



**THE METHODIST CHURCH**  
**REPORT AND ACCOUNTS**  
**(ACCRUALS BASIS)**  
for the year ended 31 August 2020

**Newport & Lower Wye Methodist**

**Circuit**

Registered Charity - Registration number

**1137596**

**Wales Synod District**

**District No / Circuit No**

**02/19**

**Ministers**

Rev Gordon GRESSWELL
Rev Preben ANDERSEN
Rev Les JONES
Rev Ruth LOWNSBROUGH
Rev Rachel FRANK
Rev Paula PARISH-FOLEY (URC)

**Circuit Stewards**

Keith HARVEY
Jack HEALEY
Mike STRANGE
Sandra HANBURY
Mike ROBERTS
Roger BAFICO
Penny BLAKEMORE
Cliff RANDALL

**Circuit Treasurer**

Roger LANGFORD
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## **NEWPORT & LOWER WYE METHODIST CIRCUIT**

### **TRUSTEES ANNUAL REPORT FOR THE YEAR ENDING 31 AUGUST 2020**

#### **INTRODUCTION**

The Newport and Lower Wye Methodist Circuit is part of the Methodist Church in Britain. The Circuit acts as the umbrella body and a resource provider for eighteen Methodist Churches in our area, which covers Newport and parts of South East Wales and Herefordshire.

The Circuit also contains a Local Ecumenical Partnership Church with the URC and the Presbyterian Church of Wales at Dan-y-Graig in Risca and provides ministry and support to a Congregational Church at Pontywaun, Risca.

#### **AIMS AND ORGANISATION**

##### **Aims and organisation (including the Circuit Mission statement)**

Further to the Methodist Church's statement "Our Calling" and "Priorities for the Methodist Church", the Newport and Lower Wye Circuit has the following policy:

- To discern the will of God for us a Circuit.
- To support all of the churches within the Circuit and to engage in mission in clearly defined areas where the local Church has a vision for mission.
- To prioritise the work within the Circuit and to resource these priorities.
- To encourage ecumenical activities and have good links with other denominations in the area.

When planning our activities for the year, the Newport and Lower Wye Methodist Circuit has considered the Commission's guidance on public benefit and, in particular, the specific guidance on Charities for the advancement of religion. There is a particular emphasis on impacting on the community beyond the membership of the churches. Many of our church buildings are used by community groups requiring safe and suitable spaces for meetings and the Circuit encourages this. Many of the Churches run groups on the church premises which may not be specifically church orientated but are certainly for the public benefit – examples are Parent and Toddlers Groups, Uniformed Organisations for girls and boys, Coffee Mornings and Luncheon Clubs, Welsh Classes, Kids Theatre groups, work with and for people with learning disabilities and much more, which enhance the way of life in the communities in which they are located, improve wellbeing and reduce isolation and loneliness.

The Circuit prepares a quarterly plan of services and preachers for all of our Churches.

The Circuit encourages Hospital and Prison Chaplaincy

The Circuit encourages ecumenical links within the Circuit, not least with regard to its work with and for the smaller chapels in cooperation with a Baptist rural missionary in the northern end of the Circuit, as and when appropriate.

## **REVIEW OF THE YEAR**

In this strangest of pandemic year's, the Circuit has heeded government advice and changed its structure to promote as much localism as possible, taking away need for unnecessary and long journeys. Zoom has been used extensively and wisely, and a mixed-economy of online and face-to-face working is envisaged in many aspects of church life in the future.

The Newport side of the Circuit has divided into Newport East and Newport West, the dividing line being the River Usk. In Newport there is a Family Worker employed to work in the St. Julian's and Trinity Methodist Church. With the division in Newport East and West, the family worker will remain with St. Julian's and come away from Trinity as she works with the Newport East Churches. The Newport East Churches have been involved in a weekly collection for Raven House food bank and weekly on-line Services alongside weekly Bible studies and prayer meetings.

Newport West has been developing the Resource Centre in Ty Sign. Plans for the development of the Centre are going well and we hope to be welcoming the community once it is safe to do so. The Circuit provides a human resource in a paid capacity for 12 hours a week and he has been keeping the community of Ty Sign well informed of developments. Trinity has kept close links to the schools through on-line assemblies and production of videos, as well as online weekly Services which have been well supported and provided much solace to, especially older-single people and widows over this lockdown year.

Lower Wye has seen the departure of Revs Preben Andersen and Ruth Lownsborough, and the arrival of Rev Bethany Willers from the United States Connexion. She has responsibility in the Monmouth Hub which has maintained two online Services and continued online work with young people.

The Chepstow area has seen online worship in Chepstow and in Caldicot, with online coffee mornings and podcasts which are sent out to encourage people. The Beacon Café in Chepstow has provided a vital community service and there has been good pastoral care given during these strange times.

The Circuit remains committed to being relevant and useful to their local communities. The dividing of the Circuit into four Hubs has helped keep worship and outreach very local, which, in the circumstances has been ideal, and, as we look at reopening all our church buildings to worship and outreach, the Circuit has ensured full risk assessments are up to date and we look ahead in hope of fresh ventures and new life.

## **FINANCIAL REVIEW OF THE YEAR**

### **Income Trends**

The total income of the Circuit was £254,413 in 2019-20 compared with £301,640 in 2018-19.

The Circuit's main source of funding was the assessments paid by the churches to the Circuit. These assessments are reviewed annually and a budget agreed which is intended to cover the costs of the Circuit in fulfilling its mission, whilst maintaining adequate reserves in line with the Circuit Reserves Policy. Assessments were £ 251,607 in 2019-20 compared with £288,914 in 2018-19. The Circuit reduced the assessment on churches in 2019-20 by £44,592 in order to strengthen church finances during the coronavirus lockdown.

The Circuit received no income from lettings in 2019-20 and did not undertake any fundraising activities of its own.

### **Expenditure Trends**

Under Standing Orders, the Circuit must meet its financial obligations in relation to the support of its ministers, the maintenance of the manses, other running expenses and making contributions to District, Connexion and other Methodist Funds. Total expenditure during 2019-20 was £318,921 compared with £307,428 in 2018-19.

Salaries and associated costs, which form the largest single element of Circuit expenditure, were £199,793 in 2019-20 compared with £185,074 in 2018-19. The Circuit pays pensions and national insurance contributions, travelling, telephone and other expenses of ministers, and employs two part-time lay employees – a Circuit administrator and, since November 2019, a mission developer at Ty Sign. The average number of staff employed was 6.8 in 2019-20 compared with 5.8 in 2018-19.

A significant amount is spent each year on the manses owned by the Circuit and on other property. The Circuit pays for maintenance, insurance, council tax, water charges, etc. Total expenditure was £36,703 in 2019-20 compared with £36,622 in 2018-19.

The Circuit made payments to the Wales Synod District and the Methodist Connexion of £63,254 in 2019-20, compared with £63,322 in 2018-19.

During the year, grants and donations totalling £10,049 were approved by the Circuit meeting for mission related activities and community work within the Circuit. Grants were made of £6,087 for refurbishing a lift at Monmouth, £3,000 for a toddler worker in Chepstow and £162 towards an Open The Book project with Trellech Primary School. The Circuit also gave donations of £800 towards the cost of winter night shelters supported by churches in Newport and Crosskeys.

In 2019-20, the Circuit spent £3,092 on office and administrative costs, and £6,030 on other outgoings. The latter includes the expenses of lay preachers and supernumerary (retired) ministers, who play an important role in ensuring that regular worship takes place at all the Circuit's 20 churches.

Overall, expenditure in 2019-20 exceeded income by £64,511. This was primarily because of the reduction in assessments as a result of the coronavirus lockdown and an increase of £14,719 in salaries and associated costs. The shortfall in income was covered from the Circuit's General Fund.

### **Fixed Assets: Manses**

At 31 August 2020, the Circuit had six manses (the same number as at 31 August 2019). Four manses were occupied by ministers. The manse at Caldicot was vacant. The manse attached to St David's Church, Ty Sign is being converted for use as a Resource Centre for mission in the Ty Sign, Risca and Crosskeys areas. The combined value of the manses at 31 August 2020 was £1,705,830 compared with £1,505,867 at 31 August 2019.



## **Fund Balances**

The General Fund, at 31 August 2020, comprised the Circuit's current and deposit account balances (net of debtors and creditors) of £65,334 and the Circuit Model Trust Fund of £168,607. In the course of the year, the General Fund decreased by £58,638. Restricted, designated and endowment funds decreased altogether by £5,873, so that total reserves fell by £64,511.

The overall aim of the Circuit is to have adequate reserves in the General Fund to meet unexpected expenditure. The guidance from Connexion and the Charities Commission suggests that charities should have reserves of about 50% of annual expenditure. As the majority of the income and expenditure of the Circuit is predictable, the Circuit's policy is that reserves should not fall below 40% of annual expenditure.

At 31 August 2020 the Circuit General Fund stood at 75% of annual expenditure. The overall level of the reserves is therefore satisfactory.

## **Plans for 2020-21**

Circuit financial plans for the coming year have been prepared on the basis that there will be four full-time ordained staff. Provision has been made for pastoral and ministerial care at Caldicot and Rogiet, the costs of lay employees and anticipated increases in stipends. Assessments have been decreased by an average of 5.8% in agreement with the Circuit churches.

## **BASIS OF PREPARATION AND LEGAL FRAMEWORK**

The Charity's annual report and accounts for the year ended 31 August 2020 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:	Newport & Lower Wye Methodist Circuit
Registration Charity Number:	1137596
Date of registration:	26 August 2010
Main communication address:	608 Chepstow Road, Newport, Gwent, NP19 9BZ

The members of the Newport & Lower Wye 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 at Appendix A to this report.

### **Circuit Ministers and officers in 2019-20**

Active Circuit Ministers	Rev G Gresswell (Superintendent)	
	Rev L Jones	Rev R Frank
	Rev P Andersen	Rev R Lownsborough
	Rev P Parish-Foley (URC)	
Circuit Stewards	Mr K Harvey	Mr J Healey
	Mr M Strange	Mr M Roberts
	Mrs S Hanbury	Mrs P Blakemore
	Mr R Bafico	Mr C Randall
Safeguarding Officer	Mrs A McBain	
Administrator:	Mrs P M Farr	

Mr R Langford acted as the principal officer overseeing the day to day financial management and accounting for the Circuit during the year.

Independent examiner      Mr R J Lewin, 17 Wyelands View, Mathern, Chepstow  
Monmouthshire, NP16 6HN

Investment Bankers      Central Finance Board of the Methodist Church  
Trustees for Methodist Church Purposes

### **Aims and organisation**

Charity objective is to act as a Resource provider within the area around Newport and the lower Wye Valley 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 along with the Local Preachers meeting, the Circuit Finance and Property Committee and the Circuit Policy Committee.

### **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 Wales Synod District and is also accountable to the Methodist Conference.

The following Methodist Churches are linked to the Circuit.....

Bishpool Ringland, Broad Oak, Caldicot, Chepstow, Crosskeys, Dan-Y-Graig (LEP),  
Earlswood Hope, Earlswood Valley, Gwehelog, Langstone, Llancloudy, Monmouth,  
Penyaemawr, Rogiet, Shaftesbury Street, St David's Ty Sign, St Julian's, Trellech, Trinity  
Newport

Trinity Congregational Church Pontywaun receives ministry and support from the Circuit.

### **Risk Management**

The major risks have been identified and recorded by the Circuit Finance and Property Committee with professional advice taken as required.

There is a regular annual review process undertaken and recorded.

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 male and female 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 Newport & Lower Wye 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 Newport & Lower Wye 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 and adults who may be vulnerable.

### **Reserves Policy**

The Reserves Policy for the Circuit is to hold a minimum sum equivalent to 40% of normal annual expenditure. This should be sufficient to meet any unforeseen item of major expenditure on manse and / or to be able to continue, in the short term, funding planned activities in the event of any inability to raise the full Circuit Assessment from churches.

Name of Circuit

Newport &amp; Lower Wye Methodist Circuit

Circuit No

02/19

**Statement of Financial Activities (SOFA) for the year ended 31 August 2020**

	Notes to the accounts	General Fund (Unrestricted) £	Circuit Model Trust (Unrestricted) £	Designated Funds (unrestricted) £	Restricted Funds £	Endowment Funds £	Total 2019-20 £	Total 2018-19 £
<b>Income</b>								
1 Donations and legacies	4						0	441
2 Income from monetary investments		506	1,828	16	456		2,806	2,971
3 Income from investment properties	5						0	0
4 Assessments on Churches	6	251,607					251,607	288,914
5 Capital Receipts	7						0	0
6 Grants received	8						0	0
7 Other charitable income	9						0	9,314
<b>8 Total income</b>		<b>252,113</b>	<b>1,828</b>	<b>16</b>	<b>456</b>	<b>-</b>	<b>254,413</b>	<b>301,640</b>
<b>Expenditure</b>								
9 Grants and donations	10	3,800		162	6,087		10,049	9,559
10 Salaries and associated costs	11	199,793					199,793	185,074
11 Property maintenance	12	36,703					36,703	36,622
12 Connexional assessment & model trust levy	13	47,322					47,322	45,510
13 District Assessment & Levy	13	7,414	8,518				15,932	17,812
14 Depreciation							0	0
15 Office expenses	14	2,543	441		108		3,092	4,954
16 Other outgoings	15	6,030					6,030	7,897
<b>17 Total charitable expenditure</b>		<b>303,605</b>	<b>8,959</b>	<b>162</b>	<b>6,195</b>	<b>0</b>	<b>318,921</b>	<b>307,428</b>
18 Gains/(losses) on monetary investments	16		(15)			12	(3)	43
19 Gains/(losses) on investment properties								0
<b>20 Net income/(expenditure)</b>		<b>(51,492)</b>	<b>(7,146)</b>	<b>(146)</b>	<b>(5,739)</b>	<b>12</b>	<b>(64,511)</b>	<b>(5,745)</b>
21 Transfers between funds	17	44,600	(44,600)				0	0
22 Other gains/(losses)	18	199,963					199,963	0
<b>23 Net movement in funds</b>		<b>193,071</b>	<b>(51,746)</b>	<b>(146)</b>	<b>(5,739)</b>	<b>12</b>	<b>135,452</b>	<b>(5,745)</b>
24 Total funds brought forward		1,578,093	220,353	955	56,058	690	1,856,149	1,861,894
<b>25 Total funds carried forward</b>		<b>1,771,164</b>	<b>168,607</b>	<b>809</b>	<b>50,319</b>	<b>702</b>	<b>1,991,601</b>	<b>1,856,149</b>

Name of Circuit

Newport &amp; Lower Wye Methodist Circuit

Circuit No

02/19

## Balance Sheet as at 31 August 2020

Notes to the Accounts	General Fund (Unrestricted)	Circuit Model Trusts (Unrestricted)	Designated Funds (Unrestricted)	Restricted Funds	Endowment Funds	Totals 2019/20	Totals 2018/19
	£	£	£	£	£	£	£

## Fixed Assets

Circuit Manses & Equipment	19	1,705,830				1,705,830	1,505,867
Investment properties						0	0
Investments	20		852		525	1,377	1,381
<b>Total fixed assets</b>		<b>1,705,830</b>	<b>852</b>	<b>0</b>	<b>0</b>	<b>1,707,207</b>	<b>1,507,248</b>

## Current Assets

Debtors	21	12,800				12,800	14,825
Loans by the Circuit	22					0	0
Investments with TMCP	20		167,755		48,462	216,394	273,876
Central Finance Board Deposits	23	70,330			1,857	72,187	85,916
Cash at Bank and in hand	23	27,311		809		28,120	33,352
<b>Total current assets</b>		<b>110,441</b>	<b>167,755</b>	<b>809</b>	<b>50,319</b>	<b>329,501</b>	<b>407,969</b>

## Current liabilities

Creditors (due in under 1 year)	24	45,107				45,107	59,068
Grants payable within 2018-19						0	0
<b>Total current liabilities</b>		<b>45,107</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>45,107</b>	<b>59,068</b>
<b>Net current assets/liabilities</b>		<b>65,334</b>	<b>167,755</b>	<b>809</b>	<b>50,319</b>	<b>284,394</b>	<b>348,901</b>

<b>Total assets less current liabilities</b>		<b>1,771,164</b>	<b>168,607</b>	<b>809</b>	<b>50,319</b>	<b>702</b>	<b>1,991,601</b>	<b>1,856,149</b>
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## Long term liabilities

Long term liabilities (due after more than one year)								
Grants payable after 2020-21							0	0
Loans to the Circuit							0	0
							0	0
Net assets		1,771,164	168,607	809	50,319	702	1,991,601	1,856,149

## Funds of the Circuit

General Fund (Unrestricted)		1,771,164					1,771,164	1,578,093
Circuit Model Trust Fund (Unrestricted)			168,607				168,607	220,353
Designated Funds (Unrestricted)				809			809	955
<b>Total Unrestricted Funds</b>							<b>1,940,580</b>	<b>1,799,401</b>
Restricted Funds					50,319		50,319	56,058
Endowment Funds						702	702	690
<b>Total Funds</b>		<b>1,771,164</b>	<b>168,607</b>	<b>809</b>	<b>50,319</b>	<b>702</b>	<b>1,991,601</b>	<b>1,856,149</b>

Signed

*R.M.*

R.J. LANGFORD

Circuit Treasurer

4/1/21

## 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 ..... *RJL* ..... Date *7 January 2021*

Name and address of treasurer ..... Roger John Langford .....

Spindlewood, 122 Hereford Road, Monmouth ..... Post Code... NP25 3GD

### Presentation to the Circuit meeting

I confirm that the annual report and accounts for the year ended 31 August 2020 were/will be\* presented to the Circuit meeting held on Wednesday 3<sup>rd</sup> February 2021

Signature of the Chair of the meeting ..... *Gordon Gresswell* .....

Name of the Chair of the meeting Rev Gordon Gresswell ..... Date *03/02/2021* .....

## Independent Examiner's Report to the Trustees of the Newport and Lower Wye Methodist Circuit

Charity Number 1137596

### Responsibilities and basis of report

I report to the trustees on my examination of the accounts of the Newport and Lower Wye Methodist Circuit for the year ended 31 August 2020 set out on pages ... to .... As the Circuit's trustees, you are responsible for the preparation of the accounts in accordance with the requirements of the Charities Act 2011 ('the Act').

I report in respect of my examination of the Circuit's accounts carried out under section 145 of the Act and, in carrying out my examination, I have followed all the applicable Directions given by the Charity Commission under section 145(5)(b) of the Act.

\* delete or circle as appropriate



### Independent Examiner's Statement

The Circuit's gross income exceeded £250,000 and I am qualified to undertake the examination by being a qualified member of The Institute of Chartered Accountants in England & Wales.

I have completed my examination. I confirm that no material matters have come to my attention in connection with the examination which give me cause to believe that in, any material respect:

- the accounting records were not kept in accordance with section 130 of the Act; or
- the accounts do not accord with the accounting records; or
- the accounts do not comply with the applicable requirements concerning the form and content of accounts set out in the Charities (Accounts and Reports) Regulations 2008 other than any requirement that the accounts give a 'true and fair' view, which is not a matter considered as part of an independent examination *Delete if not applicable ie all R&P accounts*
- the trustees' annual report is not consistent with the accounts *Delete if not applicable ie all R&P accounts.*

I have no concerns and have come across no other matters in connection with the examination to which attention should be drawn in this report in order to enable a proper understanding of the accounts to be reached.

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 Mr R J Lewin.....

Relevant professional qualification of independent examiner .....

*I.C.A.E.W (F.C.A)*

Name of firm (where appropriate) .....

*NEWTON GREEN CHARTERED ACCOUNTANTS*

Address: 17 Wyelands View, Mathern, Chepstow, Monmouthshire .. Post Code NP16 6HN

Date .....

Year ending 31 August 2020

## Notes to the Accounts

### 1. Basis of Accounts and Accounting Standards

#### i 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 (FRS 102) (effective from 1 January 2015) – (Charities SORP (FRS 102)).

#### ii Public benefit entity

The Newport and Lower Wye (NLW) 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.

#### iii Basis

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

#### iv 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.

#### v FRS102 SORP2015 [applies to 2016-17 onwards]

This is the fourth year that the FRS102 SORP 2015 has applied to the Circuit's accounts. These accounts are compliant with FRS102 and with the FRS102 SORP 2015. The accounts have been prepared in accordance with applicable charity law in England and Wales this being the Charities Act 2011 and SI 2008/629 (Charities Accounting and Reporting Regulations) and, pending the making of replacement Regulations specific to SORP 2015 in accordance with Reg.8(4)(d) of SI 2008/629, the charity trustees have departed from the requirement of Reg.8(5) by following SORP (FRS 102) instead of SORP 2005 to the extent necessary to give a true and fair view in the circumstances.

#### vi 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.

#### vii Consolidation

The Circuit has 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.

#### viii Income recognition

Year ending 31 August 2020

### Notes to the Accounts

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 two matters:

- the collection from Churches and payment over of their contributions to various Funds controlled and administered by The Methodist Church – “Connexional Funds”.
- The administration (application, collection and disbursement) of grants requested by Churches within the Circuit from, but not limited to, the District and Connexion.

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 (FRS 102), 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.

#### ix Expenditure

This 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.

#### x Grants

Grants made by the Circuit from its own funds are recognised in full at the time of agreement if there are no performance conditions, or when the Circuit accepts that there is a legal or operational obligation to make the payment if it is subject to performance conditions.

#### xi VAT

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

#### xii Tangible fixed assets

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

The freehold and/or long leasehold residential property is shown in the accounts at deemed historical cost. Recent valuations (2015 or later) for the manses have been used where available and other manses have been taken at their insured values at August 2016. The valuations will be reviewed periodically.

No depreciation is provided on the buildings because the trustees consider the current residual fair value of the manse buildings (on the assumption that it had reached the end of its useful economic life by the year-end) to be not less than its current value. In the absence of any evidence of

Year ending 31 August 2020

**Notes to the Accounts**

impairment, any depreciation provision for the buildings component of the property would be immaterial. The property has been reviewed for impairment.

**xiii(a) Monetary Investments**

The Circuit's investments in monetary assets are classified as basic financial instruments under FRS 102. These monetary assets, with the exception of the endowment Charity of William Richards, are held by the Trustees for Methodist Church Purposes (TMCP) as custodian trustees and the valuations, at market value, are those provided by TMCP. The endowment Charity of William Richards is held in the COIF Charities Investment Fund and the valuations, at market value, are those provided by COIF. The unrealised gains arising on investments at the end of the year are shown in the SOFA and in Note 20 below.

**xiii(b) Investment Properties**

From time to time the Circuit may hold residential property (formerly manses) which is surplus to its normal staffing requirements. When 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 classed as Investment Property (whether let or not) and any lets are at market rates unless there is a compelling reason not to do so in furtherance of the Circuit's charitable objectives.

**xiv 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, or the amount advanced to the Circuit. 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 the realisable values.

**xv Methodist Connexional Funds**

The Methodist Church Connexion raises levies against Circuits and these are paid quarterly to their Districts. The Circuits raise assessments against churches in the Circuit. The District quarterly remits to The Methodist Church Fund most of the sum received from Circuits. A small sum is retained by the District to meet its own costs. The Circuit may act as agent for *ad hoc* collections for various funds controlled and administered by The Methodist Church. These are detailed at Note 28 below.

**xvi Funds**

The trustees have adopted a policy for all unrestricted reserves which is available as a separate document.

**xvii Endowment Funds**

Where the Circuit holds money that may not be spent and must be retained (as capital) to generate an income, the money or assets to be retained are classified as an Endowment Fund. The capital will be shown in the balance sheet in the column for endowment funds. The income may be restricted or unrestricted depending on the terms of the endowment.

Year ending 31 August 2020

## Notes to the Accounts

### xviii 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, except in exceptional circumstances. 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 for ministers as HMRC does not seek to tax these receipts in the hands of 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 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

**CLT (Circuit Leadership Team):** a group (comprising mostly but not exclusively) of Circuit trustees responsible for the day to day administration and policy formation of the Circuit. Generally, the CLT comprises the Presbyters and Deacons stationed within the Circuit, the Circuit Stewards and sometimes other Circuit officers (who may not be trustees)

**CMTF:** Circuit Model Trust Fund

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

**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

**DAF:** District Advance Fund

**FRS:** Financial Reporting Standard

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

**Lay employees:** personnel employed by the Circuit on generally accepted commercial employment terms

**MMPS:** Methodist Ministers' Pension Scheme

**NEST:** National Employment Savings Trust, the organisation through which the Circuit arranges an auto-enrolment pension scheme for its lay employees

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

Year ending 31 August 2020

### **Notes to the Accounts**

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

**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

Year ending 31 August 2020

### **Notes to the Accounts**

#### **3. Prior Year**

##### **3.1 Restatement of comparative figures**

In preparing the accounts the trustees have considered whether, in applying the accounting policies required by FRS 102 [not Section 1A] and the Charities SORP FRS 102, the restatement of comparative items was required. There have been no changes of classification between categories of expenditure in the accounts of 2019-20 compared with those for 2018-19. No restatements were necessary and a reconciliation of opening balances is therefore not required.

Year ending 31 August 2020

**Notes to the Accounts****4. Donations and legacies**

	Unres- tricted	CMTF	Desig- nated	Rest- ricted	Endow- -ment	2020 Total	2019 Total
Donations						-	441
Legacies						-	-
<b>Total</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>0</b>	<b>441</b>

No donations or legacies were received in 2019-20.

**5. Income from investment properties**

The Circuit received no income from investment properties in 2019-20 or 2018-19.

**6. Assessments on Churches**

The following 20 churches are linked to the Circuit:

Bishpool Ringland Methodist Church	Llancloudy Methodist Church
Broad Oak Methodist Church	Monmouth Methodist Church
Caldicot Methodist Church	Penyaemawr Methodist Church
Chepstow Methodist Church	Rogiet Methodist Church
Crosskeys Methodist Church	Shaftesbury Street Methodist Church, Newport
Dan-Y-Graig Church (LEP), Risca	St David's Methodist Church, Ty Sign
Earlswood Hope Methodist Church	St Julian's Methodist Church, Newport
Earlswood Valley Methodist Church	Trellech Methodist Church
Gwehelog Methodist Church	Trinity Congregational Church, Pontywaun
Langstone Methodist Church	Trinity Methodist Church, Newport

Each church is assessed for a contribution towards the overall costs of the Circuit. This Assessment on Churches is determined annually by the Circuit and the Churches using a process which takes into account the income of each church, including receipts from lettings, and the number of worshippers.

The Circuit reduced the assessment on churches by £44,592 to £251,607 (2018-19: £288,914) in order to strengthen church finances during the coronavirus lockdown.

All Churches paid their full annual 2019-20 assessments by 31 August 2020.

Assessments on churches are payable quarterly in advance and are treated as pre-payments on a receivable basis. If any church has not paid its assessment by the due date, the sum in question is also treated as a creditor. Such cases are detailed in Notes 21 and 24.

Gwern-Y-Saint Methodist Church, formerly a Class of Monmouth Methodist Church, closed on 7 October 2018. No assessment was due for this church in 2019-20.



Year ending 31 August 2020

**Notes to the Accounts****7. Capital Receipts**

The Circuit had no capital receipts in 2019-20 or 2018-19.

**8. Grants received**

The Circuit received no grants in 2019-20 or 2018-19.

**9. Other charitable income**

	Unres- tricted	CMTF	Desig- nated	Rest- ricted	Endow -ment	2020 Total	2019 Total
Lettings - Hilltop, Chepstow						-	7,967
Other income						-	1,347
<b>Total</b>	<b>0</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>0</b>	<b>9,314</b>

The manse at Hilltop, Newport Road, Chepstow, was let to a tenant until the end of April 2019 and has been occupied by a minister since August 2019. Letting income is gross of fees and commission. The Circuit received no other income in 2019-20.

**10. Grants and donations given**

Grants and donations as listed below were made during the year.

	Unres- tricted	CMTF	Desig- nated	Rest- ricted	Endow -ment	2020 Total	2019 Total
Circuit Churches:							
Chepstow							
(Toddler Worker)	3,000					3,000	3,000
Crosskeys (Night Shelter)	200					200	250
St Julian's (Night Shelter)	600					600	600
Monmouth							
(Lift Refurbishment)				6,087		6,087	-
Ty Sign (Good Neighbour)						-	2,610
Other Church Projects			162			162	1,658
The Methodist Church							
Property Fund						-	1,000
Other donations						-	441
<b>Total</b>	<b>3,800</b>	<b>-</b>	<b>162</b>	<b>6,087</b>	<b>-</b>	<b>10,049</b>	<b>9,559</b>

The Circuit provided £162 to Trellech Methodist Church in connection with their Open The Book project with Trellech Primary School.

Year ending 31 August 2020

**Notes to the Accounts****11. Salaries and associated costs****11.1 Stipends, salaries and associated costs**

In 2019-20 there were 5 Presbyters (including the Superintendent), who were all employed full-time, in the Circuit. The average number of presbyters employed was 5.0 (2018-19: 4.8). The Circuit employed two part-time lay employees; a circuit administrator throughout the year at 15 contractual hours per week (2018-19: 12 months at 15 hours per week) and since November 2019 a mission developer at Ty Sign at 12 contractual hours per week (2018-19: 0 hours per week).

	Full Time	Part Time	Unrestricted	CMTF	Designated	Restricted	Endowment	2020 Total	2019 Total
Gross stipends and salaries	127,570	12,339	139,909					139,909	125,812
Employer's NI contributions	11,663		11,663					11,663	10,961
Pension costs	33,426	740	34,166					34,166	31,319
Payroll Bureau fee		480	480					480	480
Apprenticeship levy	638	61	699					699	696
Travelling:	7,297		7,297					7,297	9,798
Telephone	3,271		3,271					3,271	3,305
Stationing and relocation costs	1,340		1,340					1,340	1,710
Other expenses	968		968					968	993
<b>Total</b>	<b>186,173</b>	<b>13,620</b>	<b>199,793</b>	-	-	-	-	<b>199,793</b>	<b>185,074</b>
Average staff nos employed in year	5.0	1.8	6.8					6.8	5.8
(full-time equivalent staff)	5.0	0.7	5.7					5.7	5.2

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.

**11.2 Pensions costs**

Most ordained presbyters and deacons are members of the Methodist Ministers' Pension Scheme (MMPS). This is a defined benefit scheme. 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.

Year ending 31 August 2020

### Notes to the Accounts

The Connexion accounts for the MMPS pension scheme and shows the figures in the annual Methodist Church in Great Britain accounts. The MMPS is in deficit but a plan for removal of the deficit has been proposed and is being implemented.

Lay employees are contractually employees and have the option of joining a pension scheme. The Circuit has complied with government legislation on workplace pensions and lay employees have since May 2016 been enrolled in a National Employment Savings Trust (NEST) pensions scheme. This is a defined contribution scheme.

#### 11.3 Cost of superintendent, presbyters and trustees

The Superintendent of the Circuit, the other presbyters and the remaining members of the Circuit Leadership Team are considered as Key Management Personnel. The Superintendent chairs the meetings of the CLT and Circuit Meetings. The members of the Circuit Meeting are the trustees of the Circuit. The stipends, employer's NIC, employer's pension contributions and other expenses of the presbyters of the Circuit are paid by the Circuit. The costs of the presbyters' stipends, employers' National Insurance contributions and pension contributions were as follows:

Cost of Presbyters	2020	2019
Stipends of Presbyters	127,570	118,503
Employers' National Insurance contributions	11,663	10,961
Employer's pension contributions to a defined benefit pension scheme	33,426	30,881
Apprenticeship levy	638	650
<b>Total</b>	<b>173,297</b>	<b>160,995</b>

The manses are provided by the Circuit and the Circuit maintains the property. The value of the Council Tax and water charges paid by the Circuit is not revealed here as HMRC does not regard this as a benefit-in-kind in the hands of the minister.

Each presbyter is entitled to three months' sabbatical leave every five years. During the year 2019-20 there was one sabbatical of seven weeks (2018-19 one sabbatical of three months). The Circuit does not accrue for holiday pay cover since the remaining staff cover the presbyter's absence as needed without extra pay. Had additional cover been required, the cost of this is estimated at £4,769 in 2019-20 (being 13.5% of a single annual stipend plus NIC, pension and other normally incurred expenses) and £8,749 in 2018-19.

#### 11.4 Payments to trustees

It is Circuit policy to offer to reimburse members of the Circuit Leadership Team and others involved in the administration of Circuit affairs for expenditure properly incurred in carrying out their duties.

The five presbyters of the Circuit undertake the primary executive role within the Circuit. The travel costs of presbyters in attending CLT and other Circuit meetings are included within their overall travel expenses (detailed in Note 11.1) and is not separately determined.

The current Circuit administrator is both a Circuit trustee and an employee of the Circuit, who receives a salary and other employment-related expenses (as detailed in Note 11.1).

Year ending 31 August 2020

**Notes to the Accounts**

The Rev Paula Parish-Foley is a presbyter of the United Reformed Church and a member of the Circuit Meeting and the CLT. She is reimbursed for the travel costs of attending CLT and other Circuit meetings and for preaching in Methodist churches in the Circuit.

Apart from the presbyters and the Circuit administrator, no member of the CLT received payment for work undertaken on behalf of the Circuit in 2019-20 (2018-19: no member, £0). One member of the Circuit Meeting received £1,080 for professional services in connection with the conversion of the Ty Sign manse into a Mission Resource Centre. In addition, certain CLT and Circuit Meeting members were reimbursed for travel or computing costs incurred in the work of the Circuit

Trustees' expenses	2020	2019
Number of trustees who were paid expenses	4	3
Total amount paid (£)	222	382

Some lay preachers and supernumeraries are also Circuit trustees because they attend the Circuit Meeting as nominees from their churches, and any travel costs in attending Circuit Meetings are included within their overall expenses (detailed in Note 15 below).

**12. Property expenses**

Expenditure on property during the year is shown below.

	Unres- Tricted	CMTF	Desig- nated	Rest- ricted	Endow- ment	2020 Total	2019 Total
<b>Expenditure on Manses:</b>							
Manse maintenance	11,819					<b>11,819</b>	12,185
Council Tax	12,737					<b>12,737</b>	11,615
Water charges	4,282					<b>4,282</b>	3,882
Insurance	2,895					<b>2,895</b>	2,913
Gas and electricity	2,049					<b>2,049</b>	1,316
Other charges							
<b>Sale of Manses: Legal and Professional Fees:</b>						-	-
<b>Other Property Expenses:</b>							
Quinquennial reviews	1,600					<b>1,600</b>	2,100
Castleton graveyard	390					<b>390</b>	415
Gwern-Y-Saint church	907					<b>907</b>	768
URC manse expenses	24					<b>24</b>	631
Letting expenses - Hilltop						-	797
<b>Total</b>	<b>36,703</b>		-	-	-	<b>36,703</b>	<b>36,622</b>

During the year the Circuit was responsible for the maintenance of six manses or former manses, for the payment of Council tax and water charges (except where these were paid by a tenant) and for landlord's annual gas inspections and home service agreements. The Circuit also paid the gas and electricity charges on unoccupied properties.

Year ending 31 August 2020

**Notes to the Accounts**

Total expenditure on manse maintenance in 2019-20 included £7,953 on preparing the manse at 5, Charles Close, Monmouth for occupation by a new presbyter; £3,866 was spent on maintaining the other five manses.

Gwern-Y-Saint Methodist Church closed on 7 October 2018 and the Circuit has taken on responsibility for insuring the property.

The current minister of Dan-Y-Graig Church (LEP) is a minister of the United Reformed Church. The minister's stipend and associated costs are paid by the URC but the Circuit has paid Dan-Y-Graig Church a contribution towards the Council Tax, water charges and insurance costs of the URC minister's manse until September 2019.

The manse at Hilltop, Newport Road, Chepstow was leased to tenants between December 2017 and the end of April 2019. An agency was employed to manage the lease.

**13. Connexional and District assessments and levies**

The Connexional and District assessments are paid to the Wales Synod District, which determines the assessment to be paid by each Circuit in accordance with a formula based on the number of presbyters and lay employees in each Circuit (see also Note 1xv).

<b>Connexional assessment and Priority Fund levy</b>	<b>Unrestricted</b>	<b>CMTF</b>	<b>Designated</b>	<b>Restricted</b>	<b>Endowment</b>	<b>2020 Total</b>	<b>2019 Total</b>
Connexional assessment	47,322					<b>47,322</b>	45,510
Connexional Priority Fund levy	-					-	-
<b>Total</b>	<b>47,322</b>	-	-	-	-	<b>47,322</b>	<b>45,510</b>

The Connexional Priority Fund levy is taken from the proceeds of the sale of former manses. No levy was charged during the current year (2018-19: £0).

<b>District assessment and levy</b>	<b>Unrestricted</b>	<b>CMTF</b>	<b>Designated</b>	<b>Restricted</b>	<b>Endowment</b>	<b>2020 Total</b>	<b>2019 Total</b>
District assessment	7,414					<b>7,414</b>	6,620
District Advance Fund levy	-	8,518				<b>8,518</b>	11,192
<b>Total</b>	<b>7,414</b>	<b>8,518</b>	-	-	-	<b>15,932</b>	<b>17,812</b>

The District Advanced Fund levy is calculated on a sliding scale percentage of the Circuit Model Trust Fund account balance at 31 August in the previous financial year.

**14. Office and administration costs**

Year ending 31 August 2020

**Notes to the Accounts**

<b>Office and administration costs</b>	<b>Unres-Tricted</b>	<b>CMTF</b>	<b>Designated</b>	<b>Restricted</b>	<b>Endowment</b>	<b>2020 Total</b>	<b>2019 Total</b>
Conference minutes and materials	-					-	1,416
Circuit Stewards' and Circuit officers' expenses	222					222	382
Printing, postage, stationery and computing supplies	1,260					1,260	1,077
Office equipment	489					489	650
Office telephone, broadband and website	222					222	212
Independent Examiner's fee	250					250	250
TMCP Administration and Investment Management fees	-	441		108		549	640
Other admin costs	100					100	327
<b>Total</b>	<b>2,543</b>	<b>441</b>	<b>-</b>	<b>108</b>	<b>-</b>	<b>3,092</b>	<b>4,954</b>

The Circuit office is at Caldicot Methodist Church, where the Circuit uses a room on four mornings a week. The Circuit does not pay rent for use of the room, but pays half of the Church's telephone, broadband and website costs.

During the year the Circuit paid £549 to TMCP, the custodians of the Circuit's investments (Circuit Model Trust Fund, Mary A Curtis Bequest and Kelly Legacy) (2018-19: £640). The fees charged represent a levy of 0.2% on the value of the funds at the beginning of the year. and are allocated among the three funds as shown in the table above.

**15. Other outgoings**

	<b>Unres-Tricted</b>	<b>CMTF</b>	<b>Designated</b>	<b>Restricted</b>	<b>Endowment</b>	<b>2020 Total</b>	<b>2019 Total</b>
<b>Preaching and worship:</b>							
Local preacher's expenses	449					449	472
Supernumerary ministers' fees and expenses	3,757					3,757	5,002
Circuit Plan and Handbook	131					131	605
Pastoral Care	1,417					1,417	-
<b>Other Expenses:</b>							
Training	-					0	-
Events	210					210	194
URC transport and travel	66					66	224
Miscellaneous	-					0	1,400
<b>Total</b>	<b>6,030</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>6,030</b>	<b>7,897</b>

The Circuit offers to reimburse lay preachers and supernumerary ministers for the costs of travel to the churches where they conduct services and supernumerary ministers may also claim a preaching fee. The Circuit has established contracts to provide pastoral and ministerial care at Caldicot and

Year ending 31 August 2020

**Notes to the Accounts**

Rogiet following the retirement of Rev Preben Andersen. The Circuit has also paid Dan-Y-Graig Church a contribution towards the URC minister's telephone and travel costs (see Note 12 above).

**16. Gains and losses on monetary investments**

Total net losses on monetary investments were £3 in 2019-20 compared with net gains of £43 in 2018-19. A detailed breakdown is immaterial. See also Notes 20 and 27 below.

**17. Transfers between funds**

Transfers between funds	Unres- Tricted	CMTF	Desig- nated	Rest- ricted	Endow- ment	2020 Total	2019 Total
Funding for future Circuit mission activity	44,600	(44,600)				0	-
Funding for future Circuit mission activity						0	0
<b>Total</b>	<b>44,600</b>	<b>(44,600)</b>	-	-	-	<b>0</b>	<b>0</b>

During the current year, £44,600 was transferred from the Circuit Model Trust Fund to the Circuit's general fund to compensate for the Circuit's reduction of assessments on churches in order to strengthen church finances during the coronavirus lockdown.

During the previous year (2018-19), £36,000 was transferred from the Circuit Model Trust Fund to the Circuit's general fund to fund Circuit mission activity from 2019-20 on projects including the Toddler Worker at Chepstow Methodist Church and the Mission Enabler at Ty Sign and Risca.

**18. Other gains and losses**

There were gains of £199,963 in 2019-20 because of the revaluation of two manses (see Note 19) and no gains or losses in 2018-19.

**19. Manses and other property**

At 31 Aug 2020 the Circuit had six manses (the same number as at 31 Aug 2019). Four manses were occupied by ministers. The manse at Caldicot was vacant. The manse attached to St David's Church, Ty Sign is being converted for use as a Resource Centre for mission in the Ty Sign, Risca and Crosskeys areas.

During 2019-20, the value of the manses at Hilltop, Newport Road, Chepstow and 27 Church Road, Caldicot was revised in line with advice from a Chepstow estate agent. This resulted in a revaluation gain of £199,963.

Year ending 31 August 2020

**Notes to the Accounts**

The office equipment in the Circuit office has not been capitalised since the items individually cost less than £1,000 (see xii).

General advice was sought from estate agents in Newport, Monmouth and Abergavenny as to the value of land as a proportion of the total value of residential properties in different parts of the Circuit. The total value of the manses has been apportioned between land and buildings on the basis of this information.

Recent valuations (2015 or later) have been made for the four manses at Charles Close, Monmouth, St Julians Avenue, Newport, Church Road, Caldicot and Newport Road, Chepstow, and these valuations have been taken as the deemed value of these manses. The two manses without any recent valuation have been valued at their insured values at August 2016.

**19.1 Cost or valuation of fixed assets**

	Investment Properties		Land	Buildings	Plant, Machinery and MVs	Fixtures, Fittings, etc	Assets under construction	2020 Total	2019 Total
Balance brought forward	-		398,371	1,107,496				1,505,867	1,505,867
Additions in the year									
Revaluations			65,987	133,976				199,963	
Less: Disposals in the year									
Transfers between categories									
<b>Balance carried forward</b>	-		<b>464,358</b>	<b>1,241,472</b>				<b>1,705,830</b>	<b>1,505,867</b>

**19.2 Accumulated depreciation and impairment provision**

Basis Rate			N/A	N/A	N/A	N/A		
			-	-	-	-		
Balance brought forward	-		-	-	-	-	-	-
Depreciation charge for year								
Revaluations								
Disposals								
Transfers								
<b>Balance carried forward</b>	-		-	-	-	-	-	-

**19.3 Net book value**

Brought forward	-		398,371	1,107,496	-	-	-	1,505,867	1,505,867
<b>Carried forward</b>	-		<b>464,358</b>	<b>1,241,472</b>	-	-	-	<b>1,705,830</b>	<b>1,505,867</b>



Year ending 31 August 2020

**Notes to the Accounts****20. Investment Assets (and TMCP Funds)**

The funds that support the Circuit Model Trust Fund, the Mary A Curtis Bequest and the Kelly Legacy are held by TMCP in Trustees Interest Funds or CFB Managed Mixed Funds on which interest is credited to the accounts each month or each quarter. These are regarded as medium and 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 that, through providing guidance and acting under their direction, the Managing Trustees comply with charity law and Methodist law and policy as determined by the Methodist Conference.

The Charity of William Richards Endowment is invested in the COIF Charities Investment Fund. The Fund is a Common Investment Fund established by the Charity Commission under the Charities Act 1993 section 24 and investment in the Fund is only available to charities within the meaning of section 96 of the Charities Act.

<b>Investment Assets and TMCP</b>	<b>Unres-Tricted</b>	<b>CMTF</b>	<b>Designated</b>	<b>Restricted</b>	<b>Endowment</b>	<b>2020 Total</b>	<b>2019 Total</b>
CFB Managed Mixed Funds		852				852	868
COIF Charities Investment Fund					525	525	513
<b>Total Investment Assets</b>	<b>0</b>	<b>852</b>	<b>0</b>	<b>0</b>	<b>525</b>	<b>1,377</b>	<b>1,381</b>
TMCP Trustees Interest Funds		167,755		48,462	177	216,394	273,876
<b>Total</b>	<b>0</b>	<b>168,607</b>	<b>0</b>	<b>48,462</b>	<b>702</b>	<b>217,771</b>	<b>275,257</b>

**21. Debtors and Prepayments**

All sums shown as debtors on 31 August 2019 were received during the following year. All sums paid in advance at 1 September 2019 were for events that have been held during 2019-20. Similarly, it is expected that all payments in advance at 1 September 2020 will be expended in 2020-21.

<b>Debtors and Prepayments</b>	<b>Unres-Tricted</b>	<b>CMTF</b>	<b>Designated</b>	<b>Restricted</b>	<b>Endowment</b>	<b>2020 Total</b>	<b>2019 Total</b>
Stipends, pensions and NI paid in advance	11,809					11,809	14,361
Accrued Income	0					0	0
Other debtors	991					991	464
<b>Total</b>	<b>12,800</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>12,800</b>	<b>14,825</b>

**22. Loans by the Circuit**

The Circuit has no outstanding loans at 31 August 2020 (2019: £0).

**23. Central Finance Board and Bank Balances**

Year ending 31 August 2020

**Notes to the Accounts**

Monetary balances at the Central Finance Board of the Methodist Church and at HSBC Bank limited are all available on demand without loss of interest or other penalty.

<b>Bank balances and cash in hand</b>	<b>Unres-Tricted</b>	<b>CMTF</b>	<b>Desig-nated</b>	<b>Rest-riected</b>	<b>Endow-ment</b>	<b>2020 Total</b>	<b>2019 Total</b>
Central Finance Board Deposits	70,330			1,857		<b>72,187</b>	85,916
Balance held at HSBC	27,311					<b>27,311</b>	32,397
Balance held at Nationwide			809			<b>809</b>	955
Cash in hand						<b>0</b>	0
<b>Total</b>	<b>97,641</b>	<b>-</b>	<b>809</b>	<b>1,857</b>	<b>-</b>	<b>100,307</b>	<b>119,268</b>

**24. Creditors, accruals and income in advance**

All sums accrued at 31 August 2019 were paid before 31 August 2020. Similarly, it is expected that all sums accrued at 31 August 2020 will be paid by 31 August 2021.

<b>Current Liabilities</b>	<b>Unres-Tricted</b>	<b>CMTF</b>	<b>Desig-nated</b>	<b>Rest-riected</b>	<b>Endow-ment</b>	<b>2020 Total</b>	<b>2019 Total</b>
Church assessments paid in advance	40,316					<b>40,316</b>	49,619
Ministers and staff expenses	603					<b>603</b>	1,986
Other expenses	151					<b>151</b>	600
Stipends, pension and NI						<b>0</b>	31
Taxation and Social Security						<b>0</b>	0
Other creditors	4,037					<b>4,037</b>	6,832
<b>Total</b>	<b>45,107</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>45,107</b>	<b>59,068</b>

**25. Grants payable in 2020-21**

The Circuit has set up a Committee to provides grants to support mission related projects within the Circuit. The Committee has already approved a grant of £3,000 in 2020-21 for a project at Chepstow Methodist Church. Sufficient funds are available within the General Fund to support all envisaged projects. The Circuit has also allocated a budget of £1,150 in 2020-21 to support the night shelters at St Julians and Crosskeys and make small donations.

**26. Commitments in 2020-21**

In 2020-21 the Circuit has allocated a budget of £15,000 for manse maintenance which will be paid out of the annual receipts of the Circuit, and will fund the costs of the Ty Sign Mission Developer (£30,000 over three years) from its General Fund.

Year ending 31 August 2020

**Notes to the Accounts****27. Detailed Analysis of Individual Funds**

The individual funds of the Circuit are as follows:

Name	Type	Purpose
General Fund	Unrestricted & Undesignated	General mission as directed by the circuit meeting
Circuit Model Trust Fund	Unrestricted & Undesignated	General mission as directed by the circuit meeting
William Richards (Nationwide)	Designated	Support for other churches in the Monmouth sector of the Circuit as directed by the Circuit Meeting
Vera Holt	Restricted	As directed by the Circuit Meeting for youth work and training
Mary A Curtis Bequest	Restricted	General mission as directed by the circuit meeting
Kelly Legacy	Endowment	Maintenance of Castleton graveyard
Charity of William Richards	Endowment	Support for other churches in the Monmouth sector of the Circuit as directed by the Circuit Meeting

The movements of monies between the funds of the Circuit are summarised in the tables below.

**Summary of Fund Movements - 2019-20**

Funds	Balance at 31/8/19	Income	Expenditure	Transfers	Gains / Losses	Balance at 31/8/20
General Fund	1,578,093	252,113	(303,605)	44,600	199,963	<b>1,771,164</b>
Circuit Model Trust Fund	220,353	1,828	( 8,959)	(44,600)	(15)	<b>168,607</b>
<b>Total unrestricted &amp; undesignated</b>	<b>1,798,446</b>	<b>253,941</b>	<b>(312,564)</b>	<b>0</b>	<b>(199,948)</b>	<b>1,939,771</b>
William Richards (Nationwide)	955	16	( 162)			<b>809</b>
<b>Total designated</b>	<b>955</b>	<b>16</b>	<b>( 162)</b>	<b>0</b>	<b>0</b>	<b>809</b>
Vera Holt (CFB 020)	1,844	13				<b>1,857</b>
Mary A Curtis Bequest (21224)	54,214	443	( 6,195)			<b>48,462</b>
<b>Total restricted</b>	<b>56,058</b>	<b>456</b>	<b>( 6,195)</b>	<b>0</b>	<b>0</b>	<b>50,319</b>
Kelly Legacy	177	2	(2)			<b>177</b>
Charity of William Richards	513				12	<b>525</b>
<b>Total endowments</b>	<b>690</b>	<b>2</b>	<b>(2)</b>	<b>0</b>	<b>12</b>	<b>702</b>
<b>Total of All Funds</b>	<b>1,856,149</b>	<b>254,415</b>	<b>(318,923)</b>	<b>0</b>	<b>(199,960)</b>	<b>1,991,601</b>

Year ending 31 August 2020

**Notes to the Accounts****Summary of Fund Movements - 2018-19 (for comparison)**

<b>Funds</b>	<b>Balance at 31/8/18</b>	<b>Income</b>	<b>Expend- iture</b>	<b>Transfers</b>	<b>Gains / Losses</b>	<b>Balance at 31/8/19</b>
General Fund	1,538,714	298,975	(295,596)	36,000		<b>1,578,093</b>
Circuit Model Trust Fund	265,888	2,178	(11,724)	(36,000)	11	<b>220,353</b>
<b>Total unrestricted &amp; undesignated</b>	<b>1,804,602</b>	<b>301,153</b>	<b>(307,320)</b>	<b>0</b>	<b>11</b>	<b>1,798,446</b>
William Richards (Nationwide)	938	17				<b>955</b>
<b>Total designated</b>	<b>938</b>	<b>17</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>955</b>
Vera Holt (CFB 020)	1,831	13				<b>1,844</b>
Mary A Curtis Bequest (21224)	53,865	457	(108)			<b>54,214</b>
<b>Total restricted</b>	<b>55,696</b>	<b>333</b>	<b>(107)</b>	<b>0</b>	<b>0</b>	<b>56,058</b>
Kelly Legacy	177	1	(1)			<b>177</b>
Charity of William Richards	481				32	<b>513</b>
<b>Total endowments</b>	<b>658</b>	<b>1</b>	<b>(1)</b>	<b>0</b>	<b>32</b>	<b>690</b>
<b>Total of All Funds</b>	<b>1,861,894</b>	<b>301,641</b>	<b>(307,429)</b>	<b>0</b>	<b>43</b>	<b>1,856,149</b>

**28. Related Parties**

None of the Circuit trustees made donations directly to the Circuit in the current year or the previous financial year. All of the Circuit trustees are members of one or another Church within the Circuit and may be trustees of their Churches.

Related parties include the Methodist Connexion and its funds, the Wales Synod District, the Churches within the Newport & Lower Wye Circuit, other Methodist Circuits in Great Britain, CFB and TMCP.

**Year ending 31 August 2020**

<b>Name of Related Party</b>	<b>Relation- ship</b>	<b>Description</b>	<b>Income from Related Party</b>	<b>Payments to Related Party</b>	<b>Loans to Related Party</b>	<b>Amount owed by RP on 31.08.19</b>
Wales Synod District	Donee	Assessment and Levy		15,932		
Methodist Church Connexion	Donee	Assessment		47,322		
Churches within NLW Circuit	Donor	Assessment	251,607			
Churches within NLW Circuit	Donee	Grant		10,049		
<b>Total</b>			<b>251,607</b>	<b>73,303</b>	<b>0</b>	<b>0</b>

Year ending 31 August 2020

**Notes to the Accounts****Year ending 31 August 2019**

<b>Name of Related Party</b>	<b>Relation- ship</b>	<b>Description</b>	<b>Income from Related Party</b>	<b>Payments to Related Party</b>	<b>Loans to Related Party</b>	<b>Amount owed by RP on 31.08.19</b>
		Assessment				
Wales Synod District	Donee	and Levy		17,812		
Methodist Church Connexion	Donee	Assessment		45,510		
Churches within NLW Circuit	Donor	Assessment	288,914			
Churches within NLW Circuit	Donee	Grant		8,118		
Methodist Church Fund for Property	Donee	Donation		1,000		
<b>Total</b>			<b>288,914</b>	<b>72,440</b>	<b>0</b>	<b>0</b>

**CIRCUIT MEETING MEMBERSHIP 2019-20**

**MINISTERS**

Reverend Gordon Gresswell  
 Reverend Preben Andersen  
 Reverend Lesley Jones  
 Reverend Ruth Lownsborough  
 Reverend Rachel Frank  
 Reverend Paula Parish-Foley

**MINISTERS IN OTHER APPOINTMENTS**

**SUPERNUMERARY MINISTERS**

Reverend Joe Rooney

**LAYWORKERS**

Pauline Farr  
 Tim Crahart

**CIRCUIT STEWARDS**

Keith Harvey  
 Jack Healey  
 Sandra Hanbury  
 Roger Bafico  
 Penny Blakemore  
 Cliff Randall  
 Roger Langford (Treasurer)  
 Mike Strange (Property)  
 Mike Roberts (Secretary)

**Circuit Local Preachers & Worship Leaders representatives**

Reverend Gordon Gresswell  
 Michael Gray

**Circuit Safeguarding Co-ordinator**

Alison McBain

**CIRCUIT CHURCH REPRESENTATIVES**

Church 1	Caldicot	Rep 1	Bridget Gibbs
		Rep 2	Gareth Edwards
		Rep 3	Margaret Andersen
		Rep 4	Jack Healey
Church 2	Rogiet	Rep 1	Marion Edwards
		Rep 2	Beryl Simcock
		Rep 3	Hazel Bennett
		Rep 4	Jack Healey
Church 3	Earlswood Hope and Valley	Rep 1	Sylvia Jeremiah
		Rep 2	Ray Jeremiah
		Rep 3	Avril Smith
Church 4	Penyaemawr	Rep 1	Sandra Hanbury
		Rep 2	Jill Ellis
Church 5	Chepstow	Rep 1	Keith Harvey
		Rep 2	Stuart Nuttall
		Rep 3	Margaret Harvey

		Rep 4	Cliff Randall
		Rep 5	Sue Chimes
Church 6	Monmouth	Rep 1	Ann Langford
		Rep 2	Mike Brain
		Rep 3	Elizabeth Hicks
		Rep 4	Sylvia Williams
Church 7	Gwehelog	Rep 1	Ron Williams (now deceased)
		Rep 2	Margaret Jenkins
Church 8	Gwern-y-Saint	Rep 1	(Closed)
Church 9	Trellech	Rep 1	Keith Wrightson (now deceased)
		Rep 2	Nassim Hilu
		Rep 3	Pam Lloyd
Church 10	Llancloudy	Rep 1	Arthur Isaac
Church 11	Broad Oak	Rep 1	Robin Hill
Church 12	St Julian's	Rep 1	Eira Reynolds
		Rep 2	Mary Hando
		Rep 3	Sian Llewellyn
		Rep 4	David Benson (now deceased)
Church 13	Shaftesbury	Rep 1	Liz Williams
		Rep 2	Hugh Knoyle
		Rep 3	Malcolm Dean
		Rep 4	
		Rep 5	
Church 14	Crosskeys	Rep 1	Michael Gray
		Rep 2	Ruth Gray
		Rep 3	Rosemary Carnell
		Rep 4	
Church 15	Trinity	Rep 1	Brian Ham (now deceased)
		Rep 2	Miriam Ham
		Rep 3	Roger Bafico
		Rep 4	Margaret Nicholas
		Rep 5	Martin Lougher
		Rep 6	Pat Dicker
Church 16	St David's	Rep 1	Irene Scowcroft
		Rep 2	
Church 17	Bishpool	Rep 1	Penny Blakemore
		Rep 2	Alf Waldron
		Rep 3	Janice Morgan
		Rep 4	Ann Waldron
		Rep 5	Jenny Suter
Church 18	Langstone	Rep 1	Sally Shea
		Rep 2	Sue Davies
		Rep 3	Ingrid Smith
Church 19	Dan-y-Graig	Rep 1	Carol Aldridge
		Rep 2	Sarah-Jane Jones
		Rep 3	Elaine Baker