period to 31 August 2024 and beyond and subjected these forecasts to sensitivity analysis which shows that they have sufficient reserves to be able to continue for the foreseeable future. Furthermore, the Trustees have not identified any material uncertainties which in their view cast a significant doubt over the going concern of the Circuit. They will continue to monitor the impact on income and take appropriate action as necessary. The Trustees therefore continue to adopt the going concern basis of preparation for these financial statements.

c) *Income*

All income is recognised once the Circuit has entitlement to the income, it is probable that the income will be received and the amount of income receivable can be measured reliably.

The recognition of income from legacies is dependent on establishing entitlement, the probability of receipt and the ability to estimate with sufficient accuracy the amount receivable. Evidence of entitlement to a legacy exists when the Circuit has sufficient evidence that a gift has been left to them (through knowledge of the existence of a valid will and the death of the benefactor) and the executor is satisfied that the property in question will not be required to satisfy claims in the estate. Receipt of a legacy is recognised when it is probable that it will be received and the fair value of the amount receivable, which will generally be the expected cash amount to be distributed to the Circuit, can be reliably measured.

YORK METHODIST CIRCUIT
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2023 (CONTINUED)

2. ACCOUNTING POLICIES (CONTINUED)

d) Expenditure

Expenditure is recognised when a liability is incurred, or a constructive obligation arises that results in the payment being unavoidable. Resources expended include attributable VAT which cannot be recovered.

Expenditure is accounted for on an accruals basis. All expenses including support costs and governance costs are allocated to the applicable expenditure headings.

Expenditure on charitable activities is incurred on directly undertaking the activities which further the Circuit's objectives, as well as any associated support costs.

e) Interest receivable

Interest on funds held on deposit is included when receivable and the amount can be measured reliably by the Circuit; this is normally upon notification of the interest paid or payable by the institution with whom the funds are deposited.

f) Taxation

As a charity, York Methodist Circuit is exempt from tax on income and gains falling within the available tax exemptions to the extent that these are applied to its charitable objects. No direct tax charges have arisen in the Circuit. The Circuit suffers VAT on expenses which is not recoverable.

g) Tangible fixed assets and depreciation

Freehold property:

Tangible fixed assets are initially recognised at cost. After recognition, under the revaluation model, tangible fixed assets whose fair value can be measured reliably shall be carried at a revalued amount, being their fair value at the date of revaluation less any subsequent accumulated depreciation and subsequent accumulated impairment losses.

Revaluations are made with sufficient regularity to ensure that the carrying amount does not differ materially from that which would be determined using fair value at the end of the reporting date.

Fair values are determined from market-based evidence by appraisal with reference to local, similar property sales and the ONS Property Index. If there is no market-based evidence of fair value because of the specialised nature of the tangible fixed asset and it is rarely sold, except as part of a contributing business, fair value is estimated using an income or depreciated replacement cost approach.

Gains and losses on revaluation are recognised in the Statement of Financial Activities (SOFA), with a separate revaluation reserve being shown in the Statement of funds note 17.

Depreciation is not provided on freehold properties as it is the Circuit's policy to maintain the property in good repair. Consequently, the trustees consider the life of the properties to be so long that there is no significant annual depreciation.

Items costing less than £5,000 are written off as an expense as acquired and are not capitalised.

h) Investments

Fixed asset investments are a form of financial instrument and are initially recognised at their transaction cost and subsequently measured at fair value at the balance sheet date, unless the value cannot be measured reliably in which case it is measured at cost less impairment. Investment gains and losses, whether realised or unrealised, are combined and presented as 'gains/(losses) on investments' in the SOFA.

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.

i) Debtors

Trade and other debtors are recognised at the settlement amount due after any trade discount offered. Prepayments are valued at the amount prepaid net of any trade discounts due.

j) Cash at bank and in hand

Cash at bank and cash in hand includes cash and short term highly liquid investments with a short maturity of three months or less from the date of acquisition or opening of the deposit of similar account.

YORK METHODIST CIRCUIT
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2023 (CONTINUED)

2. ACCOUNTING POLICIES (CONTINUED)

k) Creditors and provisions

Creditors and provisions are recognised when there is an obligation at the balance sheet date as a result of a past event, it is probable that a transfer of economic benefit will be required in settlement, and the amount of the settlement can be estimated reliably.

Creditors and provisions are recognised at the amount that the Circuit anticipates it will pay to settle the debt or the amount it has received as advanced payments for the goods or services it must provide.

l) Financial instruments

The Circuit 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.

m) Employee benefits

When employees have rendered service to the Circuit, short-term employee benefits to which the employees are entitled are recognised at the undiscounted amount expected to be paid in exchange for that service.

The Circuit operates a defined contribution pension scheme and the pension charge represents the amounts payable by the Circuit to the fund in respect of the year.

n) Fund accounting

General funds are unrestricted funds which are available for use at the discretion of the Trustees in furtherance of the general objectives of the Circuit and which have not been designated for other purposes.

Designated funds comprise unrestricted funds that have been set aside by the Trustees for particular purposes. The aim and use of each designated fund is set out in the notes to the financial statements.

Restricted funds are funds which are to be used in accordance with specific restrictions imposed by donors or which have been raised by the Circuit for particular purposes. The costs of raising and administering such funds are charged against the specific fund. The aim and use of each restricted fund is set out in the notes to the financial statements.

Endowment funds are expendable funds which are held on trust to be retained for the benefit of the Circuit as a capital fund. Any capital gains or losses arising on the investments form part of the fund. Investment management charges and legal advice relating to the fund are charged against the fund.

Investment income, gains and losses are allocated to the appropriate fund.

3. CRITICAL ACCOUNTING ESTIMATES AND AREAS OF JUDGEMENT

Estimates and judgments are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

Critical accounting estimates and assumptions:

The Circuit makes estimates and assumptions concerning the future. The resulting accounting estimates and assumptions will, by definition, seldom equal the related actual results. The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are discussed below.

The main assumption concerning the future of the Circuit is that the assessment income will continue to be sufficient to meet the costs of stipends, salaries and manse maintenance. The annual budget, approved by the Circuit meeting, includes sums necessary for covering these costs. This is then allocated among each Church in the Circuit, hence the income is dependent upon the Churches' ability to meet the assessment.

YORK METHODIST CIRCUIT
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2023 (CONTINUED)

4. INCOME FROM DONATIONS AND LEGACIES

	Unrestricted Funds £	Restricted Funds £	2023 £	2022 £
Assets transferred from ceasing churches	33,842	-	33,842	9,807
Grants	10,502	-	10,502	80,086
Donations, including Gift Aid	-	-	-	-
	<u>£ 44,344</u>	<u>£ -</u>	<u>£ 44,344</u>	<u>£ 89,893</u>

In 2022 income from donations and legacies amounting to £650 related to restricted funds.

5. INCOME FROM CHARITABLE ACTIVITIES

	Unrestricted Funds £	Restricted Funds £	2023 £	2022 £
Circuit assessment	476,915	-	476,915	525,351
Internal organisations	4,047	118,932	122,979	139,401
Recharge for Lay Workers	60,139	-	60,139	60,152
	<u>£ 541,101</u>	<u>£ 118,932</u>	<u>£ 660,033</u>	<u>£ 724,904</u>

In 2022 income from charitable activities amounting to £137,742 related to restricted funds

6. INCOME FROM OTHER TRADING ACTIVITIES

Income from non charitable trading activities

	Unrestricted Funds £	2023 £	2022 £
Lettings	78,092	78,092	69,701
Other income	6,204	6,204	922
	<u>£ 84,296</u>	<u>£ 84,296</u>	<u>£ 70,623</u>

In 2022 all income from other trading activities related to unrestricted funds.

7. INVESTMENT INCOME

	Unrestricted Funds £	Restricted Funds £	Endowment Funds £	2023 £	2022 £
Central Finance Board	7,222	-	-	7,222	225
Other investments	24,498	1,169	14	25,681	5,194
	<u>£ 31,720</u>	<u>£ 1,169</u>	<u>£ 14</u>	<u>£ 32,903</u>	<u>£ 5,419</u>

In 2022 income from investments amounting to £1,026 related to restricted funds and £13 to endowment funds

YORK METHODIST CIRCUIT
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2023 (CONTINUED)

8. OTHER INCOMING RESOURCES

	Unrestricted Funds	2023	2022
Coronavirus job retention scheme grant income	£ -	£ -	£ 148

In 2022 all other income related to unrestricted funds.

9. ANALYSIS OF EXPENDITURE ON CHARITABLE ACTIVITIES

Summary by fund type

	Unrestricted Funds £	Restricted Funds £	Endowment Funds £	2023 £	2022 £
Stipends, salaries, NIC & pension costs	499,445	30,967	-	530,412	573,731
District assessment	146,280	-	-	146,280	132,984
Administration, telephone & travel	27,188	-	-	27,188	31,504
Insurance, utilities, etc	64,808	-	-	64,808	65,626
Maintenance of manses	24,723	-	-	24,723	20,558
Expenditure on other Circuit property	39,030	-	-	39,030	49,812
Other expenditure	23,013	1,169	14	24,196	181,028
Grants & donations	355	6,000	-	6,355	44,650
Contribution to District Advance Fund	9,379	-	-	9,379	10,131
Connexional Priority Fund Levy	143,879	-	-	143,879	(6,137)
	<u>£ 978,100</u>	<u>£ 38,136</u>	<u>£ 14</u>	<u>£ 1,016,250</u>	<u>£ 1,103,887</u>

In 2022 expenditure amounting to £2,071 related to restricted funds and £1 related to endowment funds

10. AUDITOR'S REMUNERATION

	2023	2022
Auditor's remuneration - audit	<u>£ 6,972</u>	<u>£ 6,213</u>

11. TRUSTEES' REMUNERATION AND EXPENSES

During the year, 7 Trustees, who are Circuit Ministers, have been paid remuneration amounting to £247,642 (2022: 9 Trustees - £265,967).

During the year ended 31 August 2023, expenses totalling £16,334 were reimbursed or paid directly to 7 Trustees (2022: £13,109 to 8 Trustees) in relation to travel and other expenses incurred on Circuit work.

YORK METHODIST CIRCUIT
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2023 (CONTINUED)

12. STAFF COSTS

	2023 £	2022 £
Wages and salaries	432,243	468,350
Social security costs	37,040	38,084
Contribution to defined contribution pension schemes	61,129	67,297
	<u>£ 530,412</u>	<u>£ 573,731</u>

The average number of persons employed by the Circuit during the year was as follows

	2023 No.	2022 No.
Stipendiary clergy	8	10
Other Circuit staff	<u>12</u>	<u>13</u>
	<u>20</u>	<u>23</u>

No employee received remuneration amounting to more than £60,000 in either year

The total key management personnel remuneration for the year totalled £39,963 (2022: £38,316). The Circuit considers its key management personnel comprises of the Superintendent and Circuit Stewards.

YORK METHODIST CIRCUIT
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2023 (CONTINUED)

13. TANGIBLE FIXED ASSETS

	Freehold property £
<i>Cost or valuation</i>	
At 1 September 2022	6,749,726
Disposals	(637,500)
Revaluation	(46,000)
At 31 August 2023	<u>6,066,226</u>
<i>Net book value</i>	
At 31 August 2023	<u>£ 6,066,226</u>
At 31 August 2022	<u>£ 6,749,726</u>

Freehold land and buildings have been revalued at the year end to fair value. The fair value of residential property is calculated with reference to local property markets and changes to property values in line with the ONS Property Index. Where there is not an active market for freehold property, for example in relation to chapels held by the Circuit, a fair value has been arrived at based on surveyors' reports undertaken by Stephenson's Estate Agents LLP dating between 2016 and 2020.

The Circuit has adopted a policy of revaluation for tangible fixed assets. Had these assets been measured at historic cost, the carrying values would have been as follows. Where actual historic costs are unavailable, a deemed cost equivalent to the 31 August 2015 insurance rebuild valuation has been adopted in line with guidance on the introduction of SORP (FRS 102).

	2023	2022
Freehold property	<u>£ 3,684,406</u>	<u>£ 4,056,090</u>

YORK METHODIST CIRCUIT
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2023 (CONTINUED)

14. FIXED ASSET INVESTMENTS

	Other Investments £
<i>Cost or valuation</i>	
At 1 September 2022	76,613
Revaluations	(1,405)
At 31 August 2023	£ 75,208
<i>Net book value</i>	
At 31 August 2023	£ 75,208
At 31 August 2022	£ 76,613

The historic cost of investments held at the year end was £57,312 (2022: £57,312).

15. DEBTORS

	2023 £	2022 £
<i>Due within one year</i>		
Other debtors	23,653	21,757
Loans	2,500	2,500
	£ 26,153	£ 24,257

16. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2023 £	2022 £
Trade creditors	6,756	2,483
Other creditors	6,972	6,396
Income in advance	115,272	108,539
Provision for Connexional Priority Fund Levy	-	63,000
	£ 129,000	£ 180,418

YORK METHODIST CIRCUIT
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2023 (CONTINUED)

17. STATEMENT OF FUNDS

Statement of funds - current year

	At 1 September 2022 £	Income £	Expenditure £	Transfers in/(out) £	Gains/ (losses) £	At 31 August 2023 £
Unrestricted funds						
<i>Designated funds</i>						
Shipton Mission and Transformation Fund	128,749	-	-	-	-	128,749
Property cost	4,056,090	-	-	(331,977)	-	3,724,113
Revaluation reserve	2,693,636	-	-	(305,523)	(46,000)	2,342,113
Approved Circuit Model Trust Funds	25,000	-	-	-	-	25,000
	<u>6,903,475</u>	<u>-</u>	<u>-</u>	<u>(637,500)</u>	<u>(46,000)</u>	<u>6,219,975</u>
General funds	<u>259,621</u>	<u>701,461</u>	<u>(978,100)</u>	<u>637,521</u>	<u>278</u>	<u>620,781</u>
Total Unrestricted funds	<u>7,163,096</u>	<u>701,461</u>	<u>(978,100)</u>	<u>21</u>	<u>(45,722)</u>	<u>6,840,756</u>
<i>Endowment funds</i>						
Endowment fund	488	14	(14)	(21)	0	467
<i>Restricted funds</i>						
Supernumerary House Fund	39,633	1,169	(1,169)	-	(1,683)	37,950
Carecent	277,883	118,932	(85,099)	-	-	311,716
All Churches Trust Limited	10,750	-	(6,000)	-	-	4,750
Walk to Talk York	650	-	-	-	-	650
	<u>328,916</u>	<u>120,101</u>	<u>(92,268)</u>	<u>-</u>	<u>(1,683)</u>	<u>355,066</u>
Total of funds	<u>£ 7,492,500</u>	<u>£ 821,576</u>	<u>£ (1,070,382)</u>	<u>£ -</u>	<u>£ (47,405)</u>	<u>£ 7,196,289</u>

YORK METHODIST CIRCUIT
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2023 (CONTINUED)

17. STATEMENT OF FUNDS (continued)

Statement of funds - prior year

	At 1 September 2021 £	Income £	Expenditure £	Transfers in/(out) £	Gains £	At 31 August 2022 £
Unrestricted funds						
<i>Designated funds</i>						
Shipton Mission and Transformation Fund	144,158	-	(15,409)	-	-	128,749
Property cost	4,056,090	-	-	-	-	4,056,090
Revaluation reserve	1,792,366	-	-	(105,000)	1,006,270	2,693,636
Approved Circuit Model Trust Funds	83,350	-	(7,600)	(50,750)	-	25,000
	<u>6,075,964</u>	<u>-</u>	<u>(23,009)</u>	<u>(155,750)</u>	<u>1,006,270</u>	<u>6,903,475</u>
<i>General funds</i>						
General funds	<u>433,879</u>	<u>751,556</u>	<u>(1,078,806)</u>	<u>157,667</u>	<u>(4,675)</u>	<u>259,621</u>
Total Unrestricted funds	<u>6,509,843</u>	<u>751,556</u>	<u>(1,101,815)</u>	<u>1,917</u>	<u>1,001,595</u>	<u>7,163,096</u>
<i>Endowment funds</i>						
Endowment fund	<u>521</u>	<u>13</u>	<u>(1)</u>	<u>(12)</u>	<u>(33)</u>	<u>488</u>
<i>Restricted funds</i>						
Supernumerary House Fund	42,290	1,026	(121)	(905)	(2,657)	39,633
Carecent	202,061	137,742	(61,920)	-	-	277,883
All Churches Trust Limited	13,700	-	(1,950)	(1,000)	-	10,750
Walk to Talk York	-	650	-	-	-	650
	<u>258,051</u>	<u>139,418</u>	<u>(63,991)</u>	<u>(1,905)</u>	<u>(2,657)</u>	<u>328,916</u>
Total of funds	<u>£ 6,768,415</u>	<u>£ 890,987</u>	<u>£ (1,165,807)</u>	<u>£ -</u>	<u>£ 998,905</u>	<u>£ 7,492,500</u>

YORK METHODIST CIRCUIT
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2023 (CONTINUED)

17. STATEMENT OF FUNDS (continued)

Fund descriptions

Unrestricted funds

The General Fund is the main operating account through which the expenditure and revenue for both operational and strategic purposes are handled.

Approved Circuit Model Trust Funds are monies which have been approved by the Circuit Council to be paid out to Churches as MTM grants.

The Revaluation reserve represents the difference between property held at valuation and its associated historic cost to the circuit.

The Shipton Mission and Transformation Fund provides finance for local Church, small-scale mission projects, for circuit-led new forms of worship and Church, and for facilitating the work of the Circuit through information technology.

Endowment funds

The income from the Endowment is expendable. The net income after expenditure is transferred to unrestricted funds. The capital of very small endowment funds may be expended with Connexional approval.

Restricted funds

Carecent is an internal organisation helping disadvantaged members of the community.

All Churches Trust Limited relates to a grant received to be spent on developing the digital capacity of Churches.

The Supernumerary House Fund is for the support of a lay worker in the Circuit.

Walk to Talk York Fund relates to a grant received to help fund the creation of a podcast.

Transfers

Transfers were made out of the Endowment fund and Supernumerary House Fund into the General fund in relation to the surplus made on each fund during the year in relation to the investment income received.

Transfers were made in to and out of the revaluation reserve in relation to the disposals and revaluations of property during the year.

Transfers were made from General Funds to Approved Circuit Model Trust Funds in relation to grants payable approved by the Circuit Council.

18. SUMMARY OF FUNDS

Summary of funds - current year

	At 1 September 2022 £	Income £	Expenditure £	Transfers in/(out) £	Gains/ (losses) £	At 31 August 2023 £
Designated funds	6,903,475	-	-	(637,500)	(46,000)	6,219,975
General funds	259,621	701,461	(978,100)	637,521	278	620,781
Endowment funds	488	14	(14)	(21)	-	467
Restricted funds	328,916	120,101	(92,268)	-	(1,683)	355,066
	<u>£ 7,492,500</u>	<u>£ 821,576</u>	<u>£ (1,070,382)</u>	<u>£ -</u>	<u>£ (47,405)</u>	<u>£ 7,196,289</u>

YORK METHODIST CIRCUIT
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2023 (CONTINUED)

18. SUMMARY OF FUNDS (CONTINUED)

Summary of funds - prior year

	At 1 September 2021 £	Income £	Expenditure £	Transfers in/(out) £	Gains/ (losses) £	At 31 August 2022 £
Designated funds	6,075,964	-	(23,009)	(155,750)	1,006,270	6,903,475
General funds	433,879	751,556	(1,078,806)	157,667	(4,675)	259,621
Endowment funds	521	13	(1)	(12)	(33)	488
Restricted funds	258,051	139,418	(63,991)	(1,905)	(2,657)	328,916
	<u>£ 6,768,415</u>	<u>£ 890,987</u>	<u>£ (1,165,807)</u>	<u>£ -</u>	<u>£ 998,905</u>	<u>£ 7,492,500</u>

19. ANALYSIS OF NET ASSETS BETWEEN FUNDS

Analysis of net assets between funds - current period

	Unrestricted funds 2023 £	Designated funds 2023 £	Restricted funds 2023 £	Endowment funds 2023 £	Total funds 2023 £
Tangible fixed assets	-	6,066,226	-	-	6,066,226
Fixed asset investments	36,791	-	37,950	467	75,208
Current assets	712,990	153,749	317,116	-	1,183,855
Creditors due within one year	(129,000)	-	-	-	(129,000)
Total	<u>£ 620,781</u>	<u>£ 6,219,975</u>	<u>£ 355,066</u>	<u>£ 467</u>	<u>£ 7,196,289</u>

Analysis of net assets between funds - prior period

	Unrestricted funds 2022 £	Designated funds 2022 £	Restricted funds 2022 £	Endowment funds 2022 £	Total funds 2022 £
Tangible fixed assets	-	6,749,726	-	-	6,749,726
Fixed asset investments	36,492	-	39,633	488	76,613
Current assets	403,547	153,749	289,283	-	846,579
Creditors due within one year	(180,418)	-	-	-	(180,418)
Total	<u>£ 259,621</u>	<u>£ 6,903,475</u>	<u>£ 328,916</u>	<u>£ 488</u>	<u>£ 7,492,500</u>

YORK METHODIST CIRCUIT
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2023 (CONTINUED)

20. RECONCILIATION OF NET MOVEMENT IN FUNDS TO NET CASH FLOW FROM OPERATING ACTIVITIES

	2023 £	2022 £
Net (expenditure)/income for the period (as per Statement of Financial Activities)	(296,211)	724,085
Adjustments for:		
Losses on investments	1,405	7,365
Losses/(gains) on revaluation of fixed assets	46,000	(1,006,270)
Dividends and interest from investments	(32,903)	(5,419)
Loss on the sale of freehold property	18,252	-
(Increase)/decrease in debtors	(1,896)	56,263
Decrease in creditors	(51,418)	(38,199)
Net cash used in operating activities	£ (316,771)	£ (262,175)

21. ANALYSIS OF CASH AND CASH EQUIVALENTS

	2023 £	2022 £
Cash in hand	363,615	423,917
Central Finance Board	99,198	78,240
TMCP deposits	694,889	320,165
Total cash and cash equivalents	£ 1,157,702	£ 822,322

22. ANALYSIS OF CHANGES IN NET DEBT

	At 1 September 2022 £	Cash flows £	At 31 August 2023 £
Cash at bank and in hand	822,322	335,380	1,157,702
	£ 822,322	£ 335,380	£ 1,157,702

23. PENSION COMMITMENTS

The ordained presbyters and deacons are members of the Methodist Ministers' Pension Scheme (MMPS). This is a defined benefit scheme where ministers contribute 9.3% of stipend and the Circuit 26.9% to this scheme. The Connexional accounts show the figures in the annual Methodist Church in Great Britain account.

Note: The Supreme Court held in 2014 that Methodist ministers (which term includes presbyters and deacons) are not employees of the Church. For simplicity, however, when dealing with National Insurance contributions and pension contributions, the terms 'employer' and 'employee' are used as they would be in an employing body.

Lay employees are contractually employees and where applicable are auto-enrolled into the Circuit's pension scheme arranged with The Pensions Trust. This is a defined contribution scheme where employees contribute 6% of salary and the Circuit 6% to this scheme.

The assets of both schemes are held separately from those of the Circuit in independently administered funds. The pension cost charge represents contributions payable by the Circuit to the funds and amounted to £51,037 (2022: £67,297). No contributions were payable to the funds at the balance sheet date in either this or the previous year.

YORK METHODIST CIRCUIT
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2023 (CONTINUED)

24. RELATED PARTY TRANSACTIONS

During the year the Circuit received assessment income totalling £476,915 (2022: £525,351) from the various churches within the Circuit.

The Circuit also incurred assessment costs of £146,280 (2022: £132,984) payable to the District

25. OPERATING LEASES

As at 31 August 2023 the Circuit had future minimum lease payments under non-cancellable operating as follows

Equipment	2023 £	2022 £
Within one year	1,402	-
Within two years	1,402	-
Within five years	3,155	-
	£ 5,959	£ -

YORK METHODIST CIRCUIT

England & Wales - Charity number 1134381

Accounts

**YORK METHODIST CIRCUIT
TRUSTEES' REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2022**



**HPH
Chartered Accountants
54 Bootham
YORK
YO30 7XZ**

**YORK METHODIST CIRCUIT
TRUSTEES' REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2022**

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**YORK METHODIST CIRCUIT
ANNUAL TRUSTEES' REPORT
FOR THE YEAR ENDED 31 AUGUST 2022**

The Trustees present their annual report together with the audited financial statements of the York Methodist Circuit for the year 1 September 2021 to 31 August 2022. The trustees have adopted the provisions of the Statement of Recommended Practice (SORP) "Accounting and Reporting by Charities" (FRS 102) in preparing the annual report and financial statements of the charity.

The financial statements have been prepared in accordance with the accounting policies set out in notes to the accounts 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 accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland published in October 2019.

REFERENCE AND ADMINISTRATIVE DETAILS OF THE CIRCUIT, ITS CIRCUIT MINISTERS AND ADVISERS

The Trustees who served the charity during the period and to the date of this report were as follows:

Circuit Ministers

Revd Steve Barlow (resigned September 2021)
Revd David Bidnell, Superintendent (appointed September 2021)
Revd Elizabeth Cushion
Revd Rory Dalgliesh
Revd Helen Freeston (resigned September 2021)
Revd John Hayward (appointed September 2021)
Revd Ian Hill (resigned August 2022)
Revd Andy Lindley
Revd John Schofield
Deacon Judith Stoddart

Local Preachers' representatives

Mr John Freeman

Circuit Stewards

Mrs Janet Bowling, Joint senior
Mrs Ruth Morrison, Joint senior (appointed September 2021)
Mr Nick Dawson, Treasurer
Mr Vic Paylor
Mr John Middleton (resigned August 2022)
Mrs Ann Smallwood (appointed December 2022)

Church Representatives to Circuit Council

Acaster Malbis - Graham Langton
Acomb – Janet Holdaway (appointed September 2021)
Alne - Robin Jackson (resigned August 2022)
Bishopthorpe - Mandy Brewer
Central – Philip Paul (appointed September 2021)
Clifton - Christopher Rouse
Clifton Moor - Emma Dearlove
Copmanthorpe - Russ Smallwood
Easingwold – Sue Gill
Haxby & Wigginton - Janet Bowling (resigned as Church Representative July 2022), John Freeman (appointed July 2022)
Heslington - Ruth Schofield
Hessay - Kathryn Wright
Heworth - David Thompson
Holgate - Mark Bevan

**YORK METHODIST CIRCUIT
ANNUAL TRUSTEES' REPORT
FOR THE YEAR ENDED 31 AUGUST 2022**

REFERENCE AND ADMINISTRATIVE DETAILS OF THE CIRCUIT, ITS CIRCUIT MINISTERS AND ADVISERS (continued)

Church Representatives to Circuit Council (continued)

Huby - Carole Smith (resigned August 2022)
Huntington – Peter Harrison (appointed September 2022)
Lidgett - Rosamond Carter
New Earswick - Elizabeth Jefferson (resigned August 2022)
Poppleton - Sheila Middleton
Rufforth - Karen Valentine
Sheriff Hutton - Eric Hayhurst
Southlands - Audrey Hawkes (resigned August 2022), David Whittaker (appointed September 2022)
Stamford Bridge - Catherine Richardson
Stillinglefleet - Jeanette Free (resigned August 2022)
Stillington - Robin Jackson (resigned August 2022)
Strensall - Michael Jinks (resigned September 2021), June Taylor (appointed September 2021)
Tholthorpe - John Lancaster (resigned August 2022)
Villages Together* – Sally Gall (appointed September 2022)
West Thorpe - Chris Jarratt

* Alne, Tholthorpe, Huby & Stillington churches amalgamated into Villages Together in September 2022. New Earswick & Stillinglefleet churches closed in August 2022.

Charity registered number

1134381

Principal office

York Methodist Circuit Hub, Melbourne Terrace Methodist Church, Cemetery Road, YORK, YO10 5AF

Independent auditor

HPH, Chartered Accountants, 54 Bootham, YORK, YO30 7XZ

Bankers

CAF Bank, 25 Kings Hill Avenue, Kings Hill, West Malling, KENT, ME19 4JQ

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

Investment managers and custodian trustees

Trustees for Methodist Church Purposes, Central Buildings, Oldham Street, MANCHESTER, M1 1JQ

OBJECTIVES AND ACTIVITIES

Policies and objectives

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

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

**YORK METHODIST CIRCUIT
ANNUAL TRUSTEES' REPORT
FOR THE YEAR ENDED 31 AUGUST 2022**

OBJECTIVES AND ACTIVITIES (continued)

In setting our objectives and planning our activities for the year, the Circuit Council meets about four times in each year and as managing trustees have considered the Charity Commission's guidance on public benefit and, the specific guidance on charities for the advancement of religion and conforms to the Charities Act 2011.

Details on how the Circuit carries out its activities for the public benefit are given in the sections on Achievements and Performance and Plans for the Future below.

Grant making policies

There are three types of grants paid by the Circuit, all of which are approved based on the applicants meeting certain criteria.

- Non-property grants are applied for by Churches from the Model Trust Money (MTM), the case must be presented in writing for consideration by the MTM Group which is then passed to the Circuit Council for approval.
- Small grants can be applied for in relation to training of Ministers, lay staff or church members. Applications are made to the Circuit Financial Steward.
- Property grants are dealt with through the Methodist Connexion by way of an online application system.

ACHIEVEMENTS AND PERFORMANCE

Main achievements of the Circuit

York continues to be a busy and lively circuit, with a number of specialist working groups which assist the Circuit Council and Circuit Stewards in particular areas of the Circuit's life. These include property, lay employment, care and repair of manses, and safeguarding. In addition, we form other groups where necessary, for example to organise events.

The Circuit Hub continues to operate in Melbourne Terrace and is fully opened up regularly now to host meetings and support staff. Parts of the Melbourne Terrace building are rented out to Blueberry Academy which is an organisation supporting people with learning difficulties.

During Covid restrictions we made regular use of digital resources to reach our members and the wider community via Zoom and streamed services on YouTube. We employed two Digital enablers on fixed contract to help us. The resources purchased and skills developed in that time will continue to be used in the future.

A rental licence agreement continues with CFO Activity Hub to use the premises at Trinity for another year. The CFO Activity Hub is a place for offenders who are supported by the Probation service, or serving community sentences, to receive support on an individual or group basis.

Two of our surplus manses are rented out via City of York Council for use by a Syrian family and a family with the Afghan resettlement scheme.

Several of our smaller churches have worked together to achieve a 'Villages Together' church to better support each other and their local communities.

The Circuit has set up a Circuit Eco Task Force to work towards achieving Eco Circuit status and support local churches who want to become eco churches.

**YORK METHODIST CIRCUIT
ANNUAL TRUSTEES' REPORT
FOR THE YEAR ENDED 31 AUGUST 2022**

ACHIEVEMENTS AND PERFORMANCE (continued)

Plans for the future

These are challenging times for our Circuit and our strategy will have to be modified in the light of financial issues. The Circuit Leadership Team is working on this, involving the wider circuit membership via the representatives from local churches.

The process of selling some of our properties is ongoing and that will assist in financing future projects. Two of our unused manses will continue to be rented to City of York Council for housing refugee families.

We hope to make the Circuit Hub available for other city centre needs in the near future. The Circuit Hub is currently being used by various agencies to support asylum seekers.

We plan to keep making use of digital resources to enhance access to worship and fellowship, building on successful previous circuit services and reach out to the wider community in York and beyond.

'Growing in Christ' continues to be our challenge. Churches have reopened and have resumed meeting the needs of local communities as far as they can. We will continue to support them through prayer and seeking God's guidance with our plans for the future.

FINANCIAL REVIEW

Review of results

The Circuit Account includes:

- The General Fund is the main operating account through which the expenditure and revenue for both operational and strategic purposes were handled.
- The Circuit Model Trust Fund which primarily arises from the sale of buildings no longer required within the Circuit. Under Conference directions the Fund can be used for any purpose supporting the mission of the Church. Applications have to be made to the Circuit Council.
- The various restricted funds which are detailed within the notes to the accounts.
- The endowment fund holds money which cannot be spent but must be retained (as capital) to generate an income.

There were no significant events during the year and the trustees of the Circuit have every reason to believe that the Circuit is a going concern, principally because Churches continue to meet the majority of the assessment and the Circuit has adequate reserves to cover a shortfall in anticipated income. The Trustees do not foresee any factors that will significantly affect the financial performance or position in the next year or two and for these reasons they continue to adopt the going concern basis in preparing the financial statements.

As at 31 August 2022 the Circuit held 16 (2021: 16) freehold properties being 11 manses; 30 The Village, Haxby; the former Melbourne Terrace Methodist Church buildings, the former Trinity Methodist Church building, the former Cornerstone (St Georges) church building and the former Dunnington Methodist Church building.

During the year the property at Dunnington came into possession of the Circuit, and the former Methodist Chapel at Husthwaite was sold. Subsequent to 31 August 2022 the former Methodist Church at Cornerstone and the manse at Headley Close were sold. In addition, the Yorkshire North and East District Synod approved the closure of New Earswick Church and Stillingfleet Chapel to take effect from September 2022 and Stamford Bridge Church to take effect in May 2023. The properties of these Churches will therefore revert to the Circuit upon closure.

The Circuit has the following principal sources of funds:

- Interest on investments
- The Circuit Model Trust Fund
- Assessments on Churches within the Circuit

These sums are used to administer and facilitate the work of the Circuit.

YORK METHODIST CIRCUIT
ANNUAL TRUSTEES' REPORT
FOR THE YEAR ENDED 31 AUGUST 2022

FINANCIAL REVIEW (continued)

Incoming resources for the year amounted to £890,987 (2021: £1,147,026). The total resources expended were £1,165,807 (2021: £1,056,285). After taking account of a loss on investment assets of £7,365 (2021: gain £13,910) and gains on property revaluations of £1,006,270 (2021: £320,347), the Circuit has a net surplus for the year of £724,085 (2021: £424,998).

After taking into account property acquisitions and disposals in the year, net cash outgoing totalled £151,756 (2021: £4,925). The free reserves held by the Circuit as at 31 August 2022 totalled £259,621 (2021: £433,879).

Reserves level and policy

The reserves policy for the York Methodist Circuit is to hold a sum equivalent to 6 months average unrestricted expenditure. Taking into account that some of the expenditure in the year is directly recharged to other Churches and the District, this amount is estimated to be in the region of £300,000. This is believed to be sufficient to meet any unforeseen item of major expenditure and/or be able to continue in the short term funding planned activities in the event of an inability to raise the full circuit assessment from churches. It is also necessary to hold sufficient funds to enable the payment of stipends and expenses for the ministers and lay workers and our contribution to the District and Connexion.

Free reserves, being those funds which are not restricted by the donor, designated as functional fixed assets by the Trustees or designated for a particular purpose by the Trustees, amounted to £259,621. The Trustees recognise that this is not in line with the reserves policy and have sold two properties since the year end to increase free reserves to a sufficient level to ensure the continued operation the Charity.

All funds are separately invested either in CFB (Central Finance Board) or TMCP (Trustees for Methodist Church Purposes). No money is directly invested in property, securities or other forms of investment. The Circuit Model Trust Fund, which primarily arises from the sale of buildings no longer required within the Circuit, can be used for any purpose supporting the mission of the Church. Applications have to be made to the Circuit Council.

Collaborative arrangements with connected charities

The Circuit's main source of funding is the assessment obtained from each Church within the Circuit based on membership, offerings, gift aid and lettings which is used to defray most of the cost of administering the Circuit.

It also meets the District and Connexional assessments.

There is a District levy on the Circuit Model Trust Fund based on the size of the fund at the start of the connexional year (1 September) and on manse replacement projects. In 2021/22 this sum was £10,131 (2020/21: £18,374) and was credited to the District Advance Fund.

Investment policy and performance

To comply with Methodist standing orders, monies for long term investment are held by the Trustees for Methodist Church Purposes (TMCP) who also act as Custodian Trustees for Circuit property, for all large bequests and for the proceeds of sale of any property formerly owned by the Circuit or Churches. These sums are invested in unitised investments or held on deposit. The investment returns are close to tracking the movements in the FTSE100 index. The deposit income mirrors the deposit rates available elsewhere. The Circuit Trustees' investment policy is aligned with that of the Central Finance Board (CFB) and TMCP because these organisations take into consideration the social, environmental and ethical considerations, both negatively and positively, that make investments suitable for the Methodist Church.

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

There are no bench marks for the expected returns or appreciation on investments at TMCP and CFB. It is the Circuit's policy to manage the cash and investment resources of the Circuit so that a rate of return on investment - both by way of capital appreciation and income - is obtained at least as good as market rate considering the Circuit's low appetite for risk.

**YORK METHODIST CIRCUIT
ANNUAL TRUSTEES' REPORT
FOR THE YEAR ENDED 31 AUGUST 2022**

FINANCIAL REVIEW (continued)

Going concern

The Trustees have prepared forecasts of income and expenditure for the period to 31 August 2023 and beyond and subjected these forecasts to sensitivity analysis which shows that they have sufficient reserves to be able to continue for the foreseeable future. They will continue to monitor the impact on income and take appropriate action as necessary.

As reported above the charity had free reserves of £259,621 at 31 August 2022. Two properties have been sold since the year end to increase the level of free reserves and the Trustees have agreed to sell the properties at Stillingfleet, New Earswick and Trinity.

For the reasons set out above the trustees therefore continue to adopt the going concern basis of preparation for these financial statements.

STRUCTURE, GOVERNANCE AND MANAGEMENT

Constitution

The charity is unincorporated and is governed under Deed of Union (1932) and the Methodist Church Act (1976) and was registered with the Charity Commission in 2010.

Methods of appointment or election of Trustees

The management of the Circuit is the responsibility of the Trustees who are elected and co-opted under the terms of the constitution.

Induction and training of Trustees

A range of guidance is produced by the Methodist Connexion and the leaflet 'The Role of a Trustee in The Methodist Church' is given to each Trustee.

In this year the Circuit was staffed by 10 Ministers (2021: 11) and 7 Lay Employees (2021: 7).

Structure

The Circuit is part of the Yorkshire North & East District and is accountable to the Methodist Conference. It pays the stipends of the ministers and employs lay staff. The Methodist Conference meets once each year as the supreme denominational body for all Methodist Churches.

- Overall regulatory authority rests with the Methodist Conference.
- The Connexional Office implements decisions made by Conference and is also responsible for the stationing of presbyters and deacons in the Circuit.
- Conference decisions are passed through the District to the Circuit for implementation by the Superintendent Minister, ministerial staff and Circuit Stewards, and authority is delegated to the Circuit Council for certain matters.
- The Circuit communicates Conference decisions to local Churches to implement as independent charities, where appropriate.

The following Methodist Churches were linked to the Circuit during the year: Acaster Malbis, Acomb, Alne, Bishopthorpe, Central, Clifton, Clifton Moor Local Ecumenical Project (LEP), Copmanthorpe, Easingwold, Haxby & Wigginton, Heslington LEP, Hessay, Heworth, Holgate, Huby, Huntington (including Thornton-Le-Clay), Lidgett Grove, New Earswick, Poppleton, Rufforth, Sherriff Hutton, Southlands, Stamford Bridge, Stillingfleet, Stillington, Strensall, Tholthorpe, and West Thorpe.

The Yorkshire and North East District Synod has given permission for the Churches at New Earswick and Stillingfleet to cease worship with effect from 31 August 2022 and for Stamford Bridge to cease worship in May 2023. In addition, from 1 September 2022 the Churches at Alne, Huby, Stillington and Tholthorpe have combined to form a single Church called The Villages.

YORK METHODIST CIRCUIT
ANNUAL TRUSTEES' REPORT
FOR THE YEAR ENDED 31 AUGUST 2022

STRUCTURE, GOVERNANCE AND MANAGEMENT (continued)

Purpose of the Circuit

The Circuit is an expression, over a wider geographical area than the local Church, of the Connexional character of the Church.

The primary purpose of this Circuit is to advance the mission of the Church in York and the surrounding area:

- by providing opportunities for Churches to work together and support each other
- by offering support and expertise.

The Circuit serves the Local Churches and the Conference in the support, deployment and oversight of the various ministries of the Church, and in programmes of training.

Governance

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

The Circuit operates within standing orders Section 58 (Circuits with Modified Constitutions) set up in September 2013 for the running of the York Circuit of the Methodist Church and which was updated in July 2018. The Circuit Council which replaced the Circuit Meeting includes an elected representative from each Church. This group meets every three months and is the decision making body for the circuit.

The Trustees are appointed by local churches and existing trustees. Ministers and Circuit Stewards are automatically trustees.

Risk management

The Trustees have assessed the major risks to which the Circuit is exposed, in particular those related to the operations and finances of the Circuit, and are satisfied that systems and procedures are in place to mitigate our exposure to the major risks.

The Circuit identifies and monitors the key risks it faces, which are held on a risk register. The main risks and mitigations have been identified as follows:

- Financial impact from the loss of weekly collections and lettings income for Churches. Although this is a matter for individual Churches, the consequential impact will be on the level of assessment collected by the Circuit. The ongoing effects of Covid have been seen in reduced church attendance and several churches closing, which has an impact on the assessment and mitigating actions are being discussed by the Circuit Leadership Team (CLT).
- Ongoing risk around future assessment, and the ability of Churches to continue to make their payments. This risk is always present and is managed through ongoing dialogue with Churches about their assessment for future years. This includes an annual meeting with Church Treasurers.
- There is always an ongoing risk around safeguarding, and this is managed through DBS checks and mandatory training for volunteers. The Circuit's approach to this is outlined in a separate Safeguarding Policy.
- There is a risk that there will be insufficient Ministerial staff over the next five years to meet the needs of the Circuit. This has been addressed with the appointment of several Local Pastors to work alongside ministerial staff, and through plans for the redeployment of existing ministerial staff to new areas within the Circuit.
- Delays in selling Church property could result in Circuit reserves being depleted faster than planned. This is managed through the employment of a full-time Resources Manager who is employed to ensure all processes and procedures are followed, and to manage issues that prevent or delay the successful sale of Church property.

**YORK METHODIST CIRCUIT
ANNUAL TRUSTEES' REPORT
FOR THE YEAR ENDED 31 AUGUST 2022**

STRUCTURE, GOVERNANCE AND MANAGEMENT (continued)

Responsibilities of the Circuit

- to formulate and promote policies which will advance the mission of the Church in the Circuit and Local Churches and, in particular, to supervise the use of resources of personnel, property and finance and to assist Local Churches where necessary.
- to encourage inter-Church and ecumenical co-operation.
- to keep within its purview all Circuit concerns not dealt with elsewhere.
- to contribute and respond, as the case may be, to the development of Connexional policies as reflected in the work of the Conference and to carry out its other responsibilities with any such developments in mind.
- to consider potential risks and take professional advice as required. There is regular review process.
- to adopt a Safeguarding Policy and ensured it is rolled out to the Churches.
- to be constantly aware of the public benefit guidance issued by the Charity Commission.

Information on fundraising practices

The charity has not carried out any fundraising activities in the year nor has it instructed any persons on its behalf to do this.

STATEMENT OF TRUSTEES' RESPONSIBILITIES

The Trustees are responsible for preparing the Trustees' report and the 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 & Wales requires the Trustees to prepare financial statements for each financial which give a true and fair view of the state of affairs of the Circuit and of its incoming resources and application of resources, including its income and expenditure, for that period. In preparing these financial statements, the Trustees are required to:

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles of the Charities SORP (FRS 102);
- make judgments and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards (FRS 102) have been followed, subject to any material departures disclosed and explained in the financial statements;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Circuit will continue in business.

The Trustees are responsible for keeping adequate accounting records that are sufficient to show and explain the Circuit's transactions and 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 Charities Act 2011, the Charity (Accounts and Reports) Regulations 2008 and the provisions of the Trust deed. 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.

Disclosure of information to the auditor

Each of the persons who are Trustees at the time when this Trustees' report is approved has confirmed that:

- so far as that Trustee is aware, there is no relevant audit information of which the charity's auditor is unaware, and
- that Trustee has taken all the steps that ought to have been taken as a Trustee in order to be aware of any relevant audit information and to establish that the charity's auditor is aware of that information.

Approved by order of the members of the board of Trustees and signed on their behalf by:

Revd David Bidnell, Superintendent

Date: 13 June 2023

INDEPENDENT AUDITOR'S REPORT TO THE TRUSTEES OF YORK METHODIST CIRCUIT

Opinion

We have audited the financial statements of York Methodist Circuit for the year ended 31 August 2022, which comprise the Statement of Financial Activities, Balance Sheet, Cash Flow Statement 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 2022 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

In auditing the financial statements, we have concluded that the trustees' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the charity's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

Our responsibilities and the responsibilities of the trustees with respect to going concern are described in the relevant sections of this report.

Other information

The trustees are responsible for the other information contained within the annual report. The other information comprises the information included in the annual 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 we do not express any form of assurance conclusion thereon.

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 this gives rise to a material misstatement in the financial statements themselves. 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.

INDEPENDENT AUDITOR'S REPORT TO THE TRUSTEES OF YORK METHODIST CIRCUIT

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 trustees' report; or
- sufficient accounting records have not been kept; or
- the financial statements are not in agreement with the accounting records and returns; or
- we have not received all the information and explanations we require for our audit

Responsibilities of Trustees

As explained more fully in the trustees' responsibilities statement set out on page 8, the trustees are responsible for the preparation of the financial statements and for being satisfied that they 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 the Act and relevant regulations made or having effect thereunder.

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.

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below:

We obtained an understanding of the legal and regulatory frameworks within which the charity operates, focusing on those laws and regulations that have a direct effect on the determination of material amounts and disclosures in the financial statements. The laws and regulations we considered in this context were the the Charities SORP (FRS102) 2019. We assessed the required compliance with these laws and regulations as part of our audit procedures on the related financial statement items.

In addition, we considered provisions of other laws and regulations that do not have a direct effect on the financial statements but compliance with which might be fundamental to the charity's ability to operate or to avoid a material penalty. We also considered the opportunities and incentives that may exist within the charity for fraud. The laws and regulations we considered in this context for the UK operations were Employment legislation, Charity Commission regulations and General Data Protection Regulation (GDPR).

INDEPENDENT AUDITOR'S REPORT TO THE TRUSTEES OF YORK METHODIST CIRCUIT

Auditor's responsibilities for the audit of the financial statements (continued)

Auditing standards limit the required audit procedures to identify non-compliance with these laws and regulations to enquiry of the Trustees and other management and inspection of regulatory and legal correspondence, if any.

We identified the greatest risk of material impact on the financial statements from irregularities, including fraud, to be the override of controls by management and income recognition. Our audit procedures to respond to these risks included enquiries of management about their own identification and assessment of the risks of irregularities, proof in total testing of assessment income, detailed substantive testing on the completeness of other sources of income and reading minutes of meetings of those charged with governance.

Owing to the inherent limitations of an audit, there is an unavoidable risk that we may not have detected some material misstatements in the financial statements, even though we have properly planned and performed our audit in accordance with auditing standards. We are not responsible for preventing non-compliance and cannot be expected to detect non-compliance with all laws and regulations.

These inherent limitations are particularly significant in the case of misstatement resulting from fraud as this may involve sophisticated schemes designed to avoid detection, including deliberate failure to record transactions, collusion or the provision of intentional misrepresentations.

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 trustees 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.

.....
HPH
Chartered Accountants
54 Bootham
YORK
YO30 7XZ

13 June 2023

HPH is eligible to act as auditor in terms of section 1212 of the Companies Act 2006.

YORK METHODIST CIRCUIT
STATEMENT OF FINANCIAL ACTIVITIES
FOR THE YEAR ENDED 31 AUGUST 2022

	Note	Unrestricted Funds 2022 £	Restricted Funds 2022 £	Endowment Funds 2022 £	Total Funds 2022 £	Total Funds 2021 £
Income and endowments from:						
Donations and legacies	4	89,243	650	-	89,893	414,849
Charitable activities	5	587,162	137,742	-	724,904	673,885
Other trading activities	6	70,623	-	-	70,623	51,475
Investments	7	4,380	1,026	13	5,419	3,514
Other income	8	148	-	-	148	3,303
Total income and endowments		751,556	139,418	13	890,987	1,147,026
Expenditure on:						
Raising funds:						
Internal organisations		-	61,920	-	61,920	61,410
Charitable activities	9	1,101,815	2,071	1	1,103,887	994,875
Total expenditure		1,101,815	63,991	1	1,165,807	1,056,285
Net (losses)/gains on investments		(4,675)	(2,657)	(33)	(7,365)	13,910
Net (expenditure)/income		(354,934)	72,770	(21)	(282,185)	104,651
Transfers between funds	18	1,917	(1,905)	(12)	-	-
Net movement in funds before other recognised (losses)/gains		(353,017)	70,865	(33)	(282,185)	104,651
Gains on revaluation of fixed assets	13	1,006,270	-	-	1,006,270	320,347
Net movement in funds		£ 653,253	£ 70,865	£ (33)	£ 724,085	£ 424,998
Reconciliation of funds:						
Total funds brought forward		6,509,843	258,051	521	6,768,415	6,343,417
Net movement in funds		653,253	70,865	(33)	724,085	424,998
Total funds carried forward		£ 7,163,096	£ 328,916	£ 488	£ 7,492,500	£ 6,768,415

The statement of financial activities includes all gains and losses recognised in the year.

The notes on pages 15 to 28 form part of these financial statements.

YORK METHODIST CIRCUIT
BALANCE SHEET
AS AT 31 AUGUST 2022

	Note	2022 £	2021 £
Fixed assets			
Tangible assets	13	6,749,726	5,848,456
Investments	14	76,613	83,978
		<u>6,826,339</u>	<u>5,932,434</u>
Current assets			
Debtors	15	24,257	80,520
Cash at bank and in hand		822,322	974,078
		<u>846,579</u>	<u>1,054,598</u>
Creditors: amounts falling due within one year	16	(180,418)	(218,617)
Net current assets		<u>666,161</u>	<u>835,981</u>
Total net assets		<u>7,492,500</u>	<u>6,768,415</u>
Charity funds			
Endowment funds	17	488	521
Restricted funds	17	328,916	258,051
<i>Unrestricted funds:</i>			
Free reserves	17	259,621	433,879
Designated funds	17	6,903,475	6,075,964
Total funds		<u>7,492,500</u>	<u>6,768,415</u>

The financial statements were approved and authorised for issue by the Trustees on 13 June 2023 and signed on their behalf by:

Revd David Bidnell, Superintendent

The notes on pages 15 to 28 form part of these financial statements.

YORK METHODIST CIRCUIT
STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 AUGUST 2022

	Note	2022 £	2021 £
Cash flows from operating activities			
Net cash used in operating activities	20	(262,175)	(8,439)
Cash flows from investing activities:			
Dividends and interest from investments		5,419	3,514
Proceeds from the sale of tangible fixed assets		105,000	-
Net cash provided by investing activities		110,419	3,514
Change in cash and cash equivalents in the year		(151,756)	(4,925)
Cash and cash equivalents at the beginning of the year		974,078	979,003
Cash and cash equivalents at the end of the year		£ 822,322	£ 974,078

The notes on pages 15 to 28 form part of these financial statements

YORK METHODIST CIRCUIT
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2022

1. GENERAL INFORMATION

The York Methodist Circuit is an unincorporated charity registered in England and Wales. The address of the registered office is given in the charity information on page 2 of these financial statements. The nature of the charity's operations and activities are those of a Methodist Circuit.

2. ACCOUNTING POLICIES

a) *Basis of preparation of the financial statements*

The financial statements have been prepared in accordance with Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (effective 1 January 2019) - (Charities SORP (FRS 102)), and the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) and UK Generally Accepted Accounting Practice.

The financial statements have been prepared to give a 'true and fair' view and have departed from the Charities (Accounts and Reports) Regulations 2008 only to the extent required to provide a 'true and fair' view. This departure has involved following the Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland issued in October 2019 rather than the Accounting and Reporting by Charities: Statement of Recommended Practice effective from 1 April 2005 which has since been withdrawn.

York Methodist Circuit meets the definition of a public benefit entity under FRS 102.

The financial statements are prepared on a going concern basis under the historical cost convention, modified to include certain items at fair value. Assets and liabilities are initially recognised at historical cost or transaction value unless otherwise stated in the relevant accounting policy. The financial statements are presented in sterling which is the functional currency of the charity and rounded to the nearest £.

The significant accounting policies applied in the preparation of these financial statements are set out below. These policies have been consistently applied to all years presented unless otherwise stated.

b) *Going Concern*

The Trustees have prepared forecasts of income and expenditure for the period to 31 August 2023 and beyond and subjected these forecasts to sensitivity analysis which shows that they have sufficient reserves to be able to continue for the foreseeable future. Furthermore, the Trustees have not identified any material uncertainties which in their view cast a significant doubt over the going concern of the Circuit. They will continue to monitor the impact on income and take appropriate action as necessary. The Trustees therefore continue to adopt the going concern basis of preparation for these financial statements.

c) *Income*

All income is recognised once the Circuit has entitlement to the income, it is probable that the income will be received and the amount of income receivable can be measured reliably.

The recognition of income from legacies is dependent on establishing entitlement, the probability of receipt and the ability to estimate with sufficient accuracy the amount receivable. Evidence of entitlement to a legacy exists when the Circuit has sufficient evidence that a gift has been left to them (through knowledge of the existence of a valid will and the death of the benefactor) and the executor is satisfied that the property in question will not be required to satisfy claims in the estate. Receipt of a legacy is recognised when it is probable that it will be received and the fair value of the amount receivable, which will generally be the expected cash amount to be distributed to the Circuit, can be reliably measured.

YORK METHODIST CIRCUIT
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2022 (CONTINUED)

2. ACCOUNTING POLICIES (CONTINUED)

d) *Expenditure*

Expenditure is recognised when a liability is incurred, or a constructive obligation arises that results in the payment being unavoidable. Resources expended include attributable VAT which cannot be recovered.

Expenditure is accounted for on an accruals basis. All expenses including support costs and governance costs are allocated to the applicable expenditure headings.

Expenditure on charitable activities is incurred on directly undertaking the activities which further the Circuit's objectives, as well as any associated support costs.

e) *Interest receivable*

Interest on funds held on deposit is included when receivable and the amount can be measured reliably by the Circuit; this is normally upon notification of the interest paid or payable by the institution with whom the funds are deposited.

f) *Taxation*

As a charity, York Methodist Circuit is exempt from tax on income and gains falling within the available tax exemptions to the extent that these are applied to its charitable objects. No direct tax charges have arisen in the charity. The Circuit suffers VAT on expenses which is not recoverable.

g) *Tangible fixed assets and depreciation*

Freehold property:

Tangible fixed assets are initially recognised at cost. After recognition, under the revaluation model, tangible fixed assets whose fair value can be measured reliably shall be carried at a revalued amount, being their fair value at the date of revaluation less any subsequent accumulated depreciation and subsequent accumulated impairment losses.

Revaluations are made with sufficient regularity to ensure that the carrying amount does not differ materially from that which would be determined using fair value at the end of the reporting date.

Fair values are determined from market-based evidence by appraisal with reference to local, similar property sales and the ONS Property Index. If there is no market-based evidence of fair value because of the specialised nature of the tangible fixed asset and it is rarely sold, except as part of a contributing business, fair value is estimated using an income or depreciated replacement cost approach.

Gains and losses on revaluation are recognised in the Statement of Financial Activities (SOFA), with a separate revaluation reserve being shown in the Statement of funds note.

Depreciation is not provided on freehold properties as it is the Circuit's policy to maintain the property in good repair. Consequently, the trustees consider the life of the properties to be so long that there is no significant annual depreciation.

Items costing less than £5,000 are written off as an expense as acquired and are not capitalised.

h) *Investments*

Fixed asset investments are a form of financial instrument and are initially recognised at their transaction cost and subsequently measured at fair value at the Balance sheet date, unless the value cannot be measured reliably in which case it is measured at cost less impairment. Investment gains and losses, whether realised or unrealised, are combined and presented as 'Gains/(Losses) on investments' in the SOFA.

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.

i) *Debtors*

Trade and other debtors are recognised at the settlement amount due after any trade discount offered. Prepayments are valued at the amount prepaid net of any trade discounts due.

j) *Cash at bank and in hand*

Cash at bank and cash in hand includes cash and short term highly liquid investments with a short maturity of three months or less from the date of acquisition or opening of the deposit or similar account.

YORK METHODIST CIRCUIT
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2022 (CONTINUED)

2. ACCOUNTING POLICIES (CONTINUED)

k) Creditors and provisions

Creditors and provisions are recognised when there is an obligation at the Balance sheet date as a result of a past event, it is probable that a transfer of economic benefit will be required in settlement, and the amount of the settlement can be estimated reliably.

Creditors and provisions are recognised at the amount that the Circuit anticipates it will pay to settle the debt or the amount it has received as advanced payments for the goods or services it must provide.

l) Financial instruments

The Circuit 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.

m) Employee benefits

When employees have rendered service to the Circuit, short-term employee benefits to which the employees are entitled are recognised at the undiscounted amount expected to be paid in exchange for that service.

The Circuit operates a defined contribution pension scheme and the pension charge represents the amounts payable by the Circuit to the fund in respect of the year.

n) Fund accounting

General funds are unrestricted funds which are available for use at the discretion of the Trustees in furtherance of the general objectives of the Circuit and which have not been designated for other purposes.

Designated funds comprise unrestricted funds that have been set aside by the Trustees for particular purposes. The aim and use of each designated fund is set out in the notes to the financial statements.

Restricted funds are funds which are to be used in accordance with specific restrictions imposed by donors or which have been raised by the Circuit for particular purposes. The costs of raising and administering such funds are charged against the specific fund. The aim and use of each restricted fund is set out in the notes to the financial statements.

Endowment funds are expendable funds which are held on trust to be retained for the benefit of the charity as a capital fund. Any capital gains or losses arising on the investments form part of the fund. Investment management charges and legal advice relating to the fund are charged against the fund.

Investment income, gains and losses are allocated to the appropriate fund.

3. CRITICAL ACCOUNTING ESTIMATES AND AREAS OF JUDGEMENT

Estimates and judgments are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

Critical accounting estimates and assumptions:

The Circuit makes estimates and assumptions concerning the future. The resulting accounting estimates and assumptions will, by definition, seldom equal the related actual results. The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are discussed below.

The main assumption concerning the future of the Circuit is that the assessment income will continue to be sufficient to meet the costs of stipends, salaries and manse maintenance. The annual budget, approved by the Circuit meeting, includes sums necessary for covering these costs. This is then allocated among each Church in the Circuit, hence the income is dependent upon the Churches' ability to meet the assessment.

YORK METHODIST CIRCUIT
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2022 (CONTINUED)

4. INCOME FROM DONATIONS AND LEGACIES

	Unrestricted Funds £	Restricted Funds £	2022 £	2021 £
Assets transferred from ceasing churches	9,807	-	9,807	306,450
Grants	79,436	650	80,086	106,003
Donations, including Gift Aid	-	-	-	2,396
	<u>£ 89,243</u>	<u>£ 650</u>	<u>£ 89,893</u>	<u>£ 414,849</u>

In 2021 income from donations and legacies amounting to £13,700 related to restricted funds.

5. INCOME FROM CHARITABLE ACTIVITIES

	Unrestricted Funds £	Restricted Funds £	2022 £	2021 £
Circuit assessment	525,351	-	525,351	516,098
Internal organisations	1,659	137,742	139,401	110,478
Recharge for Lay Workers	60,152	-	60,152	47,309
	<u>£ 587,162</u>	<u>£ 137,742</u>	<u>£ 724,904</u>	<u>£ 673,885</u>

In 2021 income from charitable activities amounting to £108,458 related to restricted funds.

6. INCOME FROM OTHER TRADING ACTIVITIES

Income from non charitable trading activities

	Unrestricted Funds £	2022 £	2021 £
Lettings	69,701	69,701	49,244
Other income	922	922	2,231
	<u>£ 70,623</u>	<u>£ 70,623</u>	<u>£ 51,475</u>

In 2021 all income from other trading activities related to unrestricted funds.

7. INVESTMENT INCOME

	Unrestricted Funds £	Restricted Funds £	Endowment Funds £	2022 £	2021 £
Central Finance Board	225	-	-	225	293
Other investments	4,155	1,026	13	5,194	3,221
	<u>£ 4,380</u>	<u>£ 1,026</u>	<u>£ 13</u>	<u>£ 5,419</u>	<u>£ 3,514</u>

In 2021 income from investments amounting to £659 related to restricted funds and £8 to endowment funds.

YORK METHODIST CIRCUIT
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2022 (CONTINUED)

8. OTHER INCOMING RESOURCES

	Unrestricted Funds	2022	2021
Coronavirus job retention scheme grant income	£ 148	£ 148	£ 3,303

In 2021 all other income related to unrestricted funds.

9. ANALYSIS OF EXPENDITURE ON CHARITABLE ACTIVITIES

Summary by fund type

	Unrestricted Funds £	Restricted Funds £	Endowment Funds £	2022 £	2021 £
Stipends, salaries, NIC & pension costs	573,731	-	-	573,731	554,283
District assessment	132,984	-	-	132,984	126,652
Administration, telephone & travel	31,504	-	-	31,504	31,693
Insurance, utilities, etc	65,626	-	-	65,626	38,951
Maintenance of manses	20,558	-	-	20,558	44,409
Expenditure on other Circuit property	49,812	-	-	49,812	11,087
Other expenditure	180,356	671	1	181,028	44,550
Grants & donations	43,250	1,400	-	44,650	39,876
Contribution to District Advance Fund	10,131	-	-	10,131	18,374
Connexional levy	(6,137)	-	-	(6,137)	85,000
	<u>£1,101,815</u>	<u>£ 2,071</u>	<u>£ 1</u>	<u>£ 1,103,887</u>	<u>£ 994,875</u>

In 2021 expenditure amounting to £71 related to restricted funds and £1 related to endowment funds.

10. AUDITOR'S REMUNERATION

	2022	2021
Auditor's remuneration - audit	£ 6,213	£ 5,700

11. TRUSTEES' REMUNERATION AND EXPENSES

During the year, 9 Trustees, who are Circuit Ministers, have been paid remuneration amounting to £265,967 (2021: 10 Trustees - £305,625).

During the year ended 31 August 2022, expenses totalling £13,109 were reimbursed or paid directly to 8 Trustees (2021: £14,225 to 10 Trustees) in relation to travel and other expenses incurred on Circuit work.

YORK METHODIST CIRCUIT
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2022 (CONTINUED)

12. STAFF COSTS

	2022	2021
	£	£
Wages and salaries	468,350	447,938
Social security costs	38,084	36,175
Contribution to defined contribution pension schemes	67,297	70,170
	<u>£ 573,731</u>	<u>£ 554,283</u>

The average number of persons employed by the Circuit during the year was as follows:

	2022	2021
	No.	No.
Stipendiary clergy	10	10
Other Circuit staff	13	13
	<u>23</u>	<u>23</u>

No employee received remuneration amounting to more than £60,000 in either year.

The total key management personnel remuneration for the year totalled £38,316 (2021: £37,794). The Circuit considers its key management personnel comprises of the Superintendent and Circuit Stewards.

YORK METHODIST CIRCUIT
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2022 (CONTINUED)

13. TANGIBLE FIXED ASSETS

	Freehold property £
<i>Cost or valuation</i>	
At 1 September 2021	5,848,456
Disposals	(105,000)
Revaluation	1,006,270
At 31 August 2022	<u>6,749,726</u>
<i>Net book value</i>	
At 31 August 2022	<u>£ 6,749,726</u>
At 31 August 2021	<u>£ 5,848,456</u>

Freehold land and buildings have been revalued at the year end to fair value. The fair value of residential property is calculated with reference to local property markets and changes to property values in line with the ONS Property Index. Where there is not an active market for freehold property, for example in relation to chapels held by the Circuit, a fair value has been arrived at based on surveyors' reports undertaken by Stephenson's Estate Agents LLP dating between 2016 and 2020.

The Circuit has adopted a policy of revaluation for tangible fixed assets. Had these assets been measured at historic cost, the carrying values would have been as follows. Where actual historic costs are unavailable, a deemed cost equivalent to the 31 August 2015 insurance rebuild valuation has been adopted in line with guidance on the introduction of SORP (FRS 102).

	2022	2021
Freehold property	<u>£ 4,056,090</u>	<u>£ 4,056,090</u>

YORK METHODIST CIRCUIT
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2022 (CONTINUED)

14. FIXED ASSET INVESTMENTS

	Other Investments £
<i>Cost or valuation</i>	
At 1 September 2021	83,978
Revaluations	(7,365)
At 31 August 2022	76,613
<i>Net book value</i>	
At 31 August 2022	£ 76,613
At 31 August 2021	£ 83,978

The historic cost of investments held at the year end was £57,312 (2021: £57,312).

15. DEBTORS

	2022 £	2021 £
<i>Due within one year</i>		
Other debtors	21,757	28,020
Loans	2,500	52,500
	£ 24,257	£ 80,520

16. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2022 £	2021 £
Trade creditors	2,483	-
Other creditors	6,396	5,700
Income in advance	108,539	127,917
Provision for Connexional levy on the sale of property	63,000	85,000
	£ 180,418	£ 218,617

YORK METHODIST CIRCUIT
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2022 (CONTINUED)

17. STATEMENT OF FUNDS

Statement of funds - current year

	At 1 September 2021 £	Income £	Expenditure £	Transfers in/(out) £	Gains/ (losses) £	At 31 August 2022 £
Unrestricted funds						
<i>Designated funds</i>						
Shipton Mission and Transformation Fund	144,158	-	(15,409)	-	-	128,749
Property cost	4,056,090	-	-	-	-	4,056,090
Revaluation reserve	1,792,366	-	-	(105,000)	1,006,270	2,693,636
Approved Circuit Model Trust Funds	83,350	-	(7,600)	(50,750)	-	25,000
	<u>6,075,964</u>	<u>-</u>	<u>(23,009)</u>	<u>(155,750)</u>	<u>1,006,270</u>	<u>6,903,475</u>
General funds	<u>433,879</u>	<u>751,556</u>	<u>(1,078,806)</u>	<u>157,667</u>	<u>(4,675)</u>	<u>259,621</u>
Total Unrestricted funds	<u>6,509,843</u>	<u>751,556</u>	<u>(1,101,815)</u>	<u>1,917</u>	<u>1,001,595</u>	<u>7,163,096</u>
<i>Endowment funds</i>						
Endowment fund	521	13	(1)	(12)	(33)	488
<i>Restricted funds</i>						
Supernumerary House Fund	42,290	1,026	(121)	(905)	(2,657)	39,633
Carecent	202,061	137,742	(61,920)	-	-	277,883
All Churches Trust Limited	13,700	-	(1,950)	(1,000)	-	10,750
Walk to Talk York	-	650	-	-	-	650
	<u>258,051</u>	<u>139,418</u>	<u>(63,991)</u>	<u>(1,905)</u>	<u>(2,657)</u>	<u>328,916</u>
Total of funds	<u>£6,768,415</u>	<u>£ 890,987</u>	<u>£ (1,165,807)</u>	<u>£ -</u>	<u>£ 998,905</u>	<u>£7,492,500</u>

YORK METHODIST CIRCUIT
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2022 (CONTINUED)

17. STATEMENT OF FUNDS (continued)

Statement of funds - prior year

	At 1 September 2020 £	Income £	Expenditure £	Transfers in/(out) £	Gains £	At 31 August 2021 £
Unrestricted funds						
<i>Designated funds</i>						
Shipton Mission and Transformation Fund	177,797	-	(33,639)	-	-	144,158
Property cost	-	-	-	4,056,090	-	4,056,090
Revaluation reserve	-	-	-	1,472,019	320,347	1,792,366
Approved Circuit Model Trust Funds	-	-	-	83,350	-	83,350
	<u>177,797</u>	<u>-</u>	<u>(33,639)</u>	<u>5,611,459</u>	<u>320,347</u>	<u>6,075,964</u>
<i>General funds</i>						
General funds	4,694,917	1,024,201	(961,164)	(4,331,345)	7,270	433,879
Revaluation reserve	1,279,519	-	-	(1,279,519)	-	-
	<u>5,974,436</u>	<u>1,024,201</u>	<u>(961,164)</u>	<u>(5,610,864)</u>	<u>7,270</u>	<u>433,879</u>
Total Unrestricted funds	<u>6,152,233</u>	<u>1,024,201</u>	<u>(994,803)</u>	<u>595</u>	<u>327,617</u>	<u>6,509,843</u>
<i>Endowment funds</i>						
Endowment fund	440	8	(1)	(7)	81	521
<i>Restricted funds</i>						
Supernumerary House Fund	35,731	659	(71)	(588)	6,559	42,290
Carecent	155,013	108,458	(61,410)	-	-	202,061
All Churches Trust Limited	-	13,700	-	-	-	13,700
	<u>190,744</u>	<u>122,817</u>	<u>(61,481)</u>	<u>(588)</u>	<u>6,559</u>	<u>258,051</u>
Total of funds	<u>£ 6,343,417</u>	<u>£ 1,147,026</u>	<u>£ (1,056,285)</u>	<u>-</u>	<u>£ 334,257</u>	<u>£ 6,768,415</u>

YORK METHODIST CIRCUIT
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2022 (CONTINUED)

17. STATEMENT OF FUNDS (continued)

Fund descriptions

Unrestricted funds

The General Fund is the main operating account through which the expenditure and revenue for both operational and strategic purposes are handled.

Approved Circuit Model Trust Funds are monies which have been approved by the Circuit Council to be paid out to Churches as MTM grants.

The Revaluation reserve represents the difference between property held at valuation and its associated historic cost to the circuit.

The Shipton Mission and Transformation Fund provides finance for local Church, small-scale mission projects, for circuit-led new forms of worship and Church, and for facilitating the work of the Circuit through information technology.

Endowment funds

The income from the Endowment is expendable. The net income after expenditure is transferred to unrestricted funds. The capital of very small endowment funds may be expended with Connexional approval.

Restricted funds

Carecent is an internal organisation helping disadvantaged members of the community.

All Churches Trust Limited relates to a grant received to be spent on developing the digital capacity of Churches.

The Supernumerary House Fund is for the support of a lay worker in the Circuit.

Walk to Talk York Fund relates to a grant received to help fund the creation of a podcast.

Transfers

Transfers were made out of the Endowment fund and Supernumerary House Fund into the General fund in relation to the surplus made on each fund during the year in relation to the investment income received.

Transfers were made in to and out of the revaluation reserve in relation to the disposals and revaluations of property during the year.

Transfers were made from General Funds to Approved Circuit Model Trust Funds in relation to grants payable approved by the Circuit Council.

18. SUMMARY OF FUNDS

Summary of funds - current year

	At 1 September 2021 £	Income £	Expenditure £	Transfers in/(out) £	Gains/ (losses) £	At 31 August 2022 £
Designated funds	6,075,964	-	(23,009)	(155,750)	1,006,270	6,903,475
General funds	433,879	751,556	(1,078,806)	157,667	(4,675)	259,621
Endowment funds	521	13	(1)	(12)	(33)	488
Restricted funds	258,051	139,418	(63,991)	(1,905)	(2,657)	328,916
	<u>£ 6,768,415</u>	<u>£ 890,987</u>	<u>£ (1,165,807)</u>	<u>£ -</u>	<u>£ 998,905</u>	<u>£ 7,492,500</u>

YORK METHODIST CIRCUIT
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2022 (CONTINUED)

18. SUMMARY OF FUNDS (CONTINUED)

Summary of funds - prior year

	At 1 September 2020 £	Income £	Expenditure £	Transfers in/(out) £	Gains £	At 31 August 2021 £
Designated funds	177,797	-	(33,639)	5,611,459	320,347	6,075,964
General funds	5,974,436	1,024,201	(961,164)	(5,610,864)	7,270	433,879
Endowment funds	440	8	(1)	(7)	81	521
Restricted funds	190,744	122,817	(61,481)	(588)	6,559	258,051
	<u>£ 6,343,417</u>	<u>£ 1,147,026</u>	<u>£ (1,056,285)</u>	<u>£ -</u>	<u>£ 334,257</u>	<u>£ 6,768,415</u>

19. ANALYSIS OF NET ASSETS BETWEEN FUNDS

Analysis of net assets between funds - current period

	Unrestricted funds 2022 £	Designated funds 2022 £	Restricted funds 2022 £	Endowment funds 2022 £	Total funds 2022 £
Tangible fixed assets	-	6,749,726	-	-	6,749,726
Fixed asset investments	36,492	-	39,633	488	76,613
Current assets	403,547	153,749	289,283	-	846,579
Creditors due within one year	(180,418)	-	-	-	(180,418)
Total	<u>£ 259,621</u>	<u>£ 6,903,475</u>	<u>£ 328,916</u>	<u>£ 488</u>	<u>£ 7,492,500</u>

Analysis of net assets between funds - prior period

	Unrestricted funds 2021 £	Designated funds 2021 £	Restricted funds 2021 £	Endowment funds 2021 £	Total funds 2021 £
Tangible fixed assets	-	5,848,456	-	-	5,848,456
Fixed asset investments	41,167	-	42,290	521	83,978
Current assets	611,329	227,508	215,761	-	1,054,598
Creditors due within one year	(218,617)	-	-	-	(218,617)
Total	<u>£ 433,879</u>	<u>£ 6,075,964</u>	<u>£ 258,051</u>	<u>£ 521</u>	<u>£ 6,768,415</u>

YORK METHODIST CIRCUIT
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2022 (CONTINUED)

20. RECONCILIATION OF NET MOVEMENT IN FUNDS TO NET CASH FLOW FROM OPERATING ACTIVITIES

	2022 £	2021 £
Net income for the period (as per Statement of Financial Activities)	724,085	424,998
Adjustments for:		
Gains/(losses) on investments	7,365	(13,910)
Gains on revaluation of fixed assets	(1,006,270)	(320,347)
Dividends and interest from investments	(5,419)	(3,514)
Decrease in debtors	56,263	1,038
(Decrease)/increase in creditors	(38,199)	95,796
Assets transferred from ceasing church	-	(192,500)
Net cash used in operating activities	£ (262,175)	£ (8,439)

21. ANALYSIS OF CASH AND CASH EQUIVALENTS

	2022 £	2021 £
Cash in hand	423,917	387,753
Central Finance Board	78,240	155,873
TMCP deposits	320,165	430,452
Total cash and cash equivalents	£ 822,322	£ 974,078

22. ANALYSIS OF CHANGES IN NET DEBT

	At 1 September 2021 £	Cash flows £	At 31 August 2022 £
Cash at bank and in hand	974,078	(151,756)	822,322
	£ 974,078	£ (151,756)	£ 822,322

23. PENSION COMMITMENTS

The ordained presbyters and deacons are members of the Methodist Ministers' Pension Scheme (MMPS). This is a defined benefit scheme where ministers contribute 9.3% of stipend and the Circuit 26.9% to this scheme. The Connexional accounts show the figures in the annual Methodist Church in Great Britain account.

Note: The Supreme Court held in 2014 that Methodist ministers (which term includes presbyters and deacons) are not employees of the Church. For simplicity, however, when dealing with National Insurance contributions and pension contributions, the terms 'employer' and 'employee' are used as they would be in an employing body.

Lay employees are contractually employees and where applicable are auto-enrolled into the Circuit's pension scheme arranged with The Pensions Trust. This is a defined contribution scheme where employees contribute 6% of salary and the Circuit 6% to this scheme.

The assets of both schemes are held separately from those of the Circuit in independently administered funds. The pension cost charge represents contributions payable by the Circuit to the funds and amounted to £67,297 (2021: £70,170). No contributions were payable to the funds at the balance sheet date in either this or the previous year.

YORK METHODIST CIRCUIT
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2022 (CONTINUED)

24. RELATED PARTY TRANSACTIONS

During the year the Circuit received assessment income totalling £525,351 (2021: £516,098) from the various churches within the Circuit.

The Circuit also incurred assessment costs of £132,984 (2021: £126,652) payable to the District.

YORK METHODIST CIRCUIT

England & Wales - Charity number 1134381

Accounts

**YORK METHODIST CIRCUIT
TRUSTEES' REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2021**



**HPH
Chartered Accountants
54 Bootham
York
YO30 7XZ**

**YORK METHODIST CIRCUIT
TRUSTEES' REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2021**

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**YORK METHODIST CIRCUIT
ANNUAL TRUSTEES' REPORT
FOR THE YEAR ENDED 31 AUGUST 2021**

The Trustees present their annual report together with the audited financial statements of the York Methodist Circuit for the year 1 September 2020 to 31 August 2021. The trustees have adopted the provisions of the Statement of Recommended Practice (SORP) "Accounting and Reporting by Charities" (FRS 102) in preparing the annual report and financial statements of the charity.

The financial statements have been prepared in accordance with the accounting policies set out in notes to the accounts 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 accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland published in October 2019.

REFERENCE AND ADMINISTRATIVE DETAILS OF THE CIRCUIT, ITS CIRCUIT MINISTERS AND ADVISERS

The Trustees who served the charity during the period were as follows:

Circuit Ministers

Revd Keith Albans, Chair (Superintendent until August 2021, then appointed Chair)
Revd Steve Barlow (resigned September 2021)
Revd David Bidnell, Superintendent (appointed September 2021)
Revd Elizabeth Cushion
Revd Rory Dalglish
Revd Ruth Duck (resigned August 2021)
Revd Helen Freeston (resigned September 2021)
Revd John Hayward (appointed September 2021)
Revd Ian Hill
Revd Andy Lindley
Revd John Schofield
Deacon Judith Stoddart

Local Preachers' representatives

Revd Michael Chester (resigned August 2021)
Mr Jonathan Morley

Circuit Stewards

Mrs Janet Bowling, Joint senior
Mrs Joyce Jinks, Joint senior (appointed September 2020 to July 2021)
Mrs Ruth Morrison, Joint senior (appointed September 2021)
Mr Nick Dawson, Treasurer
Mr Vic Paylor
Mr John Middleton
Mr Robin Taylor (resigned August 2021)

Church Representatives to Circuit Council

Acaster Malbis - Graham Langton
Acomb - Rob Harrison (resigned August 2021)
Alne - Robin Jackson
Bishopthorpe - Mandy Brewer
Central - Dorothy Godfrey (resigned August 2021)
Clifton - Christopher Rouse (appointed September 2020)
Clifton Moor - Emma Dearlove
Copmanthorpe - Russ Smallwood
Dunnington - Diane Conway (resigned August 2021)
Easingwold - Brian Taylor (resigned August 2021)
Haxby & Wigginton - Janet Bowling
Heslington - Ruth Schofield
Hessay - Kathryn Wright
Heworth - David Thompson

**YORK METHODIST CIRCUIT
ANNUAL TRUSTEES' REPORT
FOR THE YEAR ENDED 31 AUGUST 2021**

**REFERENCE AND ADMINISTRATIVE DETAILS OF THE CIRCUIT, IT'S CIRCUIT MINISTERS AND ADVISERS
(continued)**

Church Representatives to Circuit Council (continued)

Holgate - Mark Bevan
Huby - Carole Smith
Huntington - Brian Freeborn (until August 2021)
Lidgett - Rosamond Carter
New Earswick - Elizabeth Jefferson
Poppleton - Sheila Middleton
Rufforth - Karen Valentine
Sheriff Hutton - Eric Hayhurst
Southlands - Audrey Hawkes
Stamford Bridge - Catherine Richardson
Stillington - Mrs Jeanette Free
Stillington - Robin Jackson
Strensall - Michael Jinks
Tholthorpe - John Lancaster
Trinity - Peter Kitchin (until May 2021)
West Thorpe - Chris Jarratt

Charity registered number

1134381

Principal office

York Methodist Circuit Hub, Melbourne Terrace Methodist Church, Cemetery Road, York, YO10 5AF

Independent auditor

HPH, Chartered Accountants, 54 Bootham, York, YO30 7XZ

Bankers

CAF Bank, 25 Kings Hill Avenue, Kings Hill, West Malling, Kent, ME19 4JQ

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

Investment managers and custodian trustees

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

OBJECTIVES AND ACTIVITIES

Policies and objectives

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

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

In setting our objectives and planning our activities for the year, the Circuit Council meets about four times in each year and as managing trustees have considered the Charity Commission's guidance on public benefit and, the specific guidance on charities for the advancement of religion and conforms to the Charities Act 2011.

Details on how the Circuit carries out its activities for the public benefit are given in the sections on Achievements and Performance and Plans for the Future below.

**YORK METHODIST CIRCUIT
ANNUAL TRUSTEES' REPORT
FOR THE YEAR ENDED 31 AUGUST 2021**

OBJECTIVES AND ACTIVITIES (continued)

Grant making policies

There are three types of grants paid by the Circuit, all of which are approved based on the applicants meeting certain criteria.

- Non-property grants are applied for by Churches from the Model Trust Money (MTM), the case must be presented in writing for consideration by the MTM Group which is then passed to the Circuit Council for approval.
- Small grants can be applied for in relation to training of Ministers, lay staff or church members. Applications are made to the Circuit Financial Steward.
- Property grants are dealt with through the Central Methodist Church by way of an online application system.

ACHIEVEMENTS AND PERFORMANCE

Main achievements of the Circuit

York continues to be a busy and lively circuit, with a number of specialist working groups which assist the Circuit Council and Circuit Stewards in particular areas of the Circuit's life. These include property, lay employment, care and repair of manses, grant making and safeguarding. In addition, we form other groups where necessary e.g. to organise events.

The Circuit Hub continues to operate in Melbourne Terrace, with some restrictions due to Covid-19, but beginning to be opened up more regularly now to host meetings and support staff. Parts of the Melbourne Terrace building are rented out to Blueberry Academy which is an organisation supporting people with learning difficulties.

During Covid restrictions we have managed to make regular use of digital resources to reach our members and the wider community via Zoom and streamed services on YouTube. We employed two Digital enablers on fixed contract to help us. The resources purchased and skills developed in that time will continue to be used in the future.

A new Superintendent Minister, Rev David Bidnell, has been appointed to lead the Circuit from September 2021. A probationer presbyter, John Hayward, an Outreach Worker, Bill Topping, and a lay pastor, Louisa Taylor, are also to be new additions to the staff.

A rental licence agreement has been made with CFO Activity Hub to use the premises at Trinity for a year in order to mitigate ongoing costs whilst a suitable buyer is sought. The hub will be a place for offenders who are supported by the Probation service, or serving community sentences, to receive support on an individual or group basis.

Plans for the future

These continue to be challenging times for our Circuit and our strategy will have to be modified in the light of the changes over the last 18 months. Some churches are considering ceasing worship and some are working more closely with neighbouring churches to make their mission more effective whilst easing the burden of responsibilities on individual members.

The process of selling some of our properties is ongoing and that will assist in financing future projects.

Two of our unused manses will continue to be rented to City of York Council for housing refugee families.

We plan to keep making use of digital resources to enhance access to worship and fellowship and reach out to the wider community in York and beyond.

'Growing in Christ' continues to be our challenge. The reopening of churches is happening but requires our support through prayer and seeking God's guidance with our plans for the future.

**YORK METHODIST CIRCUIT
ANNUAL TRUSTEES' REPORT
FOR THE YEAR ENDED 31 AUGUST 2021**

FINANCIAL REVIEW

Review of results

The Circuit Account includes:

- The General Fund is the main operating account through which the expenditure and revenue for both operational and strategic purposes were handled.
- The Circuit Model Trust Fund which primarily arises from the sale of buildings no longer required within the Circuit. Under Conference directions the Fund can be used for any purpose supporting the mission of the Church. Applications have to be made to the Circuit Council.
- The various restricted funds which are detailed within the notes to the accounts.
- The endowment fund holds money which cannot be spent but must be retained (as capital) to generate an income.

There were no significant events during the year and the trustees of the Circuit have every reason to believe that the Circuit is a going concern, principally because most Churches continue to meet their assessments and the Circuit has adequate reserves to cover a shortfall in anticipated income. The Trustees do not foresee any factors that will significantly affect the financial performance or position in the next year or two and for these reasons they continue to adopt the going concern basis in preparing the financial statements.

The Circuit continues to hold 16 (2020: 14) freehold properties being 11 manses; 30 The Village, Haxby; the former Husthwaite Church building; the former Melbourne Terrace Methodist Church buildings, the former Cornerstone (St Georges) church building and the former Church building at Trinity.

Subsequent to 31st August 2021 the Yorkshire North and East District Synod will consider the request for closure of Dunnington, with a decision expected in May 2022. If approval is granted the freehold of the building reverted to the Circuit.

The Circuit has the following principal sources of funds:

- Interest on investments
- The Circuit Model Trust Fund
- Assessments on Churches within the Circuit

These sums are used to administer and facilitate the work of the Circuit.

Incoming resources for the year amounted to £1,147,026 (2020: £916,163). The total resources expended were £1,056,285 (2020: £917,298). After taking account of a gain on investment assets of £13,910 (2020: loss £3,547) and gains/losses on property revaluations of £320,347 (2020: £nil), the Circuit has a net surplus for the year of £424,998 (2020: £4,682 net deficit).

After taking into account property acquisitions and disposals in the year, net cash outgoing totalled £4,925 (2020: incoming £150,639). The Trustees consider that the financial position of the Circuit as at 31 August 2021 is satisfactory with free reserves of £433,879 after designating the value of properties (2020: £5,974,436 before designating the properties).

Reserves level and policy

The reserves policy for the York Methodist Circuit is to hold a sum equivalent to 6 months average unrestricted expenditure, calculated to be £454,901. This is believed to be sufficient to meet any unforeseen item of major expenditure and/or be able to continue in the short term funding planned activities in the event of an inability to raise the full circuit assessment from churches. It is also necessary to hold sufficient funds to enable the payment of stipends and expenses for the ministers and lay workers and our contribution to the District and Connexion.

Free reserves, being those funds which are not restricted by the donor, designated as functional fixed assets by the Trustees or designated for a particular purpose by the Trustees, amounted to £433,879. The Trustees believe that they hold sufficient, but not excessive, funds to ensure the continued operation of the Charity.

**YORK METHODIST CIRCUIT
ANNUAL TRUSTEES' REPORT
FOR THE YEAR ENDED 31 AUGUST 2021**

FINANCIAL REVIEW (continued)

Reserves level and policy (continued)

All funds are separately invested either in CFB (Central Finance Board) or TMCP (Trustees for Methodist Church Purposes). No money is directly invested in property, securities or other forms of investment. The Circuit Model Trust Fund, which primarily arises from the sale of buildings no longer required within the Circuit, can be used for any purpose supporting the mission of the Church. Applications have to be made to the Circuit Council.

Collaborative arrangements with connected charities

The Circuit's main source of funding is the assessment obtained from each Church within the Circuit based on membership, offerings and gift aid and lettings which is used to defray most of the cost of administering the Circuit.

It also meets the District and Connexional assessments.

There is a District levy on the Circuit Model Trust Fund based on the size of the fund at the start of the connexional year (1 September) and on manse replacement projects. In 2020/21 this sum was £18,374 (2019/20: £93,229) and was credited to the District Advance Fund.

Investment policy and performance

To comply with Methodist standing orders, monies for long term investment are held by the Trustees for Methodist Church Purposes (TMCP) who also act as Custodian Trustees for Circuit property, for all large bequests and for the proceeds of sale of any property formerly owned by the Circuit or Churches. These sums are invested in unitised investments or held on deposit. The investment returns are close to tracking the movements in the FTSE100 index. The deposit income mirrors the deposit rates available elsewhere. The Circuit Trustees' investment policy is aligned with that of the Central Finance Board (CFB) and TMCP because these organisations take into consideration the social, environmental and ethical considerations, both negatively and positively, that make investments suitable for the Methodist Church.

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

There are no bench marks for the expected returns or appreciation on investments at TMCP and CFB. It is the Circuit's policy to manage the cash and investment resources of the Circuit so that a rate of return on investment - both by way of dividend and capital appreciation - is obtained at least as good as market rate considering the Circuit's low appetite for risk.

Going concern

The Covid-19 pandemic and measures taken to control the spread of the virus continued to impact the income of the charity in the period to 31 August 2021. Church incomes continued to be restricted by reduced income from building lettings to external user groups and fewer onsite meetings, which in turn has led to difficulty for some in paying their assessed contributions to the Circuit. However, over 95% of the planned assessment was received during the year. The Trustees have prepared forecasts of income and expenditure for the period to 31 August 2022 and beyond and subjected these forecasts to sensitivity analysis which shows that they have sufficient reserves to be able to continue for the foreseeable future. They will continue to monitor the impact on income and take appropriate action as necessary.

As reported above the charity had free reserves of £433,879 at 31 August 2021. It is likely that they may need to utilise these reserves to support the charity in the 12 months from the date of approval of these accounts.

For the reasons set out above the trustees therefore continue to adopt the going concern basis of preparation for these financial statements.

STRUCTURE, GOVERNANCE AND MANAGEMENT

Constitution

The charity is unincorporated and is governed under Deed of Union (1932) and the Methodist Church Act (1976) and was registered with the Charity Commission in 2010.

**YORK METHODIST CIRCUIT
ANNUAL TRUSTEES' REPORT
FOR THE YEAR ENDED 31 AUGUST 2021**

STRUCTURE, GOVERNANCE AND MANAGEMENT (continued)

Methods of appointment or election of Trustees

The management of the Circuit is the responsibility of the Trustees who are elected and co-opted under the terms of the constitution.

Induction and training of Trustees

A range of guidance is produced by the Methodist Connexion and the leaflet 'The Role of a Trustee in The Methodist Church' is given to each Trustee.

In this year the Circuit was staffed by 11 Ministers (2020: 10) and 7 Lay Employees (2020: 5).

Structure

The Circuit was part of the Yorkshire North & East District and is accountable to the Methodist Conference. It pays the stipends of the ministers and employees lay staff. The Methodist Conference meets once each year as the supreme denominational body for all Methodist Churches.

- Overall regulatory authority rests with the Methodist Conference.
- The Connexional Office implements decisions made by Conference and is also responsible for the stationing of presbyters and deacons in the Circuit.
- Conference decisions are passed through the District to the Circuit for implementation by the Superintendent Minister, ministerial staff and Circuit Stewards, and authority is delegated to the Circuit Council for certain matters.
- The Circuit Council passes regulatory control to Church Councils for local implementation by the presbyter, the Managing Trustees of the Charity.

The following Methodist Churches are linked to the Circuit: Acaster Malbis, Acomb, Alne, Bishopthorpe, Central, Clifton, Clifton Moor LEP, Copmanthorpe, Dunnington, Easingwold, Haxby & Wigginton, Heslington LEP, Hessay, Heworth, Holgate, Huby, Huntington (including Thornton-Le-Clay), Lidgett Grove, New Earswick, Poppleton, Rufforth, Sherriff Hutton, Southlands, Stamford Bridge, Stillingfleet, Stillington, Strensall, Tholthorpe and West Thorpe.

Purpose of the Circuit

The Circuit is an expression, over a wider geographical area than the local Church, of the Connexional character of the Church.

The primary purpose of this Circuit is to advance the mission of the Church in York and the surrounding area:

- by providing opportunities for Churches to work together and support each other
- by offering support and expertise.

The Circuit serves the Local Churches and the Conference in the support, deployment and oversight of the various ministries of the Church, and in programmes of training.

Governance

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

The Circuit operates within standing orders Section 58 (Circuits with Modified Constitutions) set up in September 2013 for the running of the York Circuit of the Methodist Church and which was updated in July 2018. The Circuit Council which replaced the Circuit Meeting includes an elected representative from each Church. This group meets about once every two months and is the decision making body for the circuit.

The Trustees are appointed by local churches and existing trustees. Ministers and Circuit Stewards are automatically trustees.

YORK METHODIST CIRCUIT
ANNUAL TRUSTEES' REPORT
FOR THE YEAR ENDED 31 AUGUST 2021

STRUCTURE, GOVERNANCE AND MANAGEMENT (continued)

Risk management

The Trustees have assessed the major risks to which the Circuit is exposed, in particular those related to the operations and finances of the Circuit, and are satisfied that systems and procedures are in place to mitigate our exposure to the major risks.

The Circuit identifies and monitors the key risks it faces, which are held on a risk register. The main risks and mitigations have been identified as follows:

- Financial impact from the ongoing impact of the Covid-19 pandemic, through the loss of weekly collections and lettings income for Churches. Although this is a matter for individual Churches, the consequential impact will be on the level of assessment collected by the Circuit. The ability of Churches to pay their assessment is monitored on a regular basis and has so far been better than anticipated. Some temporary relief from assessment for churches in particular need has been funded from Circuit reserves. As mentioned under Going Concern over 95% of the planned Assessment income for the 2020/21 Connexional year was received.
- Ongoing risk around future assessment, and the ability of Churches to continue to make their payments. This risk is always present and is managed through ongoing dialogue with Churches about their assessment for future years. This includes an annual meeting with Church Treasurers.
- There is always an ongoing risk around safeguarding, and this is managed through DBS checks and mandatory training for volunteers. The Circuit's approach to this is outlined in a separate Safeguarding Policy.
- There is a risk that there will be insufficient Ministerial staff over the next five years to meet the needs of the Circuit. This has been addressed with the appointment of several Local Pastors to work alongside ministerial staff, and through plans for the redeployment of existing ministerial staff to new areas within the Circuit.
- Delays in selling Church property could result in Circuit reserves being depleted faster than planned. This is managed through the employment of a full-time Resources Manager who is employed to ensure all processes and procedures are followed, and to manage issues that prevent or delay the successful sale of Church property. In addition, the Circuit is planning to sell a manse in 2022 which be a much quicker sale process.

Responsibilities of the Church

- to formulate and promote policies which will advance the mission of the Church in the Circuit and Local Churches and, in particular, to supervise the use of resources of personnel, property and finance and to assist Local Churches where necessary.
- to encourage inter-Church and ecumenical co-operation.
- to keep within its purview all Circuit concerns not dealt with elsewhere.
- to contribute and respond, as the case may be, to the development of Connexional policies as reflected in the work of the Conference and to carry out its other responsibilities with any such developments in mind.
- to consider potential risks and take professional advice as required. There is regular review process.
- to adopt a Safeguarding Policy and ensured it is rolled out to the Churches.
- to be constantly aware of the public benefit guidance issued by the Charity Commission.

Information on fundraising practices

The charity has not carried out any fundraising activities in the year nor has it instructed any persons on its behalf to do this.

**YORK METHODIST CIRCUIT
ANNUAL TRUSTEES' REPORT
FOR THE YEAR ENDED 31 AUGUST 2021**

STATEMENT OF TRUSTEES' RESPONSIBILITIES

The Trustees are responsible for preparing the Trustees' report and the 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 & Wales requires the Trustees to prepare financial statements for each financial which give a true and fair view of the state of affairs of the Circuit and of its incoming resources and application of resources, including its income and expenditure, for that period. In preparing these financial statements, the Trustees are required to:

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles of the Charities SORP (FRS 102);
- make judgments and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards (FRS 102) have been followed, subject to any material departures disclosed and explained in the financial statements;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Circuit will continue in business.

The Trustees are responsible for keeping adequate accounting records that are sufficient to show and explain the Circuit's transactions and 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 Charities Act 2011, the Charity (Accounts and Reports) Regulations 2008 and the provisions of the Trust deed. 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.

Disclosure of information to the auditor

Each of the persons who are Trustees at the time when this Trustees' report is approved has confirmed that:

- so far as that Trustee is aware, there is no relevant audit information of which the charity's auditor is unaware, and
- that Trustee has taken all the steps that ought to have been taken as a Trustee in order to be aware of any relevant audit information and to establish that the charity's auditor is aware of that information.

Approved by order of the members of the board of Trustees and signed on their behalf by:

Revd David Bidnell, Superintendent

Date: 14 June 2022

INDEPENDENT AUDITOR'S REPORT TO THE TRUSTEES OF YORK METHODIST CIRCUIT

Opinion

We have audited the financial statements of York Methodist Circuit for the year ended 31 August 2021, which comprise the Statement of Financial Activities, Balance Sheet, Cash Flow Statement 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 2021 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

In auditing the financial statements, we have concluded that the trustees' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the charity's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

Our responsibilities and the responsibilities of the trustees with respect to going concern are described in the relevant sections of this report.

Other information

The trustees are responsible for the other information contained within the annual report. The other information comprises the information included in the annual 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 we do not express any form of assurance conclusion thereon.

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 this gives rise to a material misstatement in the financial statements themselves. 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.

INDEPENDENT AUDITOR'S REPORT TO THE TRUSTEES OF YORK METHODIST CIRCUIT

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 trustees' report; or
- sufficient accounting records have not been kept; or
- the financial statements are not in agreement with the accounting records and returns; or
- we have not received all the information and explanations we require for our audit

Responsibilities of Trustees

As explained more fully in the trustees' responsibilities statement set out on page 8, the trustees are responsible for the preparation of the financial statements and for being satisfied that they 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 the Act and relevant regulations made or having effect thereunder.

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.

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below:

We obtained an understanding of the legal and regulatory frameworks within which the charity operates, focusing on those laws and regulations that have a direct effect on the determination of material amounts and disclosures in the financial statements. The laws and regulations we considered in this context were the the Charities SORP (FRS102) 2019. We assessed the required compliance with these laws and regulations as part of our audit procedures on the related financial statement items.

In addition, we considered provisions of other laws and regulations that do not have a direct effect on the financial statements but compliance with which might be fundamental to the charity's ability to operate or to avoid a material penalty. We also considered the opportunities and incentives that may exist within the charity for fraud. The laws and regulations we considered in this context for the UK operations were Employment legislation, Charity Commission regulations and General Data Protection Regulation (GDPR).

INDEPENDENT AUDITOR'S REPORT TO THE TRUSTEES OF YORK METHODIST CIRCUIT

Auditor's responsibilities for the audit of the financial statements (continued)

Auditing standards limit the required audit procedures to identify non-compliance with these laws and regulations to enquiry of the Trustees and other management and inspection of regulatory and legal correspondence, if any.

We identified the greatest risk of material impact on the financial statements from irregularities, including fraud, to be the override of controls by management and income recognition. Our audit procedures to respond to these risks included enquiries of management about their own identification and assessment of the risks of irregularities, proof in total testing of assessment income, detailed substantive testing on the completeness of other sources of income and reading minutes of meetings of those charged with governance.

Owing to the inherent limitations of an audit, there is an unavoidable risk that we may not have detected some material misstatements in the financial statements, even though we have properly planned and performed our audit in accordance with auditing standards. We are not responsible for preventing non-compliance and cannot be expected to detect non-compliance with all laws and regulations.

These inherent limitations are particularly significant in the case of misstatement resulting from fraud as this may involve sophisticated schemes designed to avoid detection, including deliberate failure to record transactions, collusion or the provision of intentional misrepresentations.

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 trustees 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.

.....
HPH
Chartered Accountants
54 Bootham
York
YO30 7XZ

17 June 2022

HPH is eligible to act as auditor in terms of section 1212 of the Companies Act 2006.

YORK METHODIST CIRCUIT
STATEMENT OF FINANCIAL ACTIVITIES
FOR THE YEAR ENDED 31 AUGUST 2021

	Note	Unrestricted Funds 2021 £	Restricted Funds 2021 £	Endowment Funds 2021 £	Total Funds 2021 £	Total Funds 2020 £
Income and endowments from:						
Donations and legacies	4	401,149	13,700	-	414,849	208,211
Charitable activities	5	565,427	108,458	-	673,885	658,582
Other trading activities	6	51,475	-	-	51,475	40,872
Investments	7	2,847	659	8	3,514	6,861
Other income	8	3,303	-	-	3,303	1,637
Total income and endowments		1,024,201	122,817	8	1,147,026	916,163
Expenditure on:						
Raising funds:						
Internal organisations		-	61,410	-	61,410	59,371
Charitable activities	9	994,803	71	1	994,875	850,922
Other expenditure	10	-	-	-	-	7,005
Total expenditure		994,803	61,481	1	1,056,285	917,298
Net gains/(losses) on investments		7,270	6,559	81	13,910	(3,547)
Net income/(expenditure)		36,668	67,895	88	104,651	(4,682)
Transfers between funds	19	595	(588)	(7)	-	-
Net movement in funds before other recognised gains/(losses)		37,263	67,307	81	104,651	(4,682)
Gains on revaluation of fixed assets	14	320,347	-	-	320,347	-
Net movement in funds		357,610	67,307	81	424,998	(4,682)
Reconciliation of funds:						
Total funds brought forward		6,152,233	190,744	440	6,343,417	6,348,099
Net movement in funds		357,610	67,307	81	424,998	(4,682)
Total funds carried forward		£ 6,509,843	£ 258,051	£ 521	£ 6,768,415	£ 6,343,417

The statement of financial activities includes all gains and losses recognised in the year.

The notes on pages 15 to 28 form part of these financial statements.

YORK METHODIST CIRCUIT
BALANCE SHEET
AS AT 31 AUGUST 2021

	Note	2021 £	2020 £
Fixed assets			
Tangible assets	14	5,848,456	5,335,609
Investments	15	83,978	70,068
		<u>5,932,434</u>	<u>5,405,677</u>
Current assets			
Debtors	16	80,520	81,558
Cash at bank and in hand		974,078	979,003
		<u>1,054,598</u>	<u>1,060,561</u>
Creditors: amounts falling due within one year	17	(218,617)	(122,821)
		<u>835,981</u>	<u>937,740</u>
Net current assets			
		<u>835,981</u>	<u>937,740</u>
Total net assets		<u>6,768,415</u>	<u>6,343,417</u>
Charity funds			
Endowment funds	18	521	440
Restricted funds	18	258,051	190,744
<i>Unrestricted funds:</i>			
Free reserves	18	433,879	5,974,436
Designated funds	18	6,075,964	177,797
		<u>6,075,964</u>	<u>177,797</u>
Total funds		<u>6,768,415</u>	<u>6,343,417</u>

The financial statements were approved and authorised for issue by the Trustees on 14 June 2022 and signed on their behalf by:

Revd David Bidnell, Superintendent

The notes on pages 15 to 28 form part of these financial statements.

**YORK METHODIST CIRCUIT
STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 AUGUST 2021**

	Note	2021 £	2020 £
Cash flows from operating activities			
Net cash used in operating activities	21	(8,439)	(90,992)
Cash flows from investing activities:			
Dividends and interest from investments		3,514	6,861
Proceeds from the sale of tangible fixed assets		-	262,995
Purchase of tangible fixed assets		-	(28,225)
Net cash provided by investing activities		3,514	241,631
Change in cash and cash equivalents in the year		(4,925)	150,639
Cash and cash equivalents at the beginning of the year		979,003	828,364
Cash and cash equivalents at the end of the year		£ 974,078	£ 979,003

The notes on pages x to x form part of these financial statements

YORK METHODIST CIRCUIT
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2021

1. GENERAL INFORMATION

The York Methodist Circuit is an unincorporated charity registered in England and Wales. The address of the registered office is given in the charity information on page 2 of these financial statements. The nature of the charity's operations and activities are those of a Methodist Circuit.

2. ACCOUNTING POLICIES

a) *Basis of preparation of the financial statements*

The financial statements have been prepared in accordance with Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (effective 1 January 2019) - (Charities SORP (FRS 102)), and the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) and UK Generally Accepted Accounting Practice.

The financial statements have been prepared to give a 'true and fair' view and have departed from the Charities (Accounts and Reports) Regulations 2008 only to the extent required to provide a 'true and fair' view. This departure has involved following the Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland issued in October 2019 rather than the Accounting and Reporting by Charities: Statement of Recommended Practice effective from 1 April 2005 which has since been withdrawn.

York Methodist Circuit meets the definition of a public benefit entity under FRS 102.

The financial statements are prepared on a going concern basis under the historical cost convention, modified to include certain items at fair value. Assets and liabilities are initially recognised at historical cost or transaction value unless otherwise stated in the relevant accounting policy. The financial statements are presented in sterling which is the functional currency of the charity and rounded to the nearest £.

The significant accounting policies applied in the preparation of these financial statements are set out below. These policies have been consistently applied to all years presented unless otherwise stated.

b) *Going Concern*

The Trustees have considered the ongoing impact of COVID-19 on the Charity's income and operating cost base. Whilst it is not considered practical to accurately assess the duration and extent of the disruption, the Trustees are confident that they have in place plans to deal with any financial losses that may arise.

The Trustees have prepared forecasts of income and expenditure for the period to 31 August 2022 and beyond and subjected these forecasts to sensitivity analysis which shows that they have sufficient reserves to be able to continue for the foreseeable future. Furthermore, the Trustees have not identified any material uncertainties which in their view cast a significant doubt over the going concern of the Circuit. They will continue to monitor the impact on income and take appropriate action as necessary. The Trustees therefore continue to adopt the going concern basis of preparation for these financial statements.

c) *Income*

All income is recognised once the Circuit has entitlement to the income, it is probable that the income will be received and the amount of income receivable can be measured reliably.

The recognition of income from legacies is dependent on establishing entitlement, the probability of receipt and the ability to estimate with sufficient accuracy the amount receivable. Evidence of entitlement to a legacy exists when the Circuit has sufficient evidence that a gift has been left to them (through knowledge of the existence of a valid will and the death of the benefactor) and the executor is satisfied that the property in question will not be required to satisfy claims in the estate. Receipt of a legacy must be recognised when it is probable that it will be received and the fair value of the amount receivable, which will generally be the expected cash amount to be distributed to the Circuit, can be reliably measured.

YORK METHODIST CIRCUIT
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2021 (CONTINUED)

2. ACCOUNTING POLICIES (CONTINUED)

d) *Expenditure*

Expenditure is recognised when a liability is incurred, or a constructive obligation arises that results in the payment being unavoidable. Resources expended include attributable VAT which cannot be recovered.

Expenditure is accounted for on an accruals basis. All expenses including support costs and governance costs are allocated to the applicable expenditure headings.

Expenditure on charitable activities is incurred on directly undertaking the activities which further the Circuit's objectives, as well as any associated support costs.

e) *Interest receivable*

Interest on funds held on deposit is included when receivable and the amount can be measured reliably by the Circuit; this is normally upon notification of the interest paid or payable by the institution with whom the funds are deposited.

f) *Taxation*

As a charity, York Methodist Circuit is exempt from tax on income and gains falling within the available tax exemptions to the extent that these are applied to its charitable objects. No tax charges have arisen in the charity.

g) *Tangible fixed assets and depreciation*

Freehold property:

Tangible fixed assets are initially recognised at cost. After recognition, under the revaluation model, tangible fixed assets whose fair value can be measured reliably shall be carried at a revalued amount, being their fair value at the date of revaluation less any subsequent accumulated depreciation and subsequent accumulated impairment losses.

Revaluations are made with sufficient regularity to ensure that the carrying amount does not differ materially from that which would be determined using fair value at the end of the reporting date.

Fair values are determined from market-based evidence by appraisal with reference to local, similar property sales and the ONS Property Index. If there is no market-based evidence of fair value because of the specialised nature of the tangible fixed asset and it is rarely sold, except as part of a contributing business, a Circuit may need to estimate fair value using an income or depreciated replacement cost approach.

Gains and losses on revaluation are recognised in the Statement of financial activities, with a separate revaluation reserve being shown in the Statement of funds note.

Depreciation is not provided on freehold properties as it is the Circuit's policy to maintain the property in good repair. Consequently, the trustees consider the life of the properties to be so long that there is no significant annual depreciation.

Items costing less than £5,000 are written off as an expense as acquired and are not capitalised.

h) *Investments*

Fixed asset investments are a form of financial instrument and are initially recognised at their transaction cost and subsequently measured at fair value at the Balance sheet date, unless the value cannot be measured reliably in which case it is measured at cost less impairment. Investment gains and losses, whether realised or unrealised, are combined and presented as 'Gains/(Losses) on investments' in the Statement of financial activities.

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.

i) *Debtors*

Trade and other debtors are recognised at the settlement amount due after any trade discount offered. Prepayments are valued at the amount prepaid net of any trade discounts due.

j) *Cash at bank and in hand*

Cash at bank and cash in hand includes cash and short term highly liquid investments with a short maturity of three months or less from the date of acquisition or opening of the deposit of similar account.

YORK METHODIST CIRCUIT
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2021 (CONTINUED)

2. ACCOUNTING POLICIES (CONTINUED)

k) Creditors and provisions

Creditors and provisions are recognised when there is an obligation at the Balance sheet date as a result of a past event, it is probable that a transfer of economic benefit will be required in settlement, and the amount of the settlement can be estimated reliably.

Creditors and provisions are recognised at the amount that the Circuit anticipates it will pay to settle the debt or the amount it has received as advanced payments for the goods or services it must provide.

l) Financial instruments

The Circuit 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.

m) Employee benefits

When employees have rendered service to the Circuit, short-term employee benefits to which the employees are entitled are recognised at the undiscounted amount expected to be paid in exchange for that service.

The Circuit operates a defined contribution pension scheme and the pension charge represents the amounts payable by the Circuit to the fund in respect of the year.

n) Fund accounting

General funds are unrestricted funds which are available for use at the discretion of the Trustees in furtherance of the general objectives of the Circuit and which have not been designated for other purposes.

Designated funds comprise unrestricted funds that have been set aside by the Trustees for particular purposes. The aim and use of each designated fund is set out in the notes to the financial statements.

Restricted funds are funds which are to be used in accordance with specific restrictions imposed by donors or which have been raised by the Circuit for particular purposes. The costs of raising and administering such funds are charged against the specific fund. The aim and use of each restricted fund is set out in the notes to the financial statements.

Endowment funds are expendable funds which are held on trust to be retained for the benefit of the charity as a capital fund. Any capital gains or losses arising on the investments form part of the fund. Investment management charges and legal advice relating to the fund are charged against the fund.

Investment income, gains and losses are allocated to the appropriate fund.

3. CRITICAL ACCOUNTING ESTIMATES AND AREAS OF JUDGEMENT

Estimates and judgments are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

Critical accounting estimates and assumptions:

The Circuit makes estimates and assumptions concerning the future. The resulting accounting estimates and assumptions will, by definition, seldom equal the related actual results. The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are discussed below.

The main assumption concerning the future of the Circuit is that the assessment income will continue to be sufficient to meet the costs of stipends, salaries and manse maintenance. The annual budget, approved by the Circuit meeting, includes sums necessary for covering these costs. This is then allocated among each Church in the Circuit, hence the income is dependent upon the Churches' ability to meet the assessment.

YORK METHODIST CIRCUIT
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2021 (CONTINUED)

4. INCOME FROM DONATIONS AND LEGACIES

	Unrestricted Funds £	Restricted Funds £	2021 £	2020 £
Assets transferred from ceasing churches	306,450	-	306,450	100,000
Legacies	-	-	-	2,329
Grants	92,303	13,700	106,003	105,882
Donations, including Gift Aid	2,396	-	2,396	-
	<u>£ 401,149</u>	<u>£ 13,700</u>	<u>£ 414,849</u>	<u>£ 208,211</u>

In 2020 all income from donations and legacies related to unrestricted funds.

5. INCOME FROM CHARITABLE ACTIVITIES

	Unrestricted Funds £	Restricted Funds £	2021 £	2020 £
Circuit assessment	516,098	-	516,098	533,852
Internal organisations	2,020	108,458	110,478	93,769
Lay workers recharge	47,309	-	47,309	30,961
	<u>£ 565,427</u>	<u>£ 108,458</u>	<u>£ 673,885</u>	<u>£ 658,582</u>

In 2020 income from charitable activities amounting to £91,391 related to restricted funds.

6. INCOME FROM OTHER TRADING ACTIVITIES

Income from non charitable trading activities

	Unrestricted Funds £	2021 £	2020 £
Lettings	49,244	49,244	37,602
Other income	2,231	2,231	3,270
	<u>£ 51,475</u>	<u>£ 51,475</u>	<u>£ 40,872</u>

In 2020 all income from other trading activities related to unrestricted funds.

7. INVESTMENT INCOME

	Unrestricted Funds £	Restricted Funds £	Endowment Funds £	2021 £	2020 £
Central Finance Board	293	-	-	293	1,747
Other investments	2,554	659	8	3,221	5,114
	<u>£ 2,847</u>	<u>£ 659</u>	<u>£ 8</u>	<u>£ 3,514</u>	<u>£ 6,861</u>

In 2020 income from investments amounting to £719 related to restricted funds and £9 to endowment funds.

YORK METHODIST CIRCUIT
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2021 (CONTINUED)

8. OTHER INCOMING RESOURCES

	Unrestricted Funds £	2021 £	2020 £
Coronavirus job retention scheme grant income	£ 3,303	£ 3,303	£ 1,637

In 2020 all other income related to unrestricted funds.

9. ANALYSIS OF EXPENDITURE ON CHARITABLE ACTIVITIES

Summary by fund type

	Unrestricted Funds £	Restricted Funds £	Endowment Funds £	2021 £	2020 £
Stipends, salaries, NIC & pension costs	554,283	-	-	554,283	477,156
District assessment	126,652	-	-	126,652	122,416
Administration, telephone & travel	31,693	-	-	31,693	37,195
Insurance, utilities, etc	38,951	-	-	38,951	31,970
Maintenance of manses	44,409	-	-	44,409	12,167
Expenditure on other Circuit property	11,087	-	-	11,087	9,612
Other expenditure	44,478	71	1	44,550	15,979
Grants & donations	39,876	-	-	39,876	51,198
Contribution to District Advance Fund	18,374	-	-	18,374	93,229
Connexional levy	85,000	-	-	85,000	-
	<u>£ 994,803</u>	<u>£ 71</u>	<u>£ 1</u>	<u>£ 994,875</u>	<u>£ 850,922</u>

In 2020 expenditure amounting to £73 related to restricted funds and £1 related to endowment funds.

10. OTHER EXPENDITURE

	2021 £	2020 £
Loss on disposal of freehold property	£ -	£ 7,005

11. AUDITOR'S REMUNERATION

	2021 £	2020 £
Auditor's remuneration - audit	£ 5,700	£ 6,030

12. TRUSTEES' REMUNERATION AND EXPENSES

During the year, 10 Trustees, who are Circuit Ministers, have been paid remuneration amounting to £305,625 (2020: 10 Trustees - £319,628).

During the year ended 31 August 2021, expenses totalling £14,225 were reimbursed or paid directly to 10 Trustees (2020: £19,307 to 11 Trustees) in relation to travel and other expenses incurred on Circuit work.

YORK METHODIST CIRCUIT
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2021 (CONTINUED)

13. STAFF COSTS

	2021 £	2020 £
Wages and salaries	447,938	377,797
Social security costs	36,175	25,521
Contribution to defined contribution pension schemes	70,170	73,838
	<u>£ 554,283</u>	<u>£ 477,156</u>

The average number of persons employed by the Circuit during the year was as follows:

	2021 No.	2020 No.
Stipendiary clergy	10	11
Other Circuit staff	13	10
	<u>23</u>	<u>21</u>

No employee received remuneration amounted to more than £60,000 in either year

The total key management personnel remuneration for the year totalled £37,794 (2020: £34,187). The Circuit considers its key management personnel comprises of the Superintendent and Circuit Stewards.

YORK METHODIST CIRCUIT
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2021 (CONTINUED)

14. TANGIBLE FIXED ASSETS

	Freehold property £
<i>Cost or valuation</i>	
At 1 September 2020	5,335,609
Transfers in	192,500
Revaluation	320,347
At 31 August 2021	<u>5,848,456</u>
<i>Net book value</i>	
At 31 August 2021	<u>£ 5,848,456</u>
At 31 August 2020	<u>£ 5,335,609</u>

Freehold land and buildings have been revalued at the year end to fair value. The fair value of residential property is calculated with reference to local property markets and changes to property values in line with the ONS Property Index. Where there is not an active market for freehold property, for example in relation to chapels held by the Circuit a fair value has been arrived at based on surveyors' reports undertaken by Stephenson's Estate Agents LLP dating between 2016 and 2020.

The Circuit has adopted a policy of revaluation for tangible fixed assets. Had these assets been measured at historic cost, the carrying values would have been as follows. Where actual historic costs are unavailable, a deemed cost equivalent to the 31 August 2015 insurance rebuild valuation has been adopted in line with guidance on the introduction of SORP (FRS 102).

	2021 £	2020 £
Freehold property	<u>£ 4,056,090</u>	<u>£ 4,056,090</u>

YORK METHODIST CIRCUIT
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2021 (CONTINUED)

15. FIXED ASSET INVESTMENTS

	Other Investments £
<i>Cost or valuation</i>	
At 1 September 2020	70,068
Revaluations	13,910
At 31 August 2021	83,978
<i>Net book value</i>	
At 31 August 2021	£ 83,978
At 31 August 2020	£ 70,068

The historic cost of investments held at the year end was £57,312 (2020: £57,312).

16. DEBTORS

	2021 £	2020 £
<i>Due within one year</i>		
Other debtors	28,020	29,058
Loans	52,500	52,500
	£ 80,520	£ 81,558

17. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2021 £	2020 £
Other creditors	5,700	6,000
Income in advance	127,917	116,821
Provision for Connexional levy on the sale of property	85,000	-
	£ 218,617	£ 122,821

YORK METHODIST CIRCUIT
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2021 (CONTINUED)

18. STATEMENT OF FUNDS

Statement of funds - current year

	At 1 September 2020 £	Income £	Expenditure £	Transfers in/(out) £	Gains £	At 31 August 2021 £
Unrestricted funds						
<i>Designated funds</i>						
Shipton Mission and Transformation Fund	177,797	-	(33,639)	-	-	144,158
Property cost	-	-	-	4,056,090	-	4,056,090
Revaluation reserve	-	-	-	1,472,019	320,347	1,792,366
Approved Circuit Model Trust Funds	-	-	-	83,350	-	83,350
	<u>177,797</u>	<u>-</u>	<u>(33,639)</u>	<u>5,611,459</u>	<u>320,347</u>	<u>6,075,964</u>
<i>General funds</i>						
General funds	4,694,917	1,024,201	(961,164)	(4,331,345)	7,270	433,879
Revaluation reserve	1,279,519	-	-	(1,279,519)	-	-
	<u>5,974,436</u>	<u>1,024,201</u>	<u>(961,164)</u>	<u>(5,610,864)</u>	<u>7,270</u>	<u>433,879</u>
Total Unrestricted funds	<u>6,152,233</u>	<u>1,024,201</u>	<u>(994,803)</u>	<u>595</u>	<u>327,617</u>	<u>6,509,843</u>
<i>Endowment funds</i>						
Endowment fund	440	8	(1)	(7)	81	521
<i>Restricted funds</i>						
Supernumerary House Fund	35,731	659	(71)	(588)	6,559	42,290
Carecent	155,013	108,458	(61,410)	-	-	202,061
All Churches Trust Limited	-	13,700	-	-	-	13,700
	<u>190,744</u>	<u>122,817</u>	<u>(61,481)</u>	<u>(588)</u>	<u>6,559</u>	<u>258,051</u>
Total of funds	<u>£6,343,417</u>	<u>£1,147,026</u>	<u>£ (1,056,285)</u>	<u>£ -</u>	<u>£ 334,257</u>	<u>£6,768,415</u>

YORK METHODIST CIRCUIT
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2021 (CONTINUED)

18. STATEMENT OF FUNDS (continued)

Statement of funds - prior year

	At 1 September 2019 (as restated) £	Income £	Expenditure £	Transfers in/(out) £	Gains/ (Losses) £	At 31 August 2020 £
Unrestricted funds						
<i>Designated funds</i>						
Shipton Mission and Transformation Fund	-	-	-	177,797	-	177,797
<i>General funds</i>						
General funds	4,311,850	817,329	(751,318)	(92,341)	-	4,285,520
Circuit Model Trust Fund	433,773	6,715	(113,392)	85,198	(2,897)	409,397
Revaluation reserve	1,449,519	-	-	(170,000)	-	1,279,519
	6,195,142	824,044	(864,710)	(177,143)	(2,897)	5,974,436
Total Unrestricted funds	6,195,142	824,044	(864,710)	654	(2,897)	6,152,233
<i>Endowment funds</i>						
Endowment fund	448	9	(1)	(8)	(8)	440
<i>Restricted funds</i>						
Supernumerary House Fund	36,373	719	(73)	(646)	(642)	35,731
Carecent	116,136	91,391	(52,514)	-	-	155,013
	152,509	92,110	(52,587)	(646)	(642)	190,744
Total of funds	£ 6,348,099	£ 916,163	£ (917,298)	-	£ (3,547)	£ 6,343,417

YORK METHODIST CIRCUIT
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2021 (CONTINUED)

19. STATEMENT OF FUNDS (continued)

Fund descriptions

Unrestricted funds

The General Fund is the main operating account through which the expenditure and revenue for both operational and strategic purposes are handled.

Approved Circuit Model Trust Funds are monies which have been approved by the Circuit Council to be paid out to Churches as MTM grants.

The Revaluation reserve represents the difference between property held at valuation and its associated historic cost to the circuit.

The Shipton Mission and Transformation Fund provides finance for local Church, small-scale mission projects, for circuit-led new forms of worship and Church, and for facilitating the work of the Circuit through information technology.

Endowment funds

The income from the Endowment is expendable. The net income after expenditure is transferred to unrestricted funds. The capital of very small endowment funds may be expended with Connexional approval.

Restricted funds

Carecent is an internal organisation helping disadvantaged members of the community.

All Churches Trust Limited relates to a grant received to be spent on developing the digital capacity of Churches.

The Supernumerary House Fund is for the support of a lay worker in the Circuit.

Transfers

Transfers in the year were made to reallocate the Revaluation reserve and Property cost to designated funds.

Transfers were made out of the Endowment fund and Supernumerary House Fund into the General fund in relation to the surplus made on each fund during the year in relation to the investment income received.

Transfers were made in to and out of the revaluation reserve in relation to the additions and revaluations of property during the year.

Transfers were made from General Funds to Approved Circuit Model Trust Funds in relation to grants payable approved by the Circuit Council.

19. SUMMARY OF FUNDS

Summary of funds - current year

	At 1 September 2020 £	Income £	Expenditure £	Transfers in/(out) £	Gains £	At 31 August 2021 £
Designated funds	177,797	-	(33,639)	5,611,459	320,347	6,075,964
General funds	5,974,436	1,024,201	(961,164)	(5,610,864)	7,270	433,879
Endowment funds	440	8	(1)	(7)	81	521
Restricted funds	190,744	122,817	(61,481)	(588)	6,559	258,051
	£ 6,343,417	£ 1,147,026	£ (1,056,285)	£ -	£ 334,257	£ 6,768,415

YORK METHODIST CIRCUIT
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2021 (CONTINUED)

19. SUMMARY OF FUNDS (CONTINUED)

Summary of funds - prior year

	At 1 September 2019 (as restated) £	Income £	Expenditure £	Transfers in/(out) £	Losses £	At 31 August 2020 £
Designated funds	-	-	-	177,797	-	177,797
General funds	6,195,142	824,044	(864,710)	(177,143)	(2,897)	5,974,436
Endowment funds	448	9	(1)	(8)	(8)	440
Restricted funds	152,509	92,110	(52,587)	(646)	(642)	190,744
	<u>£ 6,348,099</u>	<u>£ 916,163</u>	<u>£ (917,298)</u>	<u>£ -</u>	<u>£ (3,547)</u>	<u>£ 6,343,417</u>

20. ANALYSIS OF NET ASSETS BETWEEN FUNDS

Analysis of net assets between funds - current period

	Unrestricted funds 2021 £	Designated funds 2021 £	Restricted funds 2021 £	Endowment funds 2021 £	Total funds 2021 £
Tangible fixed assets	-	5,848,456	-	-	5,848,456
Fixed asset investments	41,167	-	42,290	521	83,978
Current assets	611,329	227,508	215,761	-	1,054,598
Creditors due within one year	(218,617)	-	-	-	(218,617)
Total	<u>£ 433,879</u>	<u>£ 6,075,964</u>	<u>£ 258,051</u>	<u>£ 521</u>	<u>£ 6,768,415</u>

Analysis of net assets between funds - prior period

	Unrestricted funds 2021 £	Designated funds 2021 £	Restricted funds 2020 £	Endowment funds 2020 £	Total funds 2020 £
Tangible fixed assets	5,335,609	-	-	-	5,335,609
Fixed asset investments	33,897	-	35,731	440	70,068
Current assets	727,751	177,797	155,013	-	1,060,561
Creditors due within one year	(122,821)	-	-	-	(122,821)
Total	<u>£5,974,436</u>	<u>£ 177,797</u>	<u>£ 190,744</u>	<u>£ 440</u>	<u>£ 6,343,417</u>

YORK METHODIST CIRCUIT
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2021 (CONTINUED)

21. RECONCILIATION OF NET MOVEMENT IN FUNDS TO NET CASH FLOW FROM OPERATING ACTIVITIES

	2021 £	2020 £
Net income/(expenditure) for the period (as per Statement of Financial Activities)	424,998	(4,682)
Adjustments for:		
(Losses)/gains on investments	(13,910)	3,547
Gains on revaluation of fixed assets	(320,347)	-
Dividends and interests from investments	(3,514)	(6,861)
Loss on the sale of freehold property	-	7,005
Decrease in debtors	1,038	25,176
Increase/(decrease) in creditors	95,796	(15,177)
Assets transferred from ceasing church	(192,500)	(100,000)
Net cash used in operating activities	£ (8,439)	£ (90,992)

22. ANALYSIS OF CASH AND CASH EQUIVALENTS

	2021 £	2020 £
Cash in hand	387,753	227,892
Central Finance Board	155,873	276,313
TMCP deposits	430,452	474,798
Total cash and cash equivalents	£ 974,078	£ 979,003

23. ANALYSIS OF CHANGES IN NET DEBT

	At 1 September 2020 £	Cash flows £	At 31 August 2021 £
Cash at bank and in hand	979,003	(4,925)	974,078
	£ 979,003	£ (4,925)	£ 974,078

24. PENSION COMMITMENTS

The ordained presbyters and deacons are members of the Methodist Ministers' Pension Scheme (MMPS). This is a defined benefit scheme where ministers contribute 9.3% of stipend and the Circuit 26.9% to this scheme. The Connexional accounts show the figures in the annual Methodist Church in Great Britain account.

Note: The Supreme Court held in 2014 that Methodist ministers (which term includes presbyters and deacons) are not employees of the Church. For simplicity, however, when dealing with National Insurance contributions and pension contributions, the terms 'employer' and 'employee' are used as they would be in an employing body.

Lay employees are contractually employees and where applicable are auto-enrolled into the Circuit's pension scheme arranged with The Pensions Trust. This is a defined contribution scheme where employees contribute 6% of salary and the Circuit 6% to this scheme.

The assets of both schemes are held separately from those of the Circuit in independently administered funds. The pension cost charge represents contributions payable by the Circuit to the funds and amounted to £70,169 (2020: £73,838). No contributions were payable to the funds at the balance sheet date in either this or the previous year.

YORK METHODIST CIRCUIT
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2021 (CONTINUED)

25. RELATED PARTY TRANSACTIONS

During the year the Circuit received assessment income totalling £516,098 (2020: £533,852) from the various churches within the Circuit.

The Circuit also incurred assessment costs of £126,652 (2020: £122,416) payable to the District.