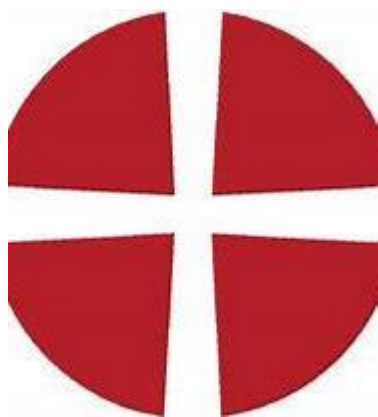


# **NORTH KIRKLEES AND MORLEY METHODIST CIRCUIT**

Registered Charity No-1145602



REPORT AND FINANCIAL STATEMENTS FOR THE YEAR  
ENDED 31 AUGUST 2022

RESERVES POLICY 2022/2023

## **Structure**

The North Kirklees and Morley Circuit is part of the Yorkshire West District, and is accountable to the Methodist Circuit

The Circuit functions in accordance with the Constitution, Practice and Discipline (CPD) of the Methodist Church, often referred to as the Connexion.

## **Names of the charity trustees**

The number of trustees fluctuates during the year depending on changes in office holders in the churches and Circuit. There was an average of forty trustees listed on the Charity Commission website during this year.

They are appointed by local churches and existing trustees; Ministers are automatically trustees.

In accordance with the CPD of the Methodist Church, the Chair is Rev Marian Olsen the Superintendent Minister of the Circuit, who was appointed on 1 September 2022.

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

The Circuit trustees meet four times each year (the Circuit Meeting).

The Circuit Leadership Team (CLT) consisting of the Circuit Stewards, Staff and other Circuit Officers meet monthly and cover the day-to-day management of the Circuit

Circuit Administration activities are undertaken by two members of staff who are based at Batley Central Methodist Church

These financial statements comply with the charity's governing document, which being the Charities Act 2011 and Accounting and Reporting by Charities: Statement of Recommended Practice.

This is applicable to all charities who prepare their accounts in accordance with the Financial Reporting Standard applicable in the UK and Ireland published in October 2019.

## **Financial Review 2021/22**

The Circuit Account includes:

- The General Fund is the main operating account through which the expenditure and revenue for both operational and strategic purposes are managed. As such we have accounts with the Co-operative Bank and Central Finance Board
- The Circuit Model Trust Fund which primarily arises from the sale of buildings no longer required within the Circuit. Under Conference directions the Fund can be used for any purpose supporting the mission of the Church. Applications must be made to the Circuit Meeting
- The various restricted funds which are detailed within the notes to the accounts.
- The endowment fund holds money which cannot be spent but must be retained (as capital) to generate an income (we receive nominal interest)

The Circuit has the following principal sources of funds:

- Assessments on Churches within the Circuit
- Rental income from 2 Trust Properties (Morley and Old Bank Road Dewsbury)
- Interest on investments
- The Circuit Model Trust Fund

These sums are used to administer, facilitate the work of the Circuit, and secure its future viability and future work

As such the monies currently provide for

- 4 Presbyters and 1 Deacon who provide ministerial oversight and pastoral care of the churches in the Circuit
- Two members of staff at the Resource Centre
- Maintenance of 7 Circuit Manses (including the two where we have a rental income
- Upkeep and maintenance of empty Circuit Properties – where the future direction is still to be agreed (Gildersome- and to a lesser extent Newlands and Wesley Playhouse
- District / Connexional Assessment (currently
- Miscellaneous travel costs / preaching fees etc

The Covid-19 pandemic and measures taken to control the spread of the virus continue to impact the income streams across the Circuit

Church incomes continue to be restricted by reduced income from both lettings from external user groups and numbers attending weekly worship, which in turn has led to difficulty for some in paying their assessed contribution to the Circuit.

However, over 90% of the planned assessment was received during the year, but I fully appreciate that for some this was a struggle to meet their commitment and have concerns going forward

As such the recently formed Circuit Finance Group are re-visiting the formula as to how we collect individual assessments (at present it is based on ability to pay agreed by the church treasurers- and NOT on membership). This is no easy task – and we are working our way through a number of options – and hope to bring a proposal to the March 2023 Circuit Meeting to implement from September 2023

I will stress that in the interim if a Church has a specific concern, they speak to myself direct

**The respective accounts for 2021/22 are documented at the end of this report for you to consider**

Happy to answer any questions either in advance or on the night – but just to draw your attention to a couple of areas

- Presbyters (including Deacon) stipend rate is agreed each year by Methodist Conference. Any increase is based on the average of the increases in the consumer price index and the average weekly earnings index
- As such it is agreed Circuit Policy that any increase that is paid to Presbyters will be applied to our Lay Workers
- District/ Connexional Assessment – this supports the work of the district – including admin staff – and Connexional colleagues who implement wider strategic, resourcing and mission work- The calculation of each Circuit contribution is complex – but an element is based on ability to pay – and we do come out of these discussions very favourably
- We have heavily invested this year in our manse maintenance – The pandemic naturally put on hold some of this planned work – so it has been very much a case of playing catch up
- Going forward it is our intention to take a more planned strategic view in respect manse maintenance – working closely with Alan Curry – who does a brilliant job for us in this area- keeping costs to a minimum – and ensuring we get value for money
- Rental income -Morley Manse £1000 pcm -Old Bank Road £775 pcm
- Since the year -end Thornhill has been sold (£143k) and these proceeds will be paid into the Circuit Model Trust –

## **Summary of Total Funds Held**

**General Fund** £72,431.65

**Circuit Model Trust** (held at TMCP) £336,297.38 (Does not include proceeds from sale of Thornhill)

**Other Circuit Trusts** (held at TMCP) £151,374.29

## **Fixed Assets**

**Total value of 7 manses (5 occupied – 2 rental) £2,580,860**

The accounts are currently with the auditor- Thus subject to them finding no areas to bring to your attention I am asking for your approval of the accounts subject to this caveat

Ian Wilson

North Kirklees and Morley Circuit Treasurer

24<sup>th</sup> November 2022

The Accounts were subsequently approved at the Circuit Meeting held on the 8<sup>th</sup> December 2022

No issues identified

## **Circuit Reserve Policy**

The reserves policy for the North Kirklees and Morley Methodist Circuit is to hold a sum equivalent to 6 months average expenditure. This will be around £230k

This I believe is sufficient to meet any unforeseen item of major expenditure and/or be able to continue in the short-term funding planned activities in the event of an inability to raise the full circuit assessment from churches.

It will also ensure that we have funds to cover the payment of stipends and expenses for the ministers and lay workers and our contribution to the District and Connexion.

In the unlikely event of the above happening these funds can be drawn down from Circuit Model Trusts and other investments (none of the intended money is invested in property or other forms of investment)

A key element for any charity is that it does not hold excessive funds that are not earmarked for future property/ mission work

As previously stated, the Model Trust Fund can be used by the Circuit for a variety of mission, ministry, and property projects.

There is an on-going Circuit Review – looking at all aspects of church life – which will subsequently aid our forward planning and determine our future funding needs.

This could result in funding for property schemes or potential lay workers' salaries

Considering all the above we meet the requirements of the Charity Commission Reserve Policy

Ian Wilson

North Kirklees and Morley Circuit Treasurer

24<sup>th</sup> November 2022

# **NORTH KIRKLEES AND MORLEY METHODIST CIRCUIT ACCOUNTS 2021/2022**

INCOME		2021/2022	2020/2021	EXPENDITURE	2021/2022	2020/2021
Assessments		335,948.50	348,015.50	Stipends, NI contributions etc.	182,006.17	216,900.24
Interest		289.5	69.99	Ministers Travel --Expenses	3727.48	6211.79
Connexional Funds/ Circuit Collections		1662.95	1209.61	Ministers Telephone/Broadband Costs	5216.33	5338.56
Other Circuit Income		34967.82	40185.61	Supernumery Preachers fee and travel	2660.5	359
CRC-Net income from printing after expenses		1000	0	Local Preachers Expenses	400	100
Payment from Circuit Advance Fund			60000	District Assessment	86680	91432
<b>TOTAL</b>		<b>373868.77</b>	<b>449480.71</b>	CRC- Administrative Staff	21802.32	22142.59
				CRC- Expenditure	10330.73	4811.47
				Manses Council Tax	14,684.71	11,834.48
				Manses Water Rates	1955.74	1825.2
				Manses Insurance	5233.18	4736.83
				Maintenance/Property		
				Manses Upgrade	27437.92	26345.56
				Manses Alarm- Heating Contracts	945	1729
				Church Property Costs	6099.52	2268.71
				Loan to Church	3133.2	6000
				Ministers Removal Costs/Grant	3575.06	1189.54
				Other Expenditure	7093.78	23400.32
				Connexional Funds/ Circuit Collections	1662.95	1209.61
				Rev Alex Kerala Appeal	4978	
				Youth Work Expenditure	1377.04	
				<b>TOTAL</b>	<b>390999.63</b>	<b>427834.9</b>
				<b>INCOME 2021/2022</b>	<b>373868.77</b>	<b>449480.71</b>
				<b>OVERALL SURPLUS FOR YEAR</b>	<b>-17130.86</b>	<b>21645.81</b>
				<b>CFWD FROM 2020/2021</b>	<b>89562.51</b>	<b>67916.7</b>
				<b>TOTAL CARRIED FORWARD TO</b>		
				<b>2022/2023</b>	<b>72431.65</b>	<b>89562.51</b>
<b>BALANCES AT 31/08/2022</b>						
CO-OP	4,332.47					
CFB	74,253.82					
HSBC	26.6					
HSBC	0.28					
Cash	159.55					
<b>TOTAL</b>	<b>78772.72</b>					
<b>NEWLANDS</b>	<b>6341.07</b>					
<b>CIRCUIT BALANCE</b>	<b>72431.65</b>					

**NORTH KIRKLEES AND MORLEY METHODIST CIRCUIT MODEL TRUST FUND- TRUST 21592**

2022

**DISTRICT LEVY/CPF PAYMENT**

DEDUCTED ON 1/9/2021 17761.65

**TOTAL 17761.65**

**TCMP ADMIN FEE**

DEDUCTED FROM 1/9/2021 1007.44

**TOTAL 1007.44**

**GRAND TOTAL 18769.09**

**INCOME**

INTEREST 1577.83

**TOTAL 1577.83**

**SUMMARY**

OPENING BALANCE 353488.64

INCOME 1577.83

**TOTAL 355066.47**

**EXPENDITURE- 18769.09**

**BALANCE AT 31/8/22 336297.38**



## OTHER CIRCUIT TRUSTS

## CLOSING BALANCES AS AT 31/8/2022

TRUST FUND NUMBER	20584	16271	11878	12487	18393	19984	12861	4040	GRAND TOTAL
	RESTRICTED	RESTRICTED *	RESTRICTED *	RESTRICTED	RESTRICTED	RESTRICTED	RESTRICTED	ENDOW	
INTEREST/INCOME	230.85	99.05	6.35	2.29	1.6	330.73	5.49	-103.15	573.21
ADMIN	140.19	101.92	5.07	1.38	0.98	200.83	3.32	20.41	474.1
PAYMENTS MADE	0	0	0	0	0	0		0	0
TOTAL MOVEMENT	90.66	-2.87	1.28	0.91	0.62	129.9	2.17	-123.56	99.11
OPENING BALANCE	49189.44	21109.15	1355.18	485.34	342.5	70467.54	1166.28	7159.75	151275.18
CLOSING BALANCE	49280.1	21106.28	1356.46	486.25	343.12	70597.44	1168.45	7036.19	151374.29

\* Trustee income from trusts 16271 and 11878 is paid direct into Circuit Current Account

**Fixed Assets- Manse Vaiuations-Occupied-Taken from Methodist Insurance property valuation -2021/22**

12 Stockwell Drive Batley	463,601
Lee Green Mirfield	370,096
6 Shaw Street Cleckheaton	379,736
579 Bradford Road Cleckheaton	336,169
4 Longwood Road Tingley	324,635
<b>TOTAL</b>	<b>1,874,237</b>

**Fixed Assets- Manse Valuation- Currently gaining rental income-Taken from Methodist Insurance property valuation**

146 Old Bank Road Mirfield	297,461
29 Bluebell Gardens Morley	409,162
<b>TOTAL</b>	<b>706,623</b>

**NORTH KIRKLEES AND MORLEY METHODIST CIRCUIT MODEL TRUST FUND- TRUST 21592**

**DISTRICT LEVY/CPF PAYMENT**

DEDUCTED ON 1/9/2021	17761.65
<b>TOTAL</b>	<b>17761.65</b>

**TCMP ADMIN FEE**

DEDUCTED FROM 1/9/2021	1007.44
<b>TOTAL</b>	<b>1007.44</b>

<b>GRAND TOTAL</b>	<b>18769.09</b>
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**INCOME**

INTEREST	1577.83
<b>TOTAL</b>	<b>1577.83</b>

**SUMMARY**

OPENING BALANCE	353488.64
INCOME	1577.83
<b>TOTAL</b>	<b>355066.47</b>

<b>EXPENDITURE-</b>	<b>18769.09</b>
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<b>BALANCE AT 31/8/22</b>	<b>336297.38</b>
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