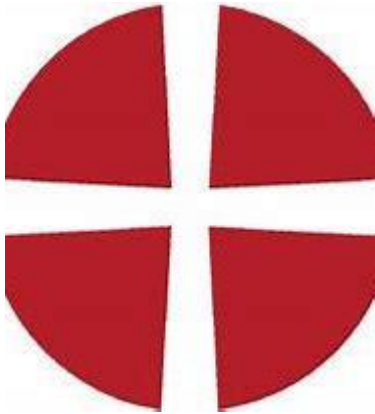


NORTH KIRKLEES AND MORLEY METHODIST CIRCUIT

Registered Charity No-1145602



REPORT AND FINANCIAL STATEMENTS FOR THE YEAR
ENDED 31 AUGUST 2023

RESERVES POLICY 2023/2024

Structure

The North Kirklees and Morley Circuit is part of the Yorkshire West District.

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 2022/2023

The Circuit Accounts 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 purpose of the fund is to secure and maintain the Circuits viability and future.
 - To enable the Circuit to fulfil its Mission Policy
 - The financial affairs of both **Gildersome and Newlands** are administered through the General Fund – all transactions are recorded separately, and balance sheets included in this report.
 - The total income of the General Fund in 2022/23 was £368,895 (£373,868 in 2021/22) – Total expenditure in 2022/23 was £389,459 (£390,999 in 2021/22)
 - Net deficit in 2022/23 was £20,540 (£17,130 in 2021/22)
 - **Balance carried forward to 2023/23 is £51,890.**
 - A full balance sheet is included in this report.
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- **Circuit Model Trust-** This fund derives from sales of Churches and other Circuit properties such as Manses. Monies are held at TMCP.
 - Following changes to Standing Orders in 2009 Circuit Model Trust Funds are now categorised as unrestricted funds and may be used for property, mission and outreach. Every year the balance in the fund incurs a levy towards the District Advance Fund. The first £100,000 is subject to a 2½ %, levy £100,000 - £250,000 is levied at 5 % and anything over £250,000 at 7.5%-In 2022/23 this came to £16,472- There is also an administration fee that TMCP impose – for 2022/23 this was £958.
 - During 2022/23 the Methodist Church at Thornhill was sold. The net proceeds from the sale £119,118 (Total sale £158,529- £39,411 levy) was paid into the trust.
 - In addition, the fund attracted total interest of £12,710.
 - In addition to the levy and administration charges, during the year the Circuit agreed to withdraw £35,000 to support significant upgrades to our manses]
 - Balance of the Circuit Model Trust as at **31/8/23 is £415, 694** (though £100,000 of this is ringfenced for Drighlington redevelopment – subsequently withdrawn in October 2023)
 - A full breakdown is included in this report.
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- The Circuit also has several **Other Trusts** Again they are held at TMCP- These are mainly as a result of Church closures and funds moving across to the Circuit. Whilst they have their own specific ‘terms and conditions’ they are in effect model trusts and can be used for property, mission and outreach.

- They all gain interest and attract an administration charge.
- **At 31/8/2023 the total balance of these trusts was £236,284**
- Again, a full breakdown is included in this report.
- The Circuit has one **Endowment fund** -The capital sum must be retained, and we receive a very nominal amount of interest.
- **Fixed Assets** – For us these are the 7 manses – Using the valuations applied by Methodist Insurance this equates to £2,802.840 (£2.8m)

The Circuit has the following principal sources of funds:

- Assessments received from Churches within the Circuit
- Rental income from 2 Trust Properties (Morley- Leyburn Road and Old Bank Road Dewsbury)
- The Circuit Model Trust Fund / Other Trust Funds / Interest
- Printing income from Circuit Resource Centre

The Circuit is responsible for

- The Ministerial oversight and pastoral care of the 15 local churches in the circuit
- The support of a ministry team of 4 Presbyters and 1 Deacon
- Two administrative members of staff
- Payment of the Circuit contribution to the District and Connexion, of which a significant part is used to fund the work of the wider Methodist Church
- Maintenance of 7 Circuit Manses (including the two where we have a rental income)
- Upkeep and maintenance of empty Circuit Properties pending sale -Hanging Heaton (lesser extent Wesley Playhouse)
- Other miscellaneous costs

General Comments

- One of the key achievements during the year was to implement a new formula for calculating individual **Church Assessments**
- It still has its flaws – but all agreed that it was a significant step forward and represented a much fairer model. The main elements being that -
- Formula based on 50% membership and 50% on attendance.
- The figures taken from those declared at the October count.

- Some Churches saw a decrease.
 - But for some there was a significant increase. Therefore, a maximum 5% cap increase was put in place.
 - Churches could of course contribute a higher figure than calculated if finances allow.
 - The revised figures were implemented from the August 2023 payment.
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- **Another policy that we implemented** – as away of supporting local churches was to agree that if they were experiencing short term cash flow issues then we would allow an assessment holiday for a maximum of 2 payment quarters.
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- These easements do of course impact the 2023/24 budget – and as a minimum we are forecasting a **£80,000 shortfall** – Circuit Meeting has previously agreed that we should withdraw from Circuit Model Trust to plug this gap.
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- It has already been agreed that in 2024/25 we will not be entering into stationing. You will already be aware of the plans that are been put in place to support the Circuit working with four presbyters next year. Further work has been undertaken to look at other options going forward.
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- Unfortunately, a reduction in staffing will not see a reduction in the overall amount (including assessments) that we need to raise for the 24/25 budget – like us all the church is not immune from general cost of living increases – including stipends and other salary costs.
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- We are fortunate to have monies in Model Trusts that we can draw upon – and the likelihood is that this will only increase in the next 12 months with the sale of Hanging Heaton and potentially other circuit properties.
 - Even accounting for the £100k which has now been paid to Drighlington and the £80k to cover the budget shortfall (and thus not reflected in the 31/8/23 year-end figures) – we still have around £470k in these trusts.

Ian Wilson

North Kirklees and Morley Circuit Treasurer

27TH h November 2023

Circuit Reserve Policy 2023/24

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.

The on- going Circuit Review – looking at all aspects of church life – 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

27th November 2023

NORTH KIRKLEES AND MORLEY METHODIST CIRCUIT ACCOUNTS 2022/2023

INCOME		2022/2023	2021/2022	EXPENDITURE	2022/2023	2021/2022
Assessments		300,259.25	335,948.50	Stipends, NI contributions etc.	189,476.72	182,006.17
Interest		1799.35	289.5	Ministers Travel --Expenses	3823.89	3727.48
Connexional Funds/ Circuit Collections		911.72	1662.95	Ministers Telephone/Broadband Costs	7117.32	5216.33
Other Circuit Income		29925.43	34967.82	Supernumery Preachers fee and travel	1972.41	2660.5
CRC-Net income from printing after expenses		1000	1000	Local Preachers Expenses	300	400
Payment from Circuit Advance Fund		35000		District Assessment	83644	86680
TOTAL		368895.75	373868.77	CRC- Administrative Staff	24878.81	21802.32
				CRC- Expenditure	10673.3	10330.73
				Manses Council Tax	12,224.65	14,684.71
				Manses Water Rates	1905.98	1955.74
				Manses Insurance	6083.24	5233.18
				Manses Maintenance/Property Upgrade	22606.08	27437.92
CO-OP	47,839.16			Manses Alarm- Heating Contracts	1050	945
CFB	41,914.72			Church Property Costs	7290.02	6099.52
Cash	-7.09					

TOTAL **89746.79**

NEWLANDS **14215.76**

GILDERSOME **23663.14**

CIRCUIT BALANCE **51867.89**

Loan to Church 3133.2

Ministers Removal Costs/Grant 3575.06

Other Expenditure 14224.49 7093.78

Connexional Funds/ Circuit Collections 961.72 1662.95

Rev Alex Kersla Appeal 4978

Youth Work Expenditure 1200 1377.04

Closure Old Circuit HSBC Acct 26.88

TOTAL **389459.51** **390999.63**

INCOME 2022/2023 **368895.75** **373868.77**

OVERALL DEFICIT FOR YEAR-(23.10 ADJ) **206563.76** **-17130.86**

CFWD FROM 2020/2021 **72431.65** **89562.51**

**TOTAL CARRIED FORWARD TO
2023/2024** **51867.89** **72431.65**

GILDERSOME -GREENSIDE - FUNDS MANAGED THROUGH CIRCUIT ACCOUNT -SEPTEMBER 2022-AUGUST 2023

INCOME	2022-2023	EXPENDITURE	2022-2023
Lettings	5214	Methodist Insurance	773.18
Grants	3035.87	Eaton Smith & Downey	1800
TOTAL	8249.87	Closing Service Expenses	382.08
		Boiler and Appliance Gas Service	480
		Flamstop-Fire Extinguisher	153
		Yorkshire Water	121.39
		Pozitive Energy- Gas	2552.96
		Roof Repairs	2850
		EON-Electric	1993.29
		Misc Exp-Includes Cleaner	932.67
		TOTAL	12038.57
		INCOME	8249.87
		BALANCE IN YEAR TO DATE	-3788.7

CHURCH BALANCE ON CLOSURE	27451.84
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BALANCE AS AT 31/08/2023	23663.14
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NEWLANDS - FUNDS MANAGED THROUGH CIRCUIT ACCOUNT -SEPTEMBER 2022-AUGUST 2023

INCOME	2022-2023	EXPENDITURE	2022-2023
Lettings	11642	Cleaner	2603.52
TOTAL	11642	Harvest and Easter Expenses	142.68
		Tree Surgery	564
		Waste Collection	110.4
		Chubb-	124.56
		New Lock	150
		Misc Exp-	72.15
		TOTAL	3767.31
		INCOME	11642
		BALANCE IN YEAR TO DATE	7874.69
		BALANCE CFWD 21/22	6341.07
		BALANCE AS AT 31/08/2023	14215.76

NORTH KIRKLEES AND MORLEY METHODIST CIRCUIT MODEL TRUST FUND- TRUST 21592**2023****EXPENDITURE****DISTRICT LEVY/CPF PAYMENT**

DEDUCTED ON 1/9/2022 16472.3

LEVY ON SALE OF THORNHILL 39411.6

TOTAL 55883.9**TCMP ADMIN FEE**

VARIOUS DATES 958.45

TOTAL 958.45**WITHDRAWEL TO SUPPORT MANSE UPGRADES 35000****EXPENFITURE- GRAND TOTAL 91842.35****INCOME**

INTEREST 12710.43

SALE OF THORNHILL 158529

INCOME- GRAND TOTAL 171239.43**SUMMARY**

OPENING BALANCE 336297.38

INCOME 171239.43

TOTAL 507536.81**EXPENDITURE- 91842.35****BALANCE AT 31/8/23 415694.46**

OTHER CIRCUIT TRUSTS**CLOSING BALANCES AS AT 31/8/2023**

TRUST FUND NUMBER	20584	16271	11878	12487	18393	19984 Thornhill	12861	14305 Gildersome	4040	TOTAL
		*	*							
INTEREST/INCOME	1581.84	669.58	42.98	15.62	11.01	2266.1	37.51	2534.67	93.2	7252.51
ADMIN	140.45	669.58	44.44	1.39	0.98	201.2	3.33	225.05	20.05	1306.47
PAYMENTS MADE	0	0	0	0	0	0		0	0	0
TOTAL MOVEMENT	1441.39	0	-1.46	14.23	10.03	2064.9	34.18	2309.62	73.15	5946.04
OPENING BALANCE	49280.1	21106.28	1356.46	486.25	343.12	70597.44	1168.45	78964.14	7036.19	230338.43
CLOSING BALANCE	50721.49	21106.28	1355	500.48	353.15	72662.34	1202.63	81273.76	7109.34	236284.47

Fixed Assets- Manse Vaiuations-Occupied-Taken from Methodist Insurance property valuation -2022/2023

12 Stockwell Drive Batley	503,476
Lee Green Mirfield	401,928
6 Shaw Street Cleckheaton	412,397
579 Bradford Road Cleckheaton	365,082
4 Longwood Road Tingley	352,557
TOTAL	2,035,440

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

146 Old Bank Road Mirfield	323,046
29 Bluebell Gardens Morley	444,354
TOTAL	767.400

Accounts approved at Circuit Meeting held Thursday 14th December 2023

