

CHORLEY AND LEYLAND  
METHODIST CIRCUIT

# **TRUSTEES' ANNUAL REPORT & ACCOUNTS**

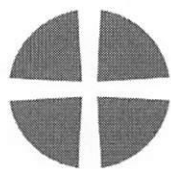
**for the year ended**

**31 AUGUST 2020**



Registered Charity No. 1135868

## Introduction



Welcome to the 2019-2020 Annual Report for the Chorley & Leyland Methodist Circuit.

According to the Standing Orders of the Methodist Church, *"The Circuit is the primary unit in which Local Churches express and experience their interconnexion in the Body of Christ, for purposes of mission, mutual encouragement and help."* (SO 500 (1)). The Chorley & Leyland Circuit gives a strategic lead in the work of God in and through our 11 churches, and celebrating our four primary schools (Methodist or CofE / Methodist) reaching out in witness and service to our communities.

This report offers insights into the main activities of our Circuit; our local churches produce their own reports

## Church Vision & Priorities



Following the work in previous years around our Church Life Review, identifying the key areas of work across the Circuit over the coming years, during this year the Circuit Leadership Team and Circuit Meeting (Trustees) approved a new Circuit Logo.

The image represents a windmill, empowered by the Spirit-breath of God, on the move, centred on Christ (the Methodist Orb / Cross at the centre).

Each of the rainbow colours of the windmill represents one of our key priority areas of working. The Circuit endeavours to be 'Growing in Christ', individually and collectively

## Ministry of All God's People

We have established a pattern of training and development opportunities, including quarterly 'Empowering All' events – Saturday mornings given over to worship and teaching on a leadership / discipleship issue for us as people of God. We have been getting up to around 40 – 50 in attendance at these events, and they are helping to shape conversations and decisions for individuals and churches.

We have also begun a year-long training programme called 'Growing Leaders', now in its second year of running, which has used teaching and mentoring to help people grow in the 'influence' they have for the gospel / good news on their own frontlines, as well as in our church communities.

## Creative Communication

We have established and are beginning to grow a Circuit Comms Team, from a number of our churches, which is working through a strategy for developing better communication across, within and beyond our Circuit family of churches.

The Covid-19 pandemic immediately thrust us, as all others it seems, into a life of online communication – services, prayer times, coffee and chat opportunities, Circuit and local church meetings, outreach, all utilising websites, social media and Zoom.

The Circuit Comms Team have helped us navigate all of this, most excellently and are continuing to develop plans for the new mixed / hybrid economy – where work will happen in buildings and online.

## Spiritual Growth

We are committed to developing a Spiritual Growth Plan, where a range of opportunities (courses, mentoring, opportunities to serve) are offered as people seek to Grow in Christ. These have included Alpha and Compass Courses, Bible Month, Thy Kingdom Come and other opportunities.

We made good use of the District's 'Transforming Lives and Communities' in the first part of 2020, and are now turning to the excellent 'Methodist Way of Life' resources to further develop our own personal and collective discipleship.

Being online presents us with new opportunities to meet virtually with people at all places on the faith journey, and it has been good to begin to offer Alpha and other courses and opportunities online during this year.

## Physical Presence

During the year we sought to begin the process of reviewing the future of our buildings in the light of changing opportunities for mission, service and worship. Then the Covid-19 pandemic struck and we all had to learn (or re-learn) that we can be church without access to a building. As the lockdown measures ease in the coming months, we will reflect further on the purpose and priorities for our buildings, and whether now is the right time to tackle the bigger and more difficult questions about the long-term, sustainable futures for some of our buildings, and opportunities to maximise mission and service in other places.

## Priorities

### Contagious Pioneering

In addition to these four key focus areas, the Circuit acknowledges and seeks to develop two further Priorities, and has done so in the last year.



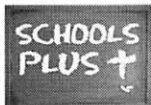
Our Pioneer Ministry Enabler completed his second full year with us (of five funded years), and within this year, he has continued to develop a number of projects, to help us engage particularly with the Over 50's age-group – a '20 Guitars Project', for those over 50 to become a new community, built around learning and playing guitar together. There are now two '20 Guitars' groups meeting. The Pioneer has also begun work, alongside Buckshaw Village Church, in the Retirement Village, offering music therapy sessions, and spearheading a project to use rickshaws to transport the elderly in the village. This project, in its development phase, has attracted a lot of publicity and interest.

During the year a 'Soul Children' choir for school aged children has begun, and a 'Gregorian Chant' choir been set up – they led our Circuit Advent event service, when close to 50 people from across the Circuit and beyond attended.

The Covid-19 restrictions have meant, again, that some group work has migrated to online, whilst other projects have been put on hold, out of necessity.

The Circuit continues to be committed to rolling out a strategy and funding for local churches to pioneer new projects, also over the coming months and years.

## Schools Plus



Life Path and Spirituality days were offered and run in several schools during the year, alongside those churches in the Circuit engaged in 'Open the Book' which is being appreciated by the schools with which they are working.

Trinity School, Buckshaw (Methodist / CofE) has now become three-form entry, with a whole school capacity of 630 pupils, making it the largest in the county of Lancashire, and the Circuit recognises its unique position of having well over 1,200 children, and their families, as well as many, many staff members in our schools, as well as the other community schools we serve in different ways.

Leyland Methodist Schools moved from being two schools in collaboration, to a more formal federation of schools, under one executive Head Teacher, one governing body and one staff team. This further strengthens the bringing together of the two schools, and we acknowledge the process, which is inevitably challenging at times, of such a change.

St. John's CE/Methodist Primary School, Brinscall, had another successful and full year, which included the school choir working with the Superintendent Minister to record a specially written Christmas Carol, 'Stars', bringing the Christmas story right up to date, in the heart of the school and church community.

## Other Achievements and Performance

Our Circuit has gained a good reputation in being a 'training Circuit', where student ministers have been and are being placed with us. During the last year we had one student minister complete her two years with us, and she has now been stationed in her first appointment. From September 2020 we will have a new student presbyter working alongside us for two years, as part of his ongoing training for ministry. This is a much appreciated strength of our Circuit, and is an added benefit to us, that we are so involved in current methods and practises in ministerial formation.

## Worship

**Public Worship**, open to all without charge, remained one of the main activities where people engage with the church. All churches held regular Sunday morning worship (some occasionally holding two services on some Sundays and a couple held regular evening service). With just a few exceptions, these are organised and led by preachers (often ministers) deployed by the circuit, but aided by others such as stewards and musicians. Once a month a united service was organised by the circuit across the churches.

Local Churches organise their own special services and other events around the major festivals, especially **Christmas** and **Easter** and commemorations such as **Remembrance Sunday**. These were often occasions when people with limited connection with the Church were made especially welcome.

Some of our churches regularly have their local, linked schools attend special services. This year, from 22<sup>nd</sup> March, our worship services moved online, as the government and Connexional restrictions due to the Covid-19 pandemic meant that our buildings were closed. We immediately established a pattern of worship online, prepared by a



good number and variety of people from across the Circuit, followed by 'coffee and chat' via Zoom. This has strengthened relationships across the Circuit, and aided our sense of being one. Paper copies of services, and CDs / DVDs have been distributed weekly to homes where access to online isn't available.

The Circuit has continued to encourage people to explore a vocation to preach and two of our training local preachers were successful in completing their course this year. We have three other training local preachers at this time, facing head-on the challenges of the course under Covid-19 restrictions.

## Staffing

The circuit continued to resource, support and deploy paid staff (seven ordained Ministers), its paid, part-time Circuit Administrative Assistant, a full-time Pioneer Ministry Enabler (co-funded by the Lancashire District) and many lay volunteers in work across the circuit and in the community.

This year was the final year in post with us for two of our presbyters, Rev'd Graham Cutler, and Rev'd Gyula Fiak, both moving to new appointments during summer 2020. We also said farewell to a full-time Methodist prison chaplain, Deacon Kathy Lamb, who had been working and worshiping with us for the last sixteen years. Covid-19 restrictions meant that the farewells were largely online.

During the year we were successful in the Stationing process in attracting Rev'd Karen Hilsden into the Circuit, and she moved in August, ready to start with us in the new church year from September 2020. Karen will be responsible for Hillside, Withnell Fold and Whittle-le-Woods Methodist Churches and will lead the pastoral support for St. John's CE/Methodist Primary School in Brinscall.

During the year, Rev'd Tony Simpson, announced the curtailment of his appointment one year early, in the attempt that he and his wife, also a presbyter, might find new appointments with closer geographical proximity to each other.

The Circuit Invitations Committee began the work in Summer 2020 to draw the profile together for a new presbyteral minister to replace Tony, and also looked at a revised staffing structure to take into account current and future changes.

The Circuit Meeting showed a commitment to explore future volunteer and paid lay work roles across the Circuit, to help deliver on our priorities, as the number of ordained staff is expected to continue to reduce in the coming years.

## Ecumenical



We continue to work ecumenically where we can, and our Methodist Churches take a very active role in the work of Churches together in Leyland, in Euxton, and in Chorley.

In Chorley, an online 'Walking Day' video was created by a team from across the churches, and radio and other podcast opportunities were created for Holy Week and Easter in Leyland.

During the year, we helped celebrate the 10<sup>th</sup> Anniversary of Buckshaw Village Church, and the Circuit's engagement with this work, with a wonderful shared Messy Church, to which lots of families and church members from across the Circuit came

## Outreach

The Covid-19 pandemic, as it hit in early 2020, provided many of our churches and individuals with greater opportunities to reach out into their communities – cards were put through doors in neighbourhoods offering support with shopping, chores, phone calls etc., and seeking to put the church family at the heart of a community response.

Our churches continue to support fully the work of local food banks, and are often involved in delivering food parcels and other works of support via our schools.

## Governance

The Circuit sought to be fully compliant with all aspects of **Charity Commission** requirements, especially in relation to the Safeguarding of Children, Young People and Vulnerable Adults.

The Circuit's **Safeguarding** Policy was renewed at the start of the year and all necessary training was undertaken by those post holders that the Methodist Church deems necessary. The Circuit coordinates aspects of the work of Safeguarding within the local churches.

The Circuit works closely with the District Safeguarding Officer, the Connexional Methodist Church and Due Diligence Checking (DDC) for DBS checks.

The Circuit acknowledges the importance of the **General Data Protection Regulations (GDPR)** and continues the task of ensuring all its practices and those of the local churches are compliant with regulations.

Trustees for Methodist Church Purposes (TMCP) is the controller and responsible for general data protection issues arising in respect of day to day matters.

## Property

The Circuit, through the Circuit Meeting acts as trustees for circuit property.

Circuit Property is primarily the manses provided as homes and working environments for the ministerial staff.

The redundant manse in Coppull continues to be let out on a lease approved by the Trustees for Methodist Church Purposes (TMCP), and during the summer of 2020 we also worked towards the same approval for the vacant manse in Chorley (Warton Place).

# Financial Report

## Financial Review

The Circuit's annual Financial Plan for the Operating Account within the General Fund is based on the current strategy of meeting all on-going operating costs by way of Church Assessments, together with a subsidy from Circuit Funds equating to approximately 2.5% of the annual budget.

Before taking account of the subsidy, the accounts show a deficit £8,621, (2019 £4,083), compared to the budgeted deficit of £8,500 (which equates to the Circuit subsidy). Savings on travel costs (primarily due to COVID-19) were offset by higher manse repair costs, and savings as a result of the installation of water meters were offset by the reinstatement of the recharge for the minister's computer allowance

## Income Trends

Total income within the General Fund has increased by £7,087 (2.0%) year over year. Income is primarily drawn from the assessment paid by the circuit churches which represents 97% of the total income (2019, 97%), and has increased by 2.2% in line with the 2019-20 agreement with the circuit churches.

## Expenditure Trends

Total expenditure within the General Fund increased by £11,625 (3.3%) year over year. Stipend expenditure has increased in line with the 3.20 % Methodist Conference approved increase. Expenditure on Manse maintenance also increased. Cost savings were achieved by installing water meters at the manses, and also on travel costs as a result of COVID-19. One off professional fees were incurred in 2018-19 relating to the new manse at Little Close, but the benefit from this in the current financial year was offset by the re-introduction of the recharge for the minister's computer allowance.

## Exceptional Items

As part of an on-going program of manse provision re-configuration the Circuit the manse located in Royal Avenue was sold in December 2019, attracting net sale proceeds of £171,921 (see note 6 in the Financial Statements for further details). The funds from this sale were used to reinstate reserves following the acquisition of the manse in Little Close, Leyland acquired in the previous financial year for £295,000.

## Reserves

As at 31 August 2020 the total funds of the Circuit were £1,818,752, of which £1,477,893 is held in properties and a further £96,384 is held in Designated & Restricted Fund. This leaves a total of £244,475 of 'free' reserves in the General Fund. The first call on these funds is to cover the operating expenses of the Circuit and this is covered in the Circuit Reserves policy. See below for the details of this policy.

## Plans for 2020/21

Full time ordained staff within the Circuit reduced as planned by 1.0wte from 6.5 wte to 5.5wte from 1<sup>st</sup> September 2020. However, the financial budget has been maintained at the equivalent level of 6.5 wte, whilst plans are finalised for a revised operating model, which will include lay worker support to ensure that resources are available to support the implementation of the findings of the Church Life Review outlined above. COVID-19 has delayed the preparation and implementation of these plans, which were initially intended to be in place from 1<sup>st</sup> September 2020. In addition, support has been provided for the churches by temporarily maintaining assessments at 2019-20 levels despite inflationary pressures equating to 3.4%. A fully costed five-year plan is being developed to

take into account the factors mentioned above as well as the potential risk of church closures due to the underlying impact of COVID-19

### Reserves Policy

The Reserves Policy for the Circuit is to hold a minimum sum equivalent to 6 months' average expenditure. Based on the net available funds held in the General Fund as at 31 August 2020 of £244,455 and budgeted operating expenditure for 2020-21 of £366,071 the Circuit currently holds reserves equal to 8 months of expenditure.

### Basis of preparation and legal framework

The Charity's annual report and accounts for the year ended 31 August 2019 have been prepared in accordance with the Charities Act 2011 and the Charities: Statement of Recommended Practice 2015 as applicable to the Financial Reporting Standard (FRS) 102

Full Name of Charity: Chorley and Leyland Methodist Circuit

Registration Charity Number: 1135868

Date of registration: 11 May 2010

Main communication address: 25 Canberra Road, Leyland, PR25 3EQ

The members of the Chorley and Leyland Methodist Circuit meeting are the Charity Trustees, membership being made up of circuit office holders, ministers and representatives appointed by the local churches.

Full membership is shown as Appendix A to this report.

### Circuit Ministers and Officers

Active Circuit Ministers	Circuit Stewards
Rev P Gough (Superintendent)	Mrs B Frankish
Rev T Simpson	Mrs C Hothersall
Dcn E Monk-Winstanley	Mr. C Howard
Dcn S Philips	Mr. T Melling
Rev G Welsh	Miss A Cupit
Rev K Hilsden (Appointed 1 Sep 20)	
Rev M Whiffen (Associate)	
<b>Administrator</b> Mrs Kathryn Townson	<b>Pioneer Ministry Enabler</b> Andrew Kesiak
Mr Tim Melling acted as the principal officer overseeing the day to day financial management and accounting for the circuit during the year.	
<b>Independent Examiner</b> Mrs Jacquie Adams (FCA, CTA) 2 Stable Mews, Withnell Fold, Chorley PR6 8AR  <b>Investment Bankers</b> Central Finance Board of the Methodist Church, 9 Bonhill Street, London, EC2A 4PE  Trustees for Methodist Church Purposes, Central Buildings, Oldham Street, Manchester, M1 1JQ  <b>Other Bankers</b> Co- Op Bank, PO Box 250 Skelmersdale WN8 6WT  <b>Solicitors</b> Sintons Solicitors LLP The Cube, Barrack Road, Newcastle. NE24  <b>Property Advisors</b> Peter E Gilkes & Company, 33 Market Street, Chorley, PR7 2SE	

## **Aims and Organisation**

The Charity's objective is to act as a Resource provider within the area around Chorley and Leyland for the Methodist Church:

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

- a) The Christian faith in accordance with the doctrinal standards and 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

"The organisation and resourcing of regular public acts of worship open to members of the church and non-members alike.

The teaching of Christianity through sermons, courses and small groups.

The resourcing of pastoral work including visiting the sick and bereaved.

Taking religious assemblies in local schools.

Promotion of Christianity through the staging of events and services.

Provision of chaplaincy services to the local university and other institutions".

## **Public Benefit**

We confirm the trustees have had regard to the Charity Commission's guidance on public benefit.

## **Structure, Governance and Management**

"The governing document for the circuit is the Deed of Union (1932) and Methodist Church Act (1976)

Detailed governance arrangements are outlined within the Constitutional Practice and Discipline of the Methodist Church by order of the Annual Conference (CPD).

Day to day management of the circuit is undertaken by the Circuit Leadership team.

## **Trustee Training**

A range of guidance produced by Methodist Connexion to support the effective running of the circuit, specifically the leaflet 'The Role of a Trustee in The Methodist Church' is given to all new Circuit meeting members as induction to their role as trustees.

## **Related Parties**

The Circuit is part of the Lancashire District and is also accountable to the Methodist Conference. The following Methodist Churches are linked to the circuit:

Adlington United Reformed/ Methodist Church	Withnell Fold Methodist Church
Eccleston Methodist Church	Chorley Methodist Church
Heskin Methodist Church	Euxton Methodist Church
Leyland Methodist Church	Hillside Methodist Church
Spendmore Lane Methodist Church	Midge Hall Methodist Church
	Whittle-le-Woods Methodist Church

## Risk Management

The major risks are identified and monitored by the Circuit Meeting via the Circuit Stewards. Professional advice from either within the Connexion or if necessary, from external advisors is taken as required.

Income and Expenditure is being monitored in total and is compared with the approved annual budget on a half yearly basis to detect trends as part of the risk management process to avoid unforeseen calls on reserves.

## Safeguarding

Every person has a value and dignity which comes directly from the creation of humans in God's own image and likeness. Christians see this potential as fulfilled by God's re-creation of us in Christ. Among other things this implies a duty to value all people as bearing the image of God and therefore to protect them from harm.

Methodist Connexional practice outlines commitment to the following principles:

- the care and nurture of, and respectful pastoral ministry with, all children, young people and adults
- the safeguarding and protection of all children, young people and adults when they are vulnerable
- the establishing of safe, caring communities which provide a loving environment where there is informed vigilance as to the dangers of abuse.
- We will carefully select and train all those with any responsibility within the Church, in line with Safer Recruitment principles, including the use of criminal records disclosures and registration with the relevant vetting and barring schemes.
- We will respond without delay to every complaint made which suggests that an adult, child or young person may have been harmed, cooperating with the police and local authority in any investigation.
- We will seek to work with anyone who has suffered abuse, developing with them an appropriate ministry of informed pastoral care.
- We will seek to challenge any abuse of power, especially by anyone in a position of trust.
- We will seek to offer pastoral care and support, including supervision and referral to the proper authorities, to any member of our church community known to have offended against a child, young person or vulnerable adult.
- In all these principles we will follow legislation, guidance and recognised good practice

The Chorley and Leyland Methodist Circuit commits itself to ensuring the implementation of Connexional Safeguarding Policy; government legislation, guidance and safe practice in the circuit and in the churches.

The Chorley and Leyland Methodist Circuit commits itself to the provision of support, advice and training for lay and ordained people that will ensure people are clear and confident about their roles and responsibilities in safeguarding and promoting the welfare of children, young people and adults who may be vulnerable.

Approved by the Trustees on 16<sup>th</sup> March 2021 and signed on their behalf by

Rev P Gough (Chair)





## Appendix A – Full List of Circuit Meeting Members (“Trustees”)

### MINISTERS

Rev P Gough  
 Rev G Cutler (Resigned 31/8/20)  
 Rev G Fiak (Resigned 31/8/20)  
 Rev G Welsh (Appointed 17/9/19)  
 Dcn E Monk-Winstanley  
 Dcn S Phillips  
 Rev T Simpson  
 Rev M Whiffen (Associate)

### MINISTERS IN OTHER APPOINTMENTS

Dcn D Gallimore  
 Dcn L Gallimore  
 Dcn K Lamb

### Circuit Stewards & Meeting Secretary

Miss A Cupit  
 Mrs B Frankish  
 Mrs C Hothersall  
 Mr C Howard  
 Mr B King (Deceased)  
 Mr T Melling (Treasurer)  
 Mrs K Townson (Circuit Meeting Secretary)

### CIRCUIT LOCAL PREACHERS, WORSHIP LEADERS & CHURCH REPRESENTATIVES

Mrs M Abel	Mr K Ashton	Mrs A Baker	Mrs M Bennett
Mrs M Bibby	Mrs J Davenport (Appointed 17/9/19)	Miss M Dowling	Mrs S Draper
Miss L Duckworth	Ms A Eaves	Mrs F Eccles	Mr D Frost
Mr A Edge	Mr J Fishwick	Mrs H Fletcher (Resigned 17/9/19)	Mr G Jones (Resigned 17/9/19)
Mrs P Gerrard	Mrs P Griffiths (Resigned 17/9/19)	Mr S Hardacre	Mrs M Harris (Appointed 17/9/19)
Mr T Harris	Mrs L Heston	Mr G Horton	Mrs J Horton
Mrs C Hulse	Mr D Hulse		Mr D Kelsall
Mrs N Klunder	Mrs Y Lancaster	Mr D Leach	Mrs S Lemon (Resigned 17/9/19)
Mrs C Linfitt (Resigned 17/9/19)	Rev A Mashiter	Mrs A Melling	Mrs S Mercer
Mrs H Molyneux	Mrs R Moss	Mr C Naylor	Mrs L Naylor Appointed 17/9/19)
Mr M Needham (Resigned 17/9/19)	Mr B Noon	Mrs J Owen	Mrs K Owen
Mr F Robinson	Mr M Saunders (Appointed 17/9/19)	Mr R Scott (Appointed 17/9/19)	Mrs C Shapley
Mr L Shields	Mrs C Stafford	Mr W Stafford	Rev R Stubbings
Mrs Y Taylor	Mrs C Tetlow	Mr G Thomas (Deceased)	Mr A Walmsley
Mr J Whittle	Mr P Wright		

# Financial Statements

## For the Year Ending 31 August 2020

# Statement of Financial Activities for the Year Ending 31<sup>st</sup> August 2020

		Unrestricted Funds					
	Note No.	General Fund	Circuit Model Trust Fund	Designated Funds	Restricted & Endowment Funds	Total 2019-20	Total 2018-19
<b>Income and Endowments</b>							
Donations and legacies	3	0	0	120	168	288	1,900
Income from monetary investments		152	1,720	728	30	2,630	4,308
Income from investment properties	4	10,354	0	0	0	10,354	10,192
Assessments on Churches	5	345,738	0	0	0	345,738	338,388
Capital Receipts	6	0	171,921	0	0	171,921	0
Grants received		0	0	11,300	0	11,300	10,000
Other charitable activities	7	183	0	0	226	409	175
<b>Total from Charitable Activities</b>		<b>356,427</b>	<b>173,640</b>	<b>12,148</b>	<b>424</b>	<b>542,639</b>	<b>364,963</b>
Other income	8	0	0	4,000	0	4,000	0
<b>Total Income and Endowments</b>		<b>356,427</b>	<b>173,640</b>	<b>16,148</b>	<b>424</b>	<b>546,639</b>	<b>364,963</b>
<b>Expenditure</b>							
Grants and donations	9	1,831	0	0	226	2,057	2,037
Salaries and associated costs	10	247,727	0	26,858	0	274,585	273,550
Property	11	42,390	0	14,114	0	56,504	31,329
Connexional assessment		0	0	0	0	0	0
District Assessment & Levy	12	62,663	1,361	7,533	0	71,557	80,660
Depreciation		0	0	0	0	0	0
Office expenses	13	3,770	109	761	0	4,640	4,208
Other outgoings	14	6,667	0	401	0	7,068	11,672
<b>Total Charitable Expenditure</b>		<b>365,048</b>	<b>1,470</b>	<b>49,667</b>	<b>226</b>	<b>416,411</b>	<b>403,458</b>
<b>Net Incoming Resources /(Resources Expended before Investment Gains /(Losses))</b>		<b>(8,621)</b>	<b>172,170</b>	<b>(33,519)</b>	<b>198</b>	<b>130,228</b>	<b>(38,494)</b>
Gain/(loss) monetary investments	15	0	(378)	0	0	(378)	842
Gain/(loss) investment properties	16	390	0	0	0	390	(228)
Reclassification of Funds	17	(171,921)	0	0	0	(171,921)	
<b>Net Income/(Expenditure)</b>		<b>(180,152)</b>	<b>171,792</b>	<b>(33,519)</b>	<b>198</b>	<b>(41,681)</b>	<b>(37,881)</b>
Transfers between funds		8,500	(8,500)	0	0	(0)	0
Other gains/(losses)		0	0	0	0	0	0
<b>Net Movement in Funds</b>		<b>(171,652)</b>	<b>163,292</b>	<b>(33,519)</b>	<b>198</b>	<b>(41,681)</b>	<b>(37,881)</b>
Total funds brought forward		1,676,252	54,456	125,545	4,280	1,860,533	1,893,444
add back Future Instalments of Grants		0	0	0	0	0	5,000
Grant Instalment Provisions Released		0	0	0	0	0	0
<b>Total Funds Carried Forward</b>		<b>1,504,599</b>	<b>217,749</b>	<b>92,026</b>	<b>4,479</b>	<b>1,818,852</b>	<b>1,860,563</b>

# Balance Sheet as at 31 August 2020

		Unrestricted Funds			Restricted & Endowment Funds	Totals 2020	Totals 2019
Note No.	General Fund	Circuit Model Trust Fund	Designated Funds				
<b>Fixed Assets</b>							
Circuit Manses & Equipment	18	1,306,228				1,306,228	1,306,228
Investment properties	18	171,665				171,665	343,196
Investments	19		35,847			35,847	36,225
<b>Total Fixed Assets</b>		<b>1,477,893</b>	<b>35,847</b>			<b>1,513,740</b>	<b>1,685,649</b>
<b>Current Assets</b>							
Debtors	20	21,900				21,900	24,373
Loans by the Circuit	21	7,000				7,000	301
Investments with TMCP	19		181,901			181,901	18,231
Central Finance Board Deposits	22	39,280		94,569	4,283	138,132	131,683
Cash at Bank and in hand	22	54,531		4,990	581	60,102	94,489
<b>Total Current Assets</b>		<b>122,712</b>	<b>181,901</b>	<b>99,558</b>	<b>4,864</b>	<b>409,036</b>	<b>269,078</b>
<b>Current liabilities</b>							
Creditors (due in under 1 year)	23	96,005		7,533	386	103,924	94,164
Grants payable within 1 year							
<b>Total Current Liabilities</b>		<b>96,005</b>		<b>7,533</b>	<b>386</b>	<b>103,924</b>	<b>94,164</b>
<b>Net Current Assets/Liabilities</b>		<b>26,706</b>	<b>181,901</b>	<b>92,026</b>	<b>4,479</b>	<b>305,112</b>	<b>174,914</b>
<b>Total Assets less Current Liabilities</b>		<b>1,504,599</b>	<b>217,749</b>	<b>92,026</b>	<b>4,479</b>	<b>1,818,852</b>	<b>1,860,563</b>
<b>Long term liabilities (due after more than one year)</b>							
Grants payable after 1 year							
Loans to the Circuit							
<b>Net Assets</b>		<b>1,504,599</b>	<b>217,749</b>	<b>92,026</b>	<b>4,479</b>	<b>1,818,852</b>	<b>1,860,563</b>
<b>Funds of the Circuit</b>							
General Fund	24a/26	1,504,599				1,504,599	1,676,251
Circuit Model Trust Fund	24b/26		217,749			217,749	54,456
Designated Funds	24c/26			92,026		92,026	125,545
<b>Total Unrestricted Funds</b>						<b>1,814,374</b>	<b>1,856,252</b>
Restricted & Endowment Funds	25/26				4,479	4,479	4,310
<b>Total Funds</b>		<b>1,504,599</b>	<b>217,749</b>	<b>92,026</b>	<b>4,479</b>	<b>1,818,852</b>	<b>1,860,563</b>

Signed

*T. Mellin*

Circuit Treasurer

16/3/21

**1) Basis of Accounting and Accounting Policies**

**a) Accounting Standard**

The financial statements have been prepared in accordance with *Accounting and Reporting by Charities: Statement of Recommended Practice (SORP)* applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS102), effective from 1 January 2015. (Charities SORP (FRS102)).

**b) Public Benefit Entity**

The Chorley & Leyland Methodist Circuit meets the definition of a public benefit entity under FRS 102. Assets and liabilities are initially recognised at historical cost or transaction value unless otherwise stated in the relevant accounting policy note(s) below.

**c) Basis**

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

**d) Content**

The financial information presented is relevant, reliable, comparable and complete. Where estimates are used these are based on experience, research and judgement. The accounts are expressed in £sterling, rounded to the nearest pound.

**e) Going Concern**

Based on the monetary assets and human resources available at 31 August 2020, the trustees believe that the Circuit is a going concern.

**f) Consolidation**

The Circuit and denominational regulatory oversight in respect of the work of the Churches within the Circuit but has no legal or operational control of those Churches and their governing bodies except in extreme circumstances. For this reason, the financial statements of the Churches within the Circuit are not consolidated into these financial statements. The income and expenditure relating to the Women's Network – Chorley & Leyland Circuit are consolidated into these financial statements as this group does fall within the overall governance of the Trustees.

**g) Income Recognition**

Income is brought into account when there is entitlement and the amount is reliably measurable once it is more likely than not that the economic benefit of the income will be forthcoming.

Individual amounts categorised as *Other Income* in the SOFA will be shown separately if they are considered material.

The Circuit acts as agent in three matters:

- The collection from Churches and payment over of their contributions to various Funds controlled and administered by The Methodist Church, known as 'Connexional Funds'.
- The administration (application, collection and disbursement) of grants requested by Churches within the Circuit from, but not limited to, the District and Connexional.
- The collection from Churches and payment over of their contributions to the Circuit nominated 'Charity of the Year.'

In all these matters the transactions are not reflected in the SOFA because they are the income of either the Connexion or the Churches as appropriate. Instead, the transactions are disclosed in the Notes to the Accounts as required by SORP(FRS102), module 19.12

In accordance with the Charities SORP (FRS 102) the time of volunteers is not recognised. Further information on this matter is provided in the Trustees Annual Report. If goods are donated, a value will be shown in the SOFA or Notes where the value is considered material.

**h) Expenditure**

Expenditure is recognised when a liability is incurred, or a constructive obligation arises, where the amount is reliably measurable and it is considered more likely than not that there will be an outflow of economic benefit.

**i) Grants**

Grants made by the Circuit from its own funds are recognised in full at the time of agreement to make a grant without performance conditions or as and when the Circuit accepts that there is a legal or operations obligation to make the payment if it is subject to performance conditions. When the grant to be accrued is recurrent over more than one year, the balance payable in future years, discounted to net present value where the difference is material, is treated as a provision for future commitments in the balance sheet against the appropriate fund. The provision is then released in future years in accordance with the originally agreed terms. Any future payment provision is applied to the fund from which the grant will be ultimately be paid

**j) VAT**

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

**k) Tangible Fixed Assets**

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

Freehold property owned as at 31<sup>st</sup> August 2015 is shown in the accounts at 2015 deemed values based on insured amounts. Property acquired after that date is shown at cost. No depreciation is provided because the Trustees consider the current residual value of the properties in their present condition to be not less than their historical cost and, in the absence of any material impairment, any deprecation provision for the building component of the properties would be immaterial. From time to time the Circuit may be required to assume responsibility for Church premises following closure and cessation of worship. This results in the Circuit becoming Managing Trustees for the property. At the time the property is recognised as an asset at its anticipated net sale proceeds as determined by a professional valuation and after taking into consideration the levy to be charged by the Connexion. Any expenditure of such assets, that is likely to enhance sale value, is capitalised at the time the expenditure is incurred.



**l) Monetary Investments**

The Circuit's investments are in monetary assets classified as basic financial instruments under FRS102, and are held by the Trustees for Methodist Church Purposes ("TMCP") as custodian trustees. The valuations, at market value, are those provided by TMCP. The unrealised gains or losses arising on investments at the end of the year are shown in the SOFA and in Note 16 below.

**m) Investment Property**

From time to time the Circuit may hold residential property (formally manses) which is either surplus to its normal staffing requirements or is not currently required due to different living arrangements for one or more of the presbyters. Where this is the case and it is anticipated that the property is unlikely to be used as a manse within a period of two years, the property is classified as Investment Property (whether let out or not). Any letting arrangements are at market rates unless there is a compelling reason not to do so in furtherance of the Circuit's charitable objectives.

**n) Receivables and Payables; Bank and Cash (Basic Financial Instruments)**

Debtors are stated at the amounts owed to the Circuit or prepaid. Creditors are initially recognised at settlement amount after any trade discounts, where normal credit terms apply. Subsequently creditors that are current liabilities are measured at the cash or other consideration expected to be paid. The liquid funds of bank balances and deposit fund balances are shown at their realisable values.

**o) Funds**

The trustees have adopted a policy for all unrestricted reserves which is to maintain a minimum of six months cover for Operating Expenses together with specific designated funds for Major Manse Repairs and Ministers Removal Costs. Further details can be found in Note 24

**p) Ministers Manse Costs**

The Circuit is required to provide accommodation for each minister in the Circuit and their families, and this is seen as a benefit to the Circuit. Ministers are expected to occupy the manse provided for them. The Circuit bears the cost of repairs, maintenance, buildings insurance, council tax and water charges. These figures are not separately disclosed as benefits in kind as HMRC does not seek to tax these receipts in the hands of the ministers.

## 2) Glossary of Terms

**CFB:** Central Finance Board of the Methodist Church – manages a Common Deposit Fund and a series of pooled investment funds for Methodist entities in Great Britain, and provides investment advice to those entities.

**Church:** a group of members from fewer than 10 to more than 300.

**Circuit:** a group of Methodist Churches near each other, typically between 10 and 30.

**Circuit Leadership Team (CLT):** a group (comprising mostly, but not exclusively) of Circuit trustees responsible for the day administration and policy formulation of the Circuit. Generally, the CLT comprises the Presbyters and Deacons stationed within the Circuit, together with the Circuit Stewards, of which the Circuit Treasurer is one.

**Circuit Meeting:** The Trustees of the Circuit, most of whom are appointed by their local Churches and others by virtue of a role they undertake for the Circuit and/or their local Churches.

**Connexion:** The Methodist Church in Great Britain which includes the Head Office at Methodist Church House, all Methodist Districts, Circuits and Churches.

**Connexional Funds:** The Designated and/or Restricted Funds held and administered by the Connexion in furtherance of its charitable and mission objectives.

**District:** a group of contiguous circuits usually between 15 and 30.

**FRS:** Financial Reporting Standard.

**FTE:** Full time equivalent. Used in the expression of staffing levels when not all staff are employed on a full-time basis.

**HMRC:** Her Majesty's Revenue & Customs

**Lay Employees:** Personnel employed by the Church on generally accepted commercial employment terms.

**Manse:** Accommodation provided by the Circuit for the Presbyters for the period that they are stationed within the circuit

**MMPS:** Methodist Ministers' Pension Scheme

**PASLEMC:** Pensions and Assurance Scheme for Lay employees of the Methodist Church

**Presbyters:** Probationer or Ordained Methodist Ministers and/or Deacons who have pastoral and administrative responsibility for the Churches within the Circuit

**Quinquennial Report:** a report prepared every five years by an architect or qualified building surveyor on each manse and church within the Circuit outlining (in priority order) any major repairs needed to the building

**SOFA:** Statement of Financial Activities.

**SORP:** Statement of Recommended Practice.

**TMCP:** Trustees for Methodist Church Purposes, the legal owner and Custodian Trustee of all Methodist Model Trust property, including Legacies, Endowments and Accumulated Funds

## Notes to the Accounts for the Year Ending 31 August 2020

### 3) Donations and Legacies

The Circuit received donations of £288 during the year (2019, £1,900). The Trustees have determined that these will be placed in a Designated Fund to be used for unexpected/unplanned expenditure in the future.

### 4) Income from Investment Properties

The trustees have determined that the property listed below is unlikely to be returned to use as a manse in the foreseeable future and have therefore classified it as an Investment Property. Letting income is shown gross of fees and commissions which are accounted for in Property Expenses (see Note 10b).

	General Fund	
	2019-20	2018-19
Former Manse - James Place	10,354	10,192
	0	0
<b>Total</b>	<b>10,354</b>	<b>10,192</b>

### 5) Assessments on Churches

The Circuit comprises 11 churches and each is assessed for a contribution to meet the overall net operating costs of the Circuit. The calculation is based on a formula which used a combination of previous years income and normalised attendance over a four-month period, for each church. Assessments are payable quarterly in advance.

	General Fund	
	2019-20	2018-19
Adlington	7,600	7,440
Chorley Methodist	55,083	56,684
Eccleston	21,364	20,712
Euxton	32,280	30,736
Heskin	8,526	8,120
Hillside	55,740	54,508
Leyland Methodist	96,944	94,900
Midge Hall	28,140	26,800
Spendmore Lane	21,506	20,480
Whittle	12,691	12,424
Withnell Fold	5,864	5,584
<b>Total</b>	<b>345,738</b>	<b>338,388</b>

### 6) Capital Receipts

	Circuit Model Trust Fund	
	2019-20	2018-19
Gross Sale Proceeds (Royal Av)	177,500	0
Selling Agent Fees	(2,994)	0
Surveyors Fees	(570)	0
Legal Fees	(1,980)	0
Other Fees	(35)	0
<b>Net Sales Proceeds</b>	<b>171,921</b>	<b>0</b>

The former manse at Royal Avenue was sold on 10<sup>th</sup> December 2019

**7) Income from Other Charitable Activities**

Women's Network – this group exists to promote and encourage fellowship across the churches within our circuit. The largest part of its income arises from the Easter Offering across all churches within the Circuit which is specifically for the Methodist Church World Mission Fund. This is not included in the income of the Circuit as it is for a specific fund. Please see note 27. The income included in the table above is from non-specific donations which are then passed on to other charitable causes, including some Methodist Church Funds. In 2019-20 the Easter Offering did not take place due to the churches being closed as a result of the COVID-19 lockdown

Messy Church – monthly sessions are held in Trinity Buckshaw school. Contributions are received towards the costs incurred which are reported in Note 19 Other Outgoings.

	General Fund	Circuit Model Trust Fund	Designated Funds	Restricted & Endowment Funds	Total 2019-20	Total 2018-19
Women's Network				226	226	121
Messy Church	183				183	54
					0	0
<b>Total</b>	<b>183</b>	<b>0</b>	<b>0</b>	<b>226</b>	<b>409</b>	<b>175</b>

**8) Other Income**

A total of £4,000 was received during the year as a result of the RBS 'Business Banking Switch' initiative. The Trustees have determined that this will be placed in a Designated Fund to be used for unexpected/unplanned expenditure in the future.

**9) Grants & Donations Made**

The grants and donations listed below were agreed and made during the year.

	Agreed This Year			Agreed Previous Year			Total
From General Funds	Agreed	Paid This Year	Carried Forward	Unpaid b/f	Paid This Year	Carried Forward	Paid This Year
St Johns School, Brinscall	1,117	(1,117)	0			0	(1,117)
Soul Survivor Grant		0	0			0	0
Training & Development	502	(502)	0			0	(502)
Other	212	(212)	0			0	(212)
<b>Total</b>	<b>1,831</b>	<b>(1,831)</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>(1,831)</b>

From Restricted Funds	Agreed	Paid This Year	Carried Forward	Unpaid b/f	Reversed This Year	Carried Forward	Paid This Year
Schools Worker			0			0	0
Network Charities	226	(226)	0	0		0	(226)
<b>Total</b>	<b>226</b>	<b>(226)</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>(226)</b>

Notes to the Accounts for the Year Ending 31 August 2020

**10) Stipends, Salaries & Associated Costs**

**a) Presbyters & Deacons**

Stipends were paid to 7 Presbyters & Deacons (6.5fte), (2018-19 (6.5 fte)).

	Full Time	Part Time	General	Designated	2020	2019
Stipends	154,412	12,084	166,496		166,496	161,322
National Insurance	14,247	518	14,765		14,765	14,215
Pensions	40,203	3,251	43,454		43,454	42,258
<b>Total Employment Costs</b>	<b>208,862</b>	<b>15,853</b>	<b>224,715</b>	<b>0</b>	<b>224,715</b>	<b>217,794</b>
Telephone & Internet	3,014	348	3,362		3,362	3,234
Travelling	9,487	821	10,307		10,307	14,270
Removal & Relocation	500		500	2,560	3,060	4,291
<b>Total</b>	<b>221,863</b>	<b>17,022</b>	<b>238,884</b>	<b>2,560</b>	<b>241,444</b>	<b>239,589</b>

**b) Administration**

The Circuit currently employs two lay members of staff (1.45fte), (2019 1.45wte), one (0.45fte) providing Administration support to the Circuit, and the second (1.0 fte) in a Pioneer Ministry role. From March 2020 the Circuit Administrator works an additional 2hrs per week for the Lancashire District and this cost is recharged. The costs below are shown net of this recharge.

	Full Time	Part Time	General	Designated	2020	2019
Salary		8,517	8,517	23,958	32,475	32,879
National Insurance					0	0
Pensions					0	0
<b>Total Employment Costs</b>	<b>0</b>	<b>8,517</b>	<b>8,517</b>	<b>23,958</b>	<b>32,475</b>	<b>32,879</b>
Travelling		326	326	340	666	1,082
<b>Total</b>	<b>0</b>	<b>8,843</b>	<b>8,843</b>	<b>24,298</b>	<b>33,141</b>	<b>33,961</b>

**Totals**

<b>Stipends, Salaries &amp; Associated Costs</b>	<b>221,863</b>	<b>25,864</b>	<b>247,727</b>	<b>26,858</b>	<b>274,585</b>	<b>273,550</b>
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No employees received employee benefits of more than £60,000. There is no accrual for holiday pay as it is immaterial; the holiday year ends on 31 August. All staff are paid at or above the living wage.

**c) Pensions**

All ordained Presbyters & Deacons are members of the Methodist Ministers' Pension Scheme (MMPS), which is a defined benefit scheme. The Supreme Court held in 2014 that Methodist ministers (which term was deemed to include presbyters and deacons) are not employees of the Church. For simplicity, however, when dealing with National Insurance and pension contributions, the terms 'employer' and 'employee' are used as they would be in an employing body.

On the other hand, lay employees are contractual employees and do have the option of joining an occupational pension scheme.

Financial details of the MMPS can be found in the note to the Consolidated Report and Financial Statements of The Methodist Church

## Notes to the Accounts for the Year Ending 31 August 2020

### d) Cost of Superintendent, Presbyters, Deacons & Trustees

The Superintendent of the Circuit, the other Presbyters and Deacons and the remaining members of the CLT are considered as Key Management Personnel. The Superintendent chairs CLT and Circuit Meetings. The members of the Circuit Meeting are the Trustees of the Circuit. The stipends, employer's NIC and employers pension contributions and other expenses of the Presbyters and Deacons of the Circuit are paid by the Circuit.

The manse is provided by the Circuit and the Circuit maintains the property. Council tax and water charges are paid by the Circuit, but as HMRC does not regard this a benefit in kind the values are not disclosed here.

Each Presbyter and Deacon is entitled to a three-month sabbatical. Expenses incurred during this are met by the Connexion, with the Circuit continuing to pay the stipend. During the year there have been no sabbaticals. There are no additional costs incurred as a result of sabbaticals as the remaining Presbyters and Deacons cover the work without additional payment.

The total employment costs for Presbyters and Deacons can be found in Note 11a above

### e) Payments to Trustees

It is not generally Circuit policy to reimburse the lay members of the CLT or Circuit Meeting members for expenditure properly incurred in carrying out their duties. However as outlined above the Presbyters, Deacons, and the Administration Assistant are paid by the Circuit for their work within the Circuit. In addition, payments (fees and/or travel expenses) are made to two Supernumerary Ministers (who are Trustees), for preaching duties they undertake within the churches of the Circuit. These costs are reported as 'Other Outgoings' and details are outlined below:

Minister	2019-20	2018-19
Rev M Randle	476	867
Rev R Stubbings	175	450
<b>Total</b>	<b>651</b>	<b>1,317</b>

The travel cost of the Presbyters & Deacons who attend CLT and Circuit Meetings is included within their overall travel expenses and is not separately determined.



**11) Property Expenses**

The Circuit is Managing Trustee for 6 manses (2019, 7), 5 of which were occupied during the year by the Presbyters and one of the Deacons stationed in the Circuit. The other 1 is designated as an investment property.

As a result of the changes in ministerial roles effective from 1<sup>st</sup> September 2019 the Trustees decided to re-configure the manse provision, which resulted in the purchase of a new property in Little Close, Leyland in July 2019, and the sale of an existing property in Royal Avenue, Leyland, which was completed in December 2019. Details of the capital values in respect of this transaction can be found in Note 7.

The cost of on-going maintenance and improvements to all properties is current funded on an 'as incurred' basis from the General Fund. Any major/one-off repairs or maintenance are funded from the reserve held in Designated Funds.

The Circuit is also responsible for any property related expenses in respect of closed churches, as well as Quinquennial Reports for all Churches and Manses within the circuit

**a) Expenditure on Manses**

General Fund							
Manse	Council Tax	Insurance	Repairs, Maint & Improv	Maintenance Contracts	Water	Total 2019-20	Total 2018-19
Canberra Road	1,660	467	645	385	567	3,724	4,196
Little Close	2,224	(2)	2,676	550	643	6,091	3,822
Millfield Road	2,665	590	0	473	642	4,370	8,724
Royal Avenue						0	3,844
Warton Place	1,383	650	4,992	60	688	7,773	3,081
Windsor Drive	2,489	429	8,199	738	764	12,620	4,569
<b>Total General Funds</b>	<b>10,421</b>	<b>2,133</b>	<b>16,513</b>	<b>2,206</b>	<b>3,305</b>	<b>34,579</b>	<b>28,236</b>
Designated Funds							
Windsor Drive			14,114			14,114	0
<b>Total - Manses</b>	<b>10,421</b>	<b>2,133</b>	<b>30,627</b>	<b>2,206</b>	<b>3,305</b>	<b>48,693</b>	<b>28,236</b>

**b) Expenditure on Other Property**

Description	General Fund		Designated Funds	
	2019-20	2018-19	2019-20	2018-19
Investment Properties	6,066	2,328		
Church Quinquennial Reports	1,155	0		
Office Set Up & Running Costs	590	766		
<b>Total</b>	<b>7,811</b>	<b>3,094</b>	<b>0</b>	<b>0</b>

**c) Total Expenditure on Property**

	General Fund		Designated Funds		Total Funds	
	2019-20	2018-19	2019-20	2018-19	2019-20	2018-19
Manses	34,579	28,236	14,114	0	48,693	28,236
Other Property	7,811	3,094	0	0	7,811	3,094
<b>Total</b>	<b>42,390</b>	<b>31,329</b>	<b>14,114</b>	<b>0</b>	<b>56,504</b>	<b>31,329</b>

Notes to the Accounts for the Year Ending 31 August 2020

**12) District Assessment & Levy**

The District Assessment is calculated relative to the proportion of Staffing (Presbyters, Deacons and Mission staff) of all Circuits within the Lancashire District. Presbyters & Deacons, attract a weighting of 1.50 per Fte and Mission Staff a weighting of 1.0 per Fte. The amounts included in Designated Funds relate to the Pioneer Minister role. The Circuit Model Trust levy is calculated on a sliding scale percentage of the Circuits CMTF account balance as at 31 August in the previous accounting year.

	General Fund	Circuit Model Trust Fund	Designated Funds	Restricted & Endowment Funds	Total 2019-20	Total 2018-19
District Expenses	5,363		645		6,007	7,176
Methodist Church Fund	57,300		6,888		64,188	62,561
Levy on Circuit Model Trust Funds	0	1,361	0	0	1,361	10,923
<b>Total</b>	<b>62,663</b>	<b>1,361</b>	<b>7,533</b>	<b>0</b>	<b>71,557</b>	<b>80,660</b>

**13) Office & Administration Expenses**

	General Fund	Circuit Model Trust Fund	Designated Funds	Restricted & Endowment Funds	Total 2019-20	Total 2018-19
Payroll Admin charge	480				480	480
Computer Levy - Ministers	1,155				1,155	0
TMCP Investment Management Fees		109			109	550
Printer Cartridges	564		262		827	1,030
Conference Minutes & CPD	237				237	278
Office Equipment	213				213	284
Photocopying	351				351	204
Circuit Website	249				249	249
Telephone/Broadband	39		440		479	324
Other Admin Costs	483	0	59	0	541	811
<b>Total</b>	<b>3,770</b>	<b>109</b>	<b>761</b>	<b>0</b>	<b>4,640</b>	<b>4,208</b>

Notes to the Accounts for the Year Ending 31 August 2020

**14) Other Outgoings**

	General Fund	Circuit Model Trust Fund	Designated Funds	Restricted & Endowment Funds	Total 2019-20	Total 2018-19
<b>Mission, Preaching &amp; Worship</b>						
Supernumery Preacher Expenses	651				651	1,317
Preaching Plan/Newsshare	185				185	428
Messy Church - Buckshaw	288				288	420
Resources	1,019		222		1,241	1,919
<b>Other Expenditure</b>						
Training Courses & Events	441				441	9
Apprenticeship Levy	918				918	961
Staff Retreat/CLT Away Day	2,173				2,173	2,175
Professional Fees	546				546	3,900
Other	446	0	179	0	625	544
<b>Total</b>	<b>6,667</b>		<b>401</b>	<b>0</b>	<b>7,068</b>	<b>11,672</b>

The professional fees incurred in 2019-20 relate to advice sought prior to signing an ecumenical document in respect of Trinity Buckshaw School and in 2018-19 relate to the purchase of the replacement manse in Little Close.

**15) Investment Management**

During the year the Circuit paid TMCP, the custodians of the Circuits investments, management charges based on 0.2% of the value of the funds as at the beginning of the financial year. Details of these by fund are listed below. None of the individual amounts are considered material but the totals by Fund category are shown in Note 13 above.

Realised and Unrealised gains/(losses) in invested funds are listed below.

	General Fund	Circuit Model Trust Fund	Designated Funds	Restricted & Endowment Funds	Total 2019-20	Total 2018-19
CFB Corporate Bond		105			0	495
CFB Managed Mixed Fund		(484)			0	336
CFB Managed Fixed Interest Fund		2			0	11
<b>Total</b>		<b>(378)</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>842</b>

**16) Gain/(loss) on Investment Properties**

Royal Avenue was sold in December 2019. The property had a carrying value of £171,759; the net sale proceeds received were £171,921 which results gain on disposal of £390.

**17) Reclassification of Funds**

As a result of the sale Royal Avenue in December 2019. The property had a carrying value of £171,759; the net sale proceeds received were £171,921 which results gain on disposal of £390.

Notes to the Accounts for the Year Ending 31 August 2020

**18) Manses & Other Property**

Buildings comprise 5 (6 in 2018-19) manses located in Chorley, Leyland & Brinscall. Investment property comprises a manse at St James Place, Coppull,

**a) Cost or Valuation**

	Investment Properties	Land	Buildings	Fixtures, Fittings and Equipment	Assets under Construction	Total
Balance brought forward	343,196		1,306,228			1,306,228
Additions in the year						0
Revaluations						0
less Disposals in the year	(171,531)					0
Transfers between Categories						0
<b>Total</b>	<b>171,665</b>	<b>0</b>	<b>1,306,228</b>	<b>0</b>	<b>0</b>	<b>1,306,228</b>

**b) Accumulated depreciation and impairment provisions**

Balance brought forward						0
Depreciation charge for the year						0
Impairment provisions						0
Revaluations						0
Disposals						0
Transfers						0
<b>Total</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>

Balance brought forward						0
Depreciation charge for the year						0
Impairment provisions						0
Revaluations						0
Disposals						0
Transfers						0
<b>Total</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>

**c) Net book value**

<b>Brought Forward</b>	<b>343,196</b>	<b>0</b>	<b>1,306,228</b>	<b>0</b>	<b>0</b>	<b>1,306,228</b>
<b>Carry Forward</b>	<b>171,665</b>	<b>0</b>	<b>1,306,228</b>	<b>0</b>	<b>0</b>	<b>1,306,228</b>

**d) Schedule of Assets**

Canberra Road (Manse)		231,878			231,878
James Place (Manse)	171,665				0
Little Close (Manse)		295,000			295,000
Millfield Road (Manse)		326,160			326,160
Warton Place (Manse)		223,162			223,162
Windsor Drive (Manse)		230,028			230,028
<b>Total</b>	<b>171,665</b>	<b>0</b>	<b>1,306,228</b>	<b>0</b>	<b>1,306,228</b>

\*Little Close is subject to a 999 lease of which there were 982 years remaining as at 31st August 2020

Notes to the Accounts for the Year Ending 31 August 2020

**19) Investment Assets, including Trustees for Methodist Church Purposes**

The funds that support the Circuit Model Trust Fund (as listed below) are held by TMCP in Trustees Interest, Managed Equity or Corporate Bond Funds on which interest or dividends are credited to the accounts either monthly or quarterly. These are regarded as medium to long term investments.

TMCP is the legal owner and custodian trustee of all Methodist model trust property, including legacies, endowments and accumulated funds. Trust property is held for and on behalf of local managing trustees who are responsible for the day to day management of trust property. TMCP ensure, through providing guidance and acting under their direction, that the managing trustees comply with charity law and Methodist law and policy as determined by the Methodist Conference.

Investment Fund Details		Trust Fund - Details				
Name	Number	Number of Units	Closing Price - £s	CMTF -Trust 9540	Total 2020	2019
CFB Managed Mixed Fund	2C100	5,698	4.734	26,974	26,974	27,459
CFB Managed Fixed Int. Fund	2C122	92	2.169	200	200	198
CFB Corporate Bond	2C128	5,825	1.489	8,673	8,673	8,569
Trustees Interest Fund	2C110	n/a			0	0
<b>Total Investments</b>				<b>35,847</b>	<b>35,847</b>	<b>36,225</b>
<b>Trustees Interest Fund</b>	2C110	n/a		<b>181,901</b>	<b>181,901</b>	<b>18,231</b>
<b>Total</b>				<b>217,749</b>	<b>217,749</b>	<b>54,456</b>

**20) Debtors & Prepayments**

All items shown as Debtors as at 31 August 2019 were received during the current financial year. All sums paid in advance at 31 August 2019 have been released in 2019-20 and it is expected that all other sums paid in advance at 31 August 2020 will be released in 2020-21

	General Fund	Circuit Model Trust Fund	Designated Funds	Restricted & Endowment Funds	Total 2020	2019
<b>Trade Debtors</b>						
SPAT for Schools Worker Salary Recharge					0	1,363
Other Debtors	0	0	0		0	704
<b>Total Debtors</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>2,066</b>
<b>Prepayments</b>						
Stipends, Pension & NI	19,223				19,223	18,717
Property Insurance	1,662				1,662	1,826
Council Tax & Water Charges	362				362	605
Other	653				653	1,159
<b>Total Prepayments</b>	<b>21,900</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>21,900</b>	<b>22,307</b>
<b>Total Debtors &amp; Prepayments</b>	<b>21,900</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>21,900</b>	<b>24,373</b>

## Notes to the Accounts for the Year Ending 31 August 2020

### 21) Loans to Churches

- 22) Loans to churches within the Circuit may be granted by the trustees for a variety of purposes. All loans are interest free and generally sourced from the CMTF. The agreed repayment period (if set) is shown in the table below. The loan to Chorley was made to support the redevelopment of the church following a merger with another local church. The loan to Leyland was to provide short term liquidity and was repaid in September 2020.

Church	Date Granted	Amount	Period	Balance b/f	Granted This Year	Repaid This Year	Balance c/f
Chorley Methodist Church	23/05/12	100,000	Open	301		(301)	0
Leyland Methodist Church	06/05/20	7,000	1 Year		7,000		7,000
<b>Total</b>				<b>301</b>	<b>7,000</b>	<b>(301)</b>	<b>7,000</b>

### 23) Central Finance Board (CFB) and Bank Balances

Monetary balances held at the Central Finance Board of the Methodist Church, The Co-op Bank and at the Royal Bank of Scotland plc are all available on demand without loss of interest. Where possible the Restricted Funds are all held in specific bank accounts. The allocation of the balances across General and Designated Funds is arbitrary, but wherever possible balances are not shown as negative

	General Fund	Circuit Model Trust Fund	Designated Funds	Restricted & Endowment Funds	Total 2019-20	2019
Central Finance Board	39,280		94,569	4,283	138,132	131,683
Co-op Bank	54,530		4,990	68	59,587	0
Royal Bank of Scotland	2		0	513	515	94,489
<b>Total</b>	<b>93,812</b>	<b>0</b>	<b>99,558</b>	<b>4,864</b>	<b>198,234</b>	<b>226,173</b>

### 24) Creditors, Accruals and Income in Advance

It is expected that all sums accrued at 31 August 2020 will be paid during the year to 31 August 2021. The accrual for the District Assessment relates to the Pioneer Ministry post which commenced on 1<sup>st</sup> September 2018 and is a five-year fixed term post. The formula to determine the amount payable for the District Assessment works one year in arrears, therefore the actual amount due as a result of the increased headcount is payable for five years from 2019-20.

	General Fund	Circuit Model Trust Fund	Designated Funds	Restricted & Endowment Funds	Total 2019-20	2019
<b>Income in Advance</b>						
Assessments received in advance	86,521				86,521	80,405
Third Party Fundraising				386	386	3,363
Other	0				0	0
<b>Total Income in Advance</b>	<b>86,521</b>		<b>0</b>	<b>386</b>	<b>86,906</b>	<b>83,768</b>
<b>Creditors &amp; Accruals</b>						
Minister & Staff expenses	267		0		267	1,256
Ministers Removal Expenses			0		0	489
District Assessment			7,533		7,533	7,073
Manse Repairs/Council Tax etc. etc.	6,573				6,573	739
Other	2,645		0		2,645	839
<b>Total Creditors &amp; Accruals</b>	<b>9,484</b>		<b>7,533</b>		<b>17,018</b>	<b>10,396</b>
<b>Total Creditors (due in under 1 year)</b>	<b>96,005</b>	<b>0</b>	<b>7,533</b>	<b>386</b>	<b>103,924</b>	<b>94,164</b>



## 25) Unrestricted Funds

### a) General Fund

	31-Aug-20	31-Aug-19
Balance	1,504,599	1,676,251

The purpose of this fund is 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. As at 31 August 2020 88% of this fund is held as freehold and long leasehold properties, being manses for ministers and investment properties. Details of grants and donations made from the General Fund during the year can be found in Note 9.

The Trustees are aware that grant applications must demonstrate public benefit and this is true for this fund.

### b) Circuit Model Trust Fund

	31-Aug-20	31-Aug-19
Balance	217,749	54,456

The purpose of this fund is for use at the discretion of the trustees in furtherance of the general objectives of the Circuit. Its main source of income is from the sale of church buildings in the Circuit.

Although this is technically an Unrestricted Fund under the control of the Trustees, Methodist Standing Orders 930, 931 and 917(2) do contain some restrictions on the use of the fund. The increase in the balance of this fund is due to receipt of the net sale proceeds of Royal Avenue.

### c) Designated Funds

	31-Aug-20	31-Aug-19
Balance	92,026	125,545

These funds are to serve specific purposes, but are not restricted by any document or deed to that purpose alone. Details of the specific funds are as follows:

**Manse Major Repair/Improvement Fund** – this is a historical fund, established over time by transferring funds from the General Fund. The fund balance at 31 August 2020 now stands at £9,886, after charging £14,114 in the year.

**Presbyters & Deacons Removal Fund** – used to meet the removal costs of new presbyters & deacons joining the circuit, and was established over time by designating funds previously held in the General Fund. The fund balance at 31 August 2020 now stands at £1,621, after charging £2,560 in the year.

**Pioneer Ministry Fund** – this fund was established during 2017-18 to provide funding for a 1.00 fte Lay Ministry post for a period of 5 years from 1<sup>st</sup> September 2018. Additional funding was provided on 31 August 2019 to cover the increased District Assessment payable as a result of this post. The balance as at 31<sup>st</sup> August 2020 of £107,131 is now considered sufficient to fund the remaining 3 years of this post.

**26) Restricted and Endowment Funds**

	31-Aug-20	31-Aug-19
Balance	4,479	4,310

The restricted and endowment funds exist to support the causes below. The funds held as Investments within the Balance sheet are managed by TMCP. In the SOFA the investment income and charges for these funds are recorded to the relevant fund and then a fund transfer is recorded to reflect the fact that the net income from these funds (after charges) is credited to the CMTF, which is an Unrestricted Fund. The funds held on deposit with the Central Finance Board ("CFB") are managed by the CFB and the interest is credited to the relevant account. Each fund is listed below and is categorised according to the following key:

EE – Expendable Endowment – Capital available with restrictions

PE – Permanent Endowment – Capital unavailable

RL – Locally Restricted – Capital and interest available

**Outreach(RL)** – the remaining balance on this fund was transferred to the Pioneer Ministry Fund in accordance with the Circuit decision outlined above.

**Local Preachers(RL)** – to be used to support those following their calling to be local preachers

**St Johns School(RL)** – available to fund any emergency repairs at the joint Church of England/Methodist primary school in Brinscall

**27) Summary of Fund Movements**

	Balance at 1 Sep 2019	Income	Expenditure	Transfers	Grant Provisions	Gains/ Losses	Balance at 31 Aug 2020
General	1,676,252	356,298	(364,899)	(163,421)	0	390	1,504,619
Circuit Model Trust	54,456	1,720	170,450	(8,500)	0	(378)	217,749
<b>Total Unrestricted &amp; Undesignated</b>	<b>1,730,708</b>	<b>358,017</b>	<b>(194,448)</b>	<b>(171,921)</b>	<b>0</b>	<b>12</b>	<b>1,722,368</b>
Manse Major Repair/Improvement	24,000	0	(14,114)	0			9,886
Presbyters & Deacons Removal	4,181	0	(2,560)	0			1,621
Pioneer Ministry	95,464	12,028	(32,993)	0			74,499
Other Designated	1,900	4,000	0	0			5,900
<b>Total Designated</b>	<b>125,545</b>	<b>16,028</b>	<b>(49,667)</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>91,906</b>
Local Preachers	2,693	187	0	0	0	0	2,880
St Johns School	1,560	11	0	0	0	0	1,571
Network	28	226	(226)	0	0	0	28
<b>Total Restricted</b>	<b>4,280</b>	<b>424</b>	<b>(226)</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>4,479</b>
<b>Total of All Funds</b>	<b>1,860,533</b>	<b>374,469</b>	<b>(244,342)</b>	<b>(171,921)</b>	<b>0</b>	<b>12</b>	<b>1,818,752</b>

## 28) Analysis of Net Assets Between Funds

Fund balances at 31 August 2020 are represented by:

	General Fund	Circuit Model Trust Fund	Designated Funds	Restricted & Endowment Funds	Total 2019-20	2019
Tangible Fixed Assets	1,306,228	0	0	0	1,306,228	1,306,228
Fixed Asset investments	171,665	0	0	0	171,665	343,196
Investments		35,847			35,847	36,225
Current Assets	122,712	181,901	99,558	4,864	409,036	269,078
Current Liabilities	(96,005)	0	(7,533)	(386)	(103,924)	(94,164)
Creditors Due After One Year					0	0
<b>Total Fund Value</b>	<b>1,504,599</b>	<b>217,749</b>	<b>92,026</b>	<b>4,479</b>	<b>1,818,852</b>	<b>1,860,563</b>

## 29) Related Parties

Related parties include the Methodist Connexion, the Lancashire District and Churches within the Circuit, other Methodist Circuits and Districts, CFB and TMCP. All of these entities have their own Trustees or directors.

The majority of the Circuit Trustees are members of one of the Churches within the Circuit and maybe Trustees in their Churches.

The receipts and payments to related parties shown below do not appear elsewhere in the accounts

	Receipts	Payments	Balance due (from) / to Circuit - 31 Aug 20
Mission in Britain Fund	2,117	(2,117)	0
Property Fund	1,990	(1,990)	0
World Mission Fund	648	(648)	0
Presbyters and Deacons Fund	1,440	(1,440)	0
Training Fund	528	(528)	0
JMA	1,075	(1,075)	0
<b>Total</b>	<b>7,798</b>	<b>(7,798)</b>	<b>0</b>

## 30) Agency Collections & Payments

During the year the circuit acted as Agent for the collection of monies for the charity listed below.

	Balance due (from) / to Circuit - 31 Aug 19	Receipts	Payments	Balance due (from) / to Circuit - 31 Aug 20
District Training Fund		386	0	386
<b>Total</b>	<b>0</b>	<b>386</b>	<b>0</b>	<b>386</b>

**31) Volunteer Contributions**

Every entity (Connexion, District, Circuit, Church) within the Methodist Church in GB is heavily reliant on volunteers who contribute their skills, time and money in the furtherance of the work of the Church. The Presbyters and Deacons are supported by local preachers and supernumerary ministers to ensure that worship can be held at all the churches every Sunday. In addition, many people contribute by serving on committees/and or working in teams that deal with planning, mission, manses, finance, and safeguarding.

**32) Capital Commitment and Contingent Liabilities**

There were no capital commitments or contingent liabilities at the year-end (2018-19 nil).

**33) Lease commitments**


On 26<sup>th</sup> July 2019 the Circuit acquired a property in Little Close, Leyland as a replacement manse. This property is subject to a 999 year lease with effect from 1<sup>st</sup> January 2000. The annual ground rent payable is £85. The Circuit has no other long-term lease obligations. There are short term obligations for telephones at the Circuit Manses. The total annual cost of these is not considered material.

**34) Independent Examiner**

The independent examiner provided no additional services during the year.

## Declarations and Scrutiny

I confirm that these accruals-based accounts for the year to 31 August 2020 have been prepared from the records of the Circuit and that they include all funds under the control of the Circuit Meeting

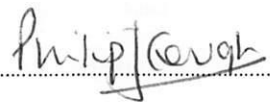
Signature of treasurer .....  ..... Date..... 16/3/21.....

Name and address of treasurer. Timothy J Melling, F.C.C.A.

16 Millwood Close, Withnell Fold, Chorley, PR6 8AR.....

### Presentation to the Circuit Meeting

I confirm that the annual report and accounts for the year ended 31 August 2020 were presented to the Circuit Meeting on 16<sup>th</sup> March 2021.....

Signature of the Chair of the meeting: .....  .....

Name of the Chair of the meeting: Rev P Gough:..... Date: 16<sup>th</sup> March 2021.....

### Independent Examiner's Report to the Trustees of the Circuit, named above

The Circuit's trustees are responsible for ensuring that the annual report and accounts for the year to 31 August 2019 present a true and fair view of the Circuit's income and expenditure for the year and of its assets and liabilities at the balance sheet date. The trustees consider that an audit is not necessary for this year under section 144 of the Charities Act 2011 and that an independent examination is needed.

It is my responsibility to:

- examine the accounts under section 145 of the Charities Act 2011
- follow the procedures laid down in the general directions given by the Charity Commission under section 145(5)(b) of the Charities Act 2011
- state whether particular matters have come to my attention.

\* delete or circle as appropriate

Name of Circuit: Chorley & Leyland..... No: 21/10.....

### Basis of Independent Examiner's Report

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

### Independent Examiner's Statement

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

- (1) which gives me reasonable cause to believe that in any material respect the requirements
  - to keep accounting records in accordance with section 130 of the Charities Act 2011
  - to prepare accounts which accord with the accounting records and comply with the accounting requirements of the Charities Act 2011have not been met, or
- (2) to which, in my opinion, attention should be drawn in order to enable a proper understanding of the accounts to be reached.
- (3) I have not obtained independent verification of all investments with the Trustees for Methodist Church Purposes or held in other trusts, bank balances and funds at the Central Finance Board of the Methodist Church which are individually in excess of £10,000 (ten thousand pounds) at the balance sheet date.

Signature of independent examiner:.....

Name of independent examiner: Jacqueline M Adams.....

Relevant professional qualification of independent examiner: .....F.C.A.....

Address: 2 Stable Mews, Millwood Close, Withnell Fold, Chorley, PR6 8AR.....

Date: 18/3/21.....