

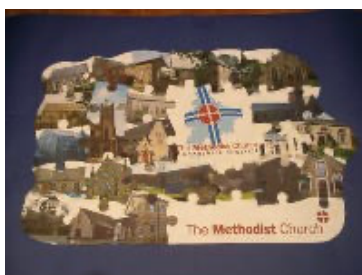


NORTH LANCASHIRE METHODIST CIRCUIT 21/16

Registered Charity Number 1155398

TRUSTEES' ANNUAL REPORT & FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31ST AUGUST 2022



North Lancashire Methodist Circuit

Circuit Officers

(As of 31st August 2022)

Circuit Ministers

Rev Steve Charman (Superintendent)

Rev Keith W. Borwick

Rev Roy Burley

Rev Emma Holroyd

Circuit Stewards

Ruth Champley (Senior Steward)

Shirley Cormack

Peter Gorst

Hazel Preece

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 2021/22 it had 59 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

Priorities for North Lancashire Circuit 2021- 2026

1. We will live out our Mission Statement 'Transforming Lives and Communities' - The Circuit will prioritise resources (staff, finance, buildings) for work which is missional - reaching out to our communities in service and evangelism.
2. The Circuit will re-visit 'The Main Thing' process (original Spring 2015) which explored the vitality of each church and see what progress has been made over recent years and how further progress can be encouraged and/or initiated.
3. The CLT will explore models of ministry and oversight with an expectation that we will reduce from six to four ordained staff during the near future. We will help churches work together and develop the skills of lay people in leadership so that there is reduced reliance upon our ordained staff for tasks which can be done by lay people. We will support the churches as they adapt to a changed pattern of ministerial oversight.
4. Develop a Circuit mission focus with primary schools, in particular seeking to expand the use of the 'Open the Book' programme (from Bible Society).
5. We will continue to develop our work with those in the Third Age of life, through mission, service and spirituality.

These priorities assume that we have sound financial management and administration.

These priorities are to be reviewed and, where necessary, revised annually.

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

Annual Report

We are delighted that by the end of the year, all our churches are back worshipping together and re-starting their various programmes post-Covid. Some have been able to continue offering an online option alongside worship in their building.

Alongside the ongoing mission and ministry of the Circuit, the overwhelming focus of the year has been on buildings.

The sales of Quernmore and Wray Methodist Churches have not yet been completed - a number of difficulties have arisen during the process which have resulted in delays. This has occupied a significant amount of time and energy from the staff and officers of the Circuit as well as significant amounts of time in Trustee meetings. We hope the sales will be completed during the next year.

We are exploring the possibility of refurbishing Garstang Methodist Church as a pre-school nursery and community hub. The proposal is to convert the former cafe area into the nursery and to remove the pews and organ, to level the floor in chapel, as well as install new toilets in the chapel side of the building. We are hoping to utilise funds raised from the sale of Wray Chapel (designating it as a replacement project).

The Lune Valley Feasibility Group have continued to explore the future potential of the Lune Valley Methodist Hub (although the Roeburndale and Arkholme congregations have largely withdrawn from this process). The use of the building has increased - we are particularly delighted that the building is able to offer a welcome and support to Ukrainian refugees living in the locality and their host families.

The membership at Emmetts Methodist Church dropped to 4 people and so the Circuit asked the District for permission to cease worship and proceed to advertise for sale, this was granted. We are investigating some issues surrounding the Deeds and the ownership of the property.

The membership of the Tewitfield Chapel dropped below 12 and the remaining members decided to close - the Circuit asked the District for permission to cease worship and proceed to advertise for sale, this was granted. The sale process will proceed in the next year.

Following the adoption of the 'God in Love Unites Us' report at Methodist Conference, churches have been asked to vote on whether or not to allow same-sex marriages in their premises. Some churches in our circuit have voted in favour, some have voted against and some have postponed the decision for the time being.

The creation of the Circuit Preaching Plan is an increasingly difficult task - we have less preachers available (due to age, illness and some having moved away from the area), but most churches still seek a preacher for each Sunday. The churches are being encouraged to find alternative ways of providing worship which does not clustering churches together for worship, utilising Zoom from one church building to

North Lancashire Methodist Circuit

another church building. In order to assist with this, we have trained a number of Worship Leaders from different churches across the Circuit.

The Circuit Meeting (the Trustee body) now meets in a Hybrid form - both in-person and via Zoom - as it is in the best interests of the charity to do so, in order to include as many Trustees as possible.

As in many of our local churches, one of the greatest challenges has been that we have struggled to recruit people to various roles and responsibilities - this seems to be a more significant issue post-lockdown.

Towards the end of the year we heard the news that our Superintendent will be leaving for a different appointment in the Summer of 2023, consequently work began on finding a replacement for him as well as seeking a replacement for Rev Keith Borwick who is due to leave the Circuit at the same time.

The Circuit Model Trust Fund had a balance at the year-end of £129,427

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 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 4 ministers, a Part Time Administrator and our contribution to the District.

Statement of Financial Activities (SOFA) for the year ended 31 August 2022

	Notes to the accounts	General Fund (Unrestricted)	Circuit Model Trust (Unrestricted)	Designated Funds (unrestricted)	Restricted Funds	Endowment Funds	Total 2021-22
		£	£	£	£	£	£
Income							
1 Donations and legacies			1,107		8,247		9,354
2 Income from monetary investments		171	565		38		774
3 Income from investment properties		47,813					47,813
4 Assessments on Churches		237,366					237,366
5 Capital Receipts							0
6 Grants received							0
7 Other charitable income		15,812					15,812
8 Total income		301,161	1,672	-	8,285	-	311,118
Expenditure							
9 Grants and donations		12,200			173		12,373
10 Salaries and associated costs		188,242					188,242
11 Property maintenance		65,723					65,723
12 Connexional assessment & model trust levy			2,534		23		2,557
13 District Assessment & Levy		52,272					52,272
14 Depreciation							0
15 Office expenses		1,972					1,972
16 Other outgoings		8,907					8,907
17 Total charitable expenditure		329,315	2,534	0	197	0	332,045
18 Gains/(losses) on monetary investments							0
19 Gains/(losses) on investment properties							
20 Net income/(expenditure)		-28,154	-861	0	8,088	0	-20,927
21 Transfers between funds		21,500	- 21,500				0
22 Other gains/(losses)							
23 Net movement in funds		-6,654	-22,361	0	8,088	0	-20,927
24 Total funds brought forward		2,024,783	151,788	-	-	-	2,176,571
25 Total funds carried forward		2,018,129	129,427	-	8,088	-	2,155,644

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							
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)							
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

Balance Sheet as at 31 August 2022

Notes to the Accounts	General Fund (Unrestricted) £	Circuit Model Trusts (Unrestricted) £	Designated Funds (Unrestricted) £	Restricted Funds £	Endowment Funds £	Totals 2021/22 £	Totals 2020/21 £
Fixed Assets							
Circuit Manses & Equipment	1,907,216					1,907,216	1,907,216
Investment properties						0	0
Investments						0	0
Total fixed assets	1,907,216	0	0	0	0	1,907,216	1,907,216
Current Assets							
Debtors	13,732					13,732	12,891
Loans by the Circuit	12,000	8,875				20,875	35,375
Investments with TMCP		120,552		8,088		128,640	121,413
Central Finance Board Deposits	35,630					35,630	35,460
Cash at Bank and in hand	101,716					101,716	110,935
Total current assets	163,078	129,427	0	8,088	0	300,591	316,073
Current liabilities							
Creditors (due in under 1 year)	52,166					52,166	46,718
Grants payable within 2021-22						0	0
Total current liabilities	52,166	0	0	0	0	52,166	46,718
Net current assets/liabilities	110,912	129,427	0	8,088	0	248,425	269,355
Total assets less current liabilities	2,018,129	129,427	0	8,088	0	2,155,644	2,176,571
Long term liabilities (due after more than one year)							
Grants payable after 2021-22						0	
Loans to the Circuit						0	
Net assets	2,018,129	129,427	0	8,088	0	2,155,644	2,176,571
Funds of the Circuit							
General Fund (Unrestricted)	2,018,129					2,018,129	2,024,783
Circuit Model Trust Fund (Unrestricted)		129,427				129,427	151,788
Designated Funds (Unrestricted)			0			0	0
Total Unrestricted Funds						2,147,556	2,176,571
Restricted Funds				8,088		8,088	
Endowment Funds					0	0	
Total Funds	2,018,129	129,427	0	8,088	0	2,155,644	2,176,571

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

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

	2021/22	2020/21
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

	2021/22 £	2020/21 £
Independent examiner's or auditors' fees for reporting on the accounts	1,142	1,104
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:

	2021/22	2020/21
Gross wages, salaries and benefits in kind	£ 119,253	152,004
Employer's National Insurance costs	£ 10,604	12,992
Pension costs	£ 28,302	36,425
Total staff costs	£ 158,164	201,421

Average number of full-time equivalent employees in the year were:

	5	6
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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

	2021/22	2020/21
	£	£
Balance brought forward from last year	30	30
Offerings/Gifts - received for External Organisations	1,414	2,343
Offerings/Gifts - passed to External Organisations	1,414	2,343
Balance carried forward	30	30

9 Tangible Fixed Assets**Cost or valuation**

	Land £	Manses £	Other buildings £	Fixtures, fittings and equipment £	Payments on account and assets under construction £	Total £
Balance brought forward	0	1,512,216	395,000	0	0	1,907,216
Additions						
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	395,000	0	0	1,907,216
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**2021/22**

Restricted Fund Name	Opening Balance	Incoming Resources	Resources Expended	Transfers	Closing Balance	Purpose of the fund
Rev T C Brown Bequest		8,112	24		8,088	Local mission work in Morecambe & Heysham Circuit
Restricted Giving		173	173		0	Donations for external organisations
Totals		8,285	197		8,088	

Declarations and Scrutiny

I confirm that these accruals-based accounts for the year to 31 August 2022 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 SL Lopez Date 30.03.23

Name and address of treasurer THE HAVEN, SUNNY BANK

ARKHOLME, CARNFORTH Post Code LA6 1BE

Presentation to the Circuit Meeting

I confirm that the annual report and accounts for the year ended 31 August 2022 were, or will be,* presented to the Circuit Meeting at its meeting on 30.03.23 + 28.11.22

Signature of the Chair of the meeting Steve

Name of the Chair of the meeting REV STEVE CHARMAN Date 30/3/23

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 2022 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..... TM Preece

Name of independent examiner TIM PREECE

Relevant professional qualification of independent examiner FCCA

Name of firm (where appropriate) SCOTT & WILKINSON

Address DALTON HOUSE

9 DALTON SQUARE

LANCASTER LA1 1WD

..... Post Code


Date 11 APRIL 2023

* delete or circle as appropriate

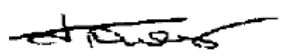
North Lancashire Methodist Circuit
Declaration

This Annual Report agreed by the trustees at
the Circuit Meeting on 30th March 2023.

Signed on behalf of the charity's trustees

Signature 

Rev Stephen J Charman
Chair (Superintendent Minister)

Signature 

Mrs Joanne Towers
Secretary of Circuit Meeting

Date **5th May 2023**