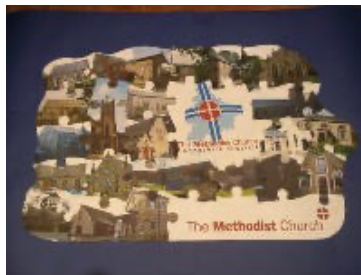


NORTH LANCASHIRE METHODIST CIRCUIT 21/16

Registered Charity Number 1155398

TRUSTEES' ANNUAL REPORT & FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31ST AUGUST 2021



Circuit Officers

(As at 31st August 2021)

Circuit Ministers

Rev Steve Charman (Superintendent)

Rev Keith W. Borwick

Rev Roy Burley

Rev Emma Holroyd

Rev Derek Oldham

Rev David Philo

Circuit Stewards

Ruth Champley

Shirley Cormack

Jane Entwistle (Senior Steward)

Peter Gorst

David Midwinter

Howard Rogerson

Sandra Cooper (Finance)

Circuit Administrator

Joanne Towers

Cornerstone Chaplain

Simon Stewart

North Lancashire Methodist Circuit

Type of Governing document

Deed of Union (1932) and Methodist Church Act (1976)

How the charity is constituted

Act of Parliament

Trustees' selection methods

- Appointed by local churches and existing trustees.
 - Ministers are automatically trustees.

Induction/Training

- Range of guidance produced by Methodist Connexion.
- Leaflet 'The Role of a Trustee in the Methodist Church' available to all trustees

Structure

- Part of the Lancashire District
- Accountable to the Methodist Conference

Risks

- Considered by the Circuit Leadership Team
 - Take professional advice as required.
 - Regular review process.
- Adopted Safeguarding Policy and ensured it is rolled out to the churches.

North Lancashire Methodist Circuit

Circuit Meeting

The Circuit Meeting meets four times a year and its constitution is set out in CPD

(SO510)

In 2020/21 it had 68 members (Trustees) registered with the Charity Commission.

Circuit Executive

This is the Circuit Leadership Team. It deals with matters delegated to it by the Circuit Meeting, offers guidance to the circuit and constantly reviews the personnel, property, and financial resources of the circuit.

Pay policy for Ministers

Stipends and allowances for Presbyters and Deacons (collectively Ministers) are set annually by Methodist Conference, and the circuit is responsible for meeting those costs for all Ministers stationed by the Conference in the Circuit.

Risk Management

The Trustees have carried out ongoing assessments of the charity's activities setting out the major opportunities available to the charity and the risks to which it is exposed. These risks are identified by the Circuit Leadership Team and are risk assessed.

The principal risks and uncertainties faced by the charity are as follows:

- The cost of ongoing maintenance and refurbishment of circuit property.
- The reduction in the number of Ministers available throughout the Methodist Connexion.
- The risk of a church defaulting on its assessment.

The Trustees have considered their responsibility under legislation including health and safety, employment law and safeguarding. Systems and procedures are implemented to manage specific risks that have been identified.

Volunteers

The North Lancashire Methodist Circuit is supported by a team of active volunteers. The charity is grateful to all volunteers for their skills and support they so willingly bring to the charity.

North Lancashire Methodist Circuit

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 another 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.

When reviewing the aims and objectives of the charity, and in planning future activities, the Trustees have complied with the duty in section 17 of the Charities Act 2011 to have due regard to public benefit guidance published by the Commission.

Mission Statement:

We are the Methodist people of God in North Lancashire responding to God's loving challenge as we promise to.

- Energise discipleship -
- Enable leadership -
- Encourage risk -
- Employ buildings -
- Embrace technology -
- Enrich communities -
- Engage all -

North Lancashire Methodist Circuit

The Circuit's Priorities for the five years to August 2024

These priorities are based on the assumption that we have sound financial management and administration. They also take account of the earlier work done during reconfiguration on structure and communication as well as the Possible Futures document to look at what we have achieved, and which ideas are still worth pursuing.

- The CLT will set up the review into the vitality of each church.
- Use our ministers to equip the church to develop discipleship and to encourage the growth of faith, leadership, and commitment across the circuit. It is only by making disciples that the churches grow rather than decline.
- Look at models of ministry and pastoral care required across our diverse circuit to see how we can meet the needs in our churches and the communities we serve of children and families, older people and those living in rural areas.
- Developing the role and function of IT possibilities and potential - there is a lot of travelling attached to our circuit - could we work 'smarter', and we need more effective communication across the circuit.
- Continue to develop the circuit mission focuses of rural ministry and projects at The Cornerstone.

The Circuit produces a quarterly preaching plan to ensure regular acts of worship take place at each of the Methodist Churches in its geographical area. These are open to all people, without charge. The Circuit is directly involved with the provision of a chaplaincy service at the Cornerstone (in the centre of Lancaster) and at Lancaster University.

North Lancashire Methodist Circuit

Staffing

Rev. Derek Oldham, who joined the circuit last year, requested a reduction in hours but following a heart attack and with ongoing health issues, applied for early retirement on the grounds of ill health. This was approved by the Circuit and the District and Derek was given a retirement date of 18th January 2021.

Inevitably, this resulted in some changes of Ministerial oversight across the Circuit and instigated discussions on how the Circuit would run going forward, knowing that in August 2021 Rev. David Philo was also due to retire. As a result of the on-going COVID-19 pandemic, we held a delayed joint farewell service for both these Ministers, which then took place in September 2021.

Over the summer months of the year, we also went through the re-invitation process for both Rev. Roy Burley and Rev. Emma Holroyd. From the consultations, both with the Churches and the Ministers we are pleased to record that both were invited to stay on for another three years and both accepted.

The recruitment of a new Circuit Administrator was a priority at the start of the year, and we were pleased to appoint Jo Towers to this role. She is a member of one of the churches in the circuit and took up the position at the start of October. Sandra Cooper, who is the Circuit Treasurer, has taken on full responsibility for the Circuit Finances which had previously been a shared role.

Ongoing impact of COVID-19

Lockdown came and went, and came again. The difficulties of running anything, (Circuit, Church, Work and home) were all met with substantial challenges. Some churches reopened, having completed the necessary risk assessments. Some continued with worship on Zoom and some used both. Due to their own health issues, initially, not everyone was willing to meet up again in person - this also applied to the Preachers and Ministers which also created significant challenges to provide worship in all the chapels that wished to remain open.

The discussions regarding the experience of COVID-19 restrictions, have led us to realise that continuation of streaming services is important and has also led into talks of how we may need to invest in technology for all Churches. The use of Zoom may become vital to the Circuit, as we have seen a reduction in Local

North Lancashire Methodist Circuit

Preachers - the facility to be in your own church whilst sharing in a service from somewhere else in the Circuit, may be a way forward.

The Ministers continued to work in the best way possible, to provide pastoral care and support to members and families of their congregations. This was done in person whenever possible but mostly via Email, Telephone calls and Zoom calls. Weekly services and reflections were sent out from all the Ministerial staff, so there was always access to something. Paper copies were also available to send or pass on to those who needed it.

Financially, the effects of COVID-19 continue to impact the circuit. The Wesley Cafe in Garstang Chapel had to close and due to various circumstances amongst the members, the Chapel itself is in the process of reviewing its change of use, to accommodate the community, alongside providing an occasional place of worship. Those Churches which normally received an income from letting out their premises, found meeting the Circuit Assessments difficult; but we've been able to draw down from the Circuit reserves to keep us on an even keel.

Methodist Conference Report 'God in Love Unites Us'

With the vote at conference agreeing the proposals within the report 'God in Love Unites Us', as had already been hinted at, the majority of the congregation from Brookhouse Chapel resigned their membership of the Methodist Church. We are proposing to carry out a Feasibility study to explore the future use of the building within our circuit, as we look at the ongoing possibility of Clustering churches and working together.

Significant time and work has been spent over the past year, in regard to the church buildings in which Wray and Quernmore worshipped. Alongside a newly formed Trustee group, the work involved all the Circuit Staff and extra meetings of the Circuit Trustees. Application was made to the District to cease worship at both these premises, which was granted. With the assistance of Surveyors and Solicitors, many discussions have revolved around these buildings and the best way forward for the Circuit to deal with things. The proposal, as this financial year ends, is that we will sell both the buildings and use the proceeds for Mission and Ministry in the wider Circuit.

North Lancashire Methodist Circuit

Future Planning

Though we acknowledge the many changes in the Circuit over the past twelve months, we continue to look at ways in which we can move forward and work together. Discussions have been held and continue to be held, with the idea of clustering churches together. We are proposing to look at 'The Methodist Way of Life' within our churches. An away day is being arranged for the Circuit Staff and Stewards to review and discuss LyCiG, (Leading your Church into Growth), for which some members attended a two-day course and want to share their learning with us.

At the Circuit Meeting in February, the Trustees reviewed the Mission Statement for the Circuit and we continue to hold this true as we move forward into another year.

The Circuit Model Trust Fund had a balance at the year-end of £151,788

This fund derives from sales of churches and manses and is restricted by the Conference. This restriction is an internal regulation though the fund can be used for a variety of purposes. The Circuit Leadership team has drawn up a set of ground rules, which have been accepted by the Circuit Meeting, to ensure grants made from the Circuit Model Trust Fund are used effectively for mission and capital works.

The Reserves Policy

The Reserves Policy for the North Lancashire Circuit is to hold a sum equivalent to 6 months' average expenditure. This should be sufficient to meet any unforeseen item of major expenditure on manses and / or to be able to continue, in the short term, funding planned activities in the event of an inability to raise the full Circuit Assessment from churches. It is necessary to hold sufficient working capital to enable the payment of stipends and business expenses for all ministers and a part time Administrator and also our contribution to the Lancashire District.

Statement of Financial Activities (SOFA) for the year ended 31 August 2021

	Notes to the accounts	General Fund (Unrestricted) £	Circuit Model Trust (Unrestricted) £	Designated Funds (unrestricted) £	Restricted Funds £	Endowment Funds £	Total 2020-21 £
Income							
1 Donations and legacies		1,051					1,051
2 Income from monetary investments		28	410				437
3 Income from investment properties		10,834					10,834
4 Assessments on Churches		286,018					286,018
5 Capital Receipts							0
6 Grants received		2,571					2,571
7 Other charitable income		407,047					407,047
8 Total income		707,549	410	-	-	-	707,958
Expenditure							
9 Grants and donations		14,000			932		14,932
10 Salaries and associated costs		227,503					227,503
11 Property maintenance		23,946					23,946
12 Connexional assessment & model trust levy			2,484				2,484
13 District Assessment & Levy		72,272					72,272
14 Depreciation							0
15 Office expenses		2,066					2,066
16 Other outgoings		9,530					9,530
17 Total charitable expenditure		349,317	2,484	0	932	0	352,734
18 Gains/(losses) on monetary investments							0
19 Gains/(losses) on investment properties							0
20 Net income/(expenditure)		358,232	-2,075	0	-932	0	355,225
21 Transfers between funds		1,500	1,500				0
22 Other gains/(losses)							0
23 Net movement in funds		359,732	-3,575	0	-932	0	355,225
24 Total funds brought forward		1,665,051	155,363	-	932		1,821,346
25 Total funds carried forward		2,024,783	151,788	-	-	-	2,176,571

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 £
Income							
1 Donations and legacies		500					500
2 Income from monetary investments		441	1,060				1,501
3 Income from investment properties		5,444					5,444
4 Assessments on Churches		339,394					339,394
5 Capital Receipts							0
6 Grants received		3,592					3,592
7 Other charitable income		244					244
8 Total income		349,615	1,060	-	-	-	350,675
Expenditure							
9 Grants and donations		10,000	1,250				11,250
10 Salaries and associated costs		262,788					262,788
11 Property maintenance		6,195					6,195
12 Connexional assessment & model trust levy			2,565				2,565
13 District Assessment & Levy		67,860					67,860
14 Depreciation							0
15 Office expenses		2,984					2,984
16 Other outgoings		10,336					10,336
17 Total charitable expenditure		360,163	3,815	0	0	0	363,978
18 Gains/(losses) on monetary investments							0
19 Gains/(losses) on investment properties							0
20 Net income/(expenditure)		-10,548	-2,755	0	0	0	-13,303
21 Transfers between funds		1,500	1,500				0
22 Other gains/(losses)							0
23 Net movement in funds		-9,048	-4,255	0	0	0	-13,303
24 Total funds brought forward		1,674,099	159,618		932		1,834,649
25 Total funds carried forward		1,665,051	155,363	-	932	-	1,821,346

Balance Sheet as at 31 August 2021

Notes to the Accounts	General Fund (Unrestricted)	Circuit Model Trusts (Unrestricted)	Designated Funds (Unrestricted)	Restricted Funds	Endowment Funds	Totals 2020/21	Totals 2019/20
	£	£	£	£	£	£	£
Fixed Assets							
Circuit Manses & Equipment	1,907,216					1,907,216	1,512,216
Investment properties						0	
Investments						0	
Total fixed assets	1,907,216	0	0	0	0	1,907,216	1,512,216
Current Assets							
Debtors	12,891					12,891	16,700
Loans by the Circuit	5,000	30,375				35,375	31,875
Investments with TMCP		121,413				121,413	123,488
Central Finance Board Deposits	35,460					35,460	35,432
Cash at Bank and in hand	110,935					110,935	167,517
Total current assets	164,285	151,788	0	0	0	316,073	375,012
Current liabilities							
Creditors (due in under 1 year)	46,718					46,718	65,882
Grants payable within 2020-21						0	0
Total current liabilities	46,718	0	0	0	0	46,718	65,882
Net current assets/liabilities	117,567	151,788	0	0	0	269,355	309,130
Total assets less current liabilities	2,024,783	151,788	0	0	0	2,176,571	1,821,346
Long term liabilities (due after more than one year)							
Grants payable after 2020-21						0	
Loans to the Circuit						0	
Net assets	2,024,783	151,788	0	0	0	2,176,571	1,821,346
Funds of the Circuit							
General Fund (Unrestricted)	2,024,783					2,024,783	1,665,051
Circuit Model Trust Fund (Unrestricted)		151,788				151,788	155,363
Designated Funds (Unrestricted)			0			0	
Total Unrestricted Funds						2,176,571	1,820,414
Restricted Funds				0		0	932
Endowment Funds					0	0	0
Total Funds	2,024,783	151,788	0	0	0	2,176,571	1,821,346

Notes to the Accounts

1 Basis of accounting

The financial statements have been prepared under the Charities Act 2011 in accordance with the 2014 version of Accounting and Reporting by Charities: Statement of Recommended Practice (SORP) applicable to charities preparing their accounts in accordance with FRS102 – the Charities SORP (FRS102) and taking note of the Update Bulletin 1 issued in 2016.

2 Funds

The funds held constitute: General Funds held for any purpose of the Circuit which are Unrestricted. The Circuit Model Trust Fund has wide purposes defined in Standing Orders and is categorised as unrestricted. Restricted funds which are held for a narrower purpose. There are no Endowment funds. Details of each material fund are disclosed in the final note to these accounts. Any funds may be represented by more than just cash.

3 Accounting policies

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, on the accruals basis to show a true and fair view of the Circuit's financial position and activities.

Incoming Resources

Income is included in the Statement of Financial Activities (SOFA) when the Circuit becomes entitled to the resources, and the trustees are reasonably certain they will receive the resources; and the monetary value can be measured with sufficient reliability.

Resources Expended

This is recognised when a liability is incurred, or a constructive obligation arises, that results in the payment being unavoidable. Liabilities are recognised as soon as an outflow of economic benefit is considered more likely than not under the legal or constructive obligation committing the Circuit to pay out resources.

Grants

Grants made by the Circuit from its own funds are recognised in full at the time of agreement or when the Circuit accepts that there is a legal or operational obligation to make the payment.

VAT

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

Tangible fixed assets for use by the Circuit

Tangible fixed assets are capitalised if they can be used for more than one year, and cost at least £500. The freehold property is shown in the accounts at 2015 deemed values. No depreciation is provided on the building 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. Any depreciation would not be material. The property has been reviewed for impairment.

Investment Properties

Investment properties - no property is currently deemed to not be held for the long term purposes of the charity.

Investments

Investments are valued in the balance sheet at market value at the year end. Investment income is included in the accounts when receivable and any gains or losses on revaluation at the year end are shown in the SOFA.

Debtors and Prepayments

Debtors include rental income. Prepayments are September stipends paid in August.

Creditors

Creditors include both sundry expenses and specifically the 1st quarter assessment received in August.

4 Payment to Trustees

There were no payments made to trustees for additional services provided to the Circuit by agreement with the Circuit Meeting, this excludes stipends.

Trustee expenses

	2020/21	2019/20
Number of Trustees	0	0
Total amount	£0	£0

Expense payments primarily relate to reimbursement for travel and computing costs

5 Fees for examination or audit of the accounts

	2020/21 £	2019/20 £
Independent examiner's or auditors' fees for reporting on the accounts	1,104	1,080
Other fees (eg: advice, accountancy services) paid to the independent examiner or auditor	NIL	NIL

6 Paid employees

Staff Costs paid during the year were:

	2020/21	2019/20
Gross wages, salaries and benefits in kind	£ 152,004	169,585
Employer's National Insurance costs	£ 12,992	14,121
Pension costs	£ 36,425	40,111
Total staff costs	£ 201,421	223,817
Average number of full-time equivalent employees in the year were:	6	8

7 Capital Commitments and Contingent Liabilities

At the 31st August 2021 there are no capital commitments.

No Contingent liabilities were identified at 31st August 2021.

8 For information only Money received and passed on to External Organisations

	2020/21	2019/20
	£	£
Balance brought forward from last year	30	30
Offerings/Gifts - received for External Organisations	2,343	4,467
Offerings/Gifts - passed to External Organisations	2,343	4,647
Balance carried forward	30	30

9 Tangible Fixed Assets**Cost or valuation**

	Land £	Manse £	Other buildings £	Fixtures, fittings and equipment £	Payments on account and assets under construction £	Total £
Balance brought forward	0	1,512,216	0	0	0	1,512,216
Additions			395,000			395,000
Revaluations (+/-)						
Disposals (-)						
Transfers * (+/-)						
Balance carried forward	0	1,512,216	395,000	0	0	1,907,216

Accumulated depreciation

Balance brought forward	0	0	0	0	0	0
Depreciation charge for year (-)						
Revaluations (+/-)						
Disposals (-)						
Transfers* (+/-)						
Balance carried forward	0	0	0	0	0	0

Net book value

Brought forward	0	1,512,216	0	0	0	1,512,216
Carried forward	0	1,512,216	395,000	0	0	1,907,216

10 Investment assets

The circuit has no Investment properties

The circuit has no common investment fund holdings

11 Loans

The Circuit currently has no loans

12 Analysis of restricted and designated funds**2020-21**

Restricted Fund Name	Opening Balance	Incoming Resources	Resources Expended	Transfers	Closing Balance	Purpose of the fund
Benevolent Fund	0	0	0		0	Support for individuals in specific need
Development Fund	0	0	0		0	Available for funding outreach and development work
Circuit resource centre	0	0	0		0	Fund designated for the maintenance of the centre.
Totals	0	0	0		0	

*****Comparative analysis of restricted and designated funds 2019-20*

Restricted Fund Name	Opening Balance	Incoming Resources	Resources Expended	Transfers	Closing Balance	Purpose of the fund
Benevolent Fund	0	0	0		0	Support for individuals in specific need
Development Fund	0	0	0		0	Available for funding outreach and development work
Circuit resource Fund	0	0	0		0	Fund designated for the maintenance of the centre.
Totals	0	0	0		0	

Declarations and Scrutiny

I confirm that these accruals-based accounts for the year to 31 August 2021 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 [Signature] Date 09.11.21

Name and address of treasurer THE HAVEN, SUNNY BANK, ARKHOVE
CARNFORTH Post Code LA6 1BE

Presentation to the Circuit Meeting

I confirm that the annual report and accounts for the year ended 31 August 2021 ~~were~~, or will be, * presented to the Circuit Meeting at its meeting on 29TH NOVEMBER 2021

Signature of the Chair of the meeting [Signature]

Name of the Chair of the meeting REV STEPHEN CHARMAN Date 9/11/21

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

The Circuit's trustees are responsible for ensuring that the annual report and accounts for the year to 31 August 2021 present a true and fair view of the Circuit's income and expenditure for the year and of its assets and liabilities at the balance sheet date. The trustees consider that an audit is not necessary for this year under section 144 of the Charities Act 2011 and that an independent examination is needed.

It is my responsibility to:

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

* delete or circle as appropriate

Basis of Independent Examiner's Report

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

Independent Examiner's Statement

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

- (1) which gives me reasonable cause to believe that in any material respect the requirements
- to keep accounting records in accordance with section 130 of the Charities Act 2011
 - to prepare accounts which accord with the accounting records and comply with the accounting requirements of the Charities Act 2011

have not been met, or

- (2) to which, in my opinion, attention should be drawn in order to enable a proper understanding of the accounts to be reached.
- (3) I have/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..... *T M Preece*

Name of independent examiner *TIMOTHY PREECE*

Relevant professional qualification of independent examiner *FCCA.*

Name of firm (where appropriate) *Scott & Wilkinson LLP*

Address *Chartered Accountants
Dalton House
9 Dalton Square
Lancaster LA1 1WD*

..... Post Code

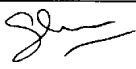
Date *16/11/2021*

* delete or circle as appropriate

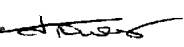
North Lancashire Methodist Circuit Declaration

This annual Report was presented to the Trustees
at the Circuit Meeting on: 9th March 2022

Signed on behalf of the charity's trustees

Signature 

Rev Stephen J Charman
Chair of Trustees

Signature 

Mrs Joanne Towers
Secretary of Circuit Meeting

Date: 17th May 2022