

**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

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**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
Stillingfleet - 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
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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
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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
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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.

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ANNUAL TRUSTEES' REPORT
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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, Hubby, 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
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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.

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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)
		<hr/>	<hr/>
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)
		<hr/>	<hr/>
Net cash provided by investing activities		3,514	241,631
		<hr/>	<hr/>
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
		<hr/>	<hr/>
Cash and cash equivalents at the end of the year		£ 974,078	£ 979,003
		<hr/> <hr/>	<hr/> <hr/>

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	5,848,456
<i>Net book value</i>	
At 31 August 2021	£ 5,848,456
At 31 August 2020	£ 5,335,609

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	£ 4,056,090	£ 4,056,090

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.