



The Methodist Church

LIVERPOOL NORTH CENTRAL METHODIST CIRCUIT



TRUSTEES' ANNUAL REPORT AND ACCOUNTS YEAR ENDED 31 AUGUST 2022

Registered Charity No 1163418
c/o County Methodist Hub
Harlech Street
Liverpool
L4 3RJ

www.liverpoolnorthcentral.org.uk

Liverpool North Central Methodist Circuit (Number 18/03)
Year Ended 31 August 2022

1 OBJECTIVES AND ACTIVITIES

In setting our objectives and planning our activities, the Circuit Meeting which normally meets four times in each year, has given careful consideration to the Charity Commissioners' general guidance on public benefit and, in particular, to its supplementary public benefit guidance on advancing our objectives and conforms to the Charities Act 2011.

It is noted that the Circuit Meeting met for a total of five times during the year.

1.1 Mission Statement

Liverpool North Central Methodist Circuit seeks to lead and support its churches to live out their Christian faith through worship, prayer, practical service and mission initiatives which serve the needs of the communities in which we are based; i.e. Kensington, Walton and West Derby.

1.2 Mission Objectives

Worship - *We offer a range of worship: different days, times and styles.*

We seek to encourage the following:

- exploration of new styles of worship for all ages
- opportunities for prayer – to be prayed for and to be prayed with
- looking and listening for God in reading Scripture & Christian literature, song and everyday experiences & encounters

Learning and caring - *We care for each other.*

We seek to carry out the following:

- to support all ages through faith development opportunities
- to provide effective pastoral care to our congregations and the wider community
- to nurture, encourage and actively appreciate our volunteers
- encouraging our congregations to consider our individual responsibilities in caring for the environment
- encouraging progression of Eco-church status

Service - *Our Intergenerational Project supports our communities and beyond.*

We aim to carry out the following:

- encouraging genuine, caring relationships in order to improve well being
- supporting children and families within the community through the provision of all-year round activities and promoting good parenting
- to engage with older people and those people facing loneliness and isolation who frequently have no or limited support networks
- to engage with adults who have complex needs as a result of homelessness, substance misuse or mental health issues.
- tackling hunger and poverty not only through the provision of activities but also challenging inequality and injustice
- working collaboratively with other voluntary community, ecumenical and charitable organisations

Evangelism - *We try to share the love of Jesus in our everyday lives.*

We seek to achieve the following:

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- providing opportunities for sharing our faith stories and enabling others to share their faith stories in the wider world
- to strengthen existing relationships with children and families already attending church-linked groups and activities
- to engage with people in the community and encourage them to explore faith

We seek to achieve our objectives through collaborative working of ordained staff, lay employees and volunteers from church and community.

The Circuit recognises the inter-connectedness of service, worship and evangelism and the varied related opportunities that exist for achievement and delivery of its aims.

2 ACHIEVEMENTS AND PERFORMANCE

2.1 Intergenerational working

Through its focus on children and families, volunteering, worship and faith development, the Circuit has continued to develop the “Community Intergenerational Project” which has concluded its third year. This project works in some of the most deprived areas of North Liverpool from the existing church bases at Kensington and West Derby, and at County Methodist Hub (Walton/Kirkdale).

The Children and Family Worker (CFW) and Community and Church Liaison Officer (CCLO) are two part time posts supporting the existing ministry team under the supervision of the Superintendent Minister. We seek to integrate local, established traditional church culture with a fresh embrace of the needs of the surrounding local communities.

This third year of the project has emerged from the COVID-19 pandemic restrictions to focus primarily upon addressing isolation and loneliness with both adults and older adults, young families with small children and the integration of these component communities. Our activities continue to encourage socialisation whilst fostering interpersonal support networks.

The CCLO and CFW continue to collaborate in the running of ‘Arts and Hearts’ group. Art therapy strategies foster mindfulness, socialisation and creative expression, whilst attempting to tackle loneliness and mental health issues. This activity attracted up to twelve participants per week and was very well received. This group continued until May 2022 when the decision was made to conclude its work as similar resources became available elsewhere within the community.

Other ongoing and continuing activities include the following:

- Rise and Shine is an open access play scheme for children and families in the Walton area and resumed in-person gatherings at County Methodist Hub. Offered during all school breaks and holidays, this programme averaged three sessions per week. These included a food provision, craft activities, family-oriented films and parties. Periodically, parents have been provided with food parcels to offset increased cost of living pressures.
- During Summer 2022, the government Holiday and Food Programme (HAF) partially funded a three-week block of three sessions per week called ‘Rise and Shine’ within the County Hub building. The CFW has successfully acquired small grants and donations to fund other school holiday provisions. Over the course of the year, ‘Rise and Shine’ has worked with over 45 families and 65 children.

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- In March 2022, the CFW and CCLO launched a new group called 'Bumps and Babies,' aimed at parents and carers of children under one year old or expectant mothers. This expression provided refreshments, soft play areas, a baby bank for equipment and clothing and an opportunity to offer socialisation, networking and support for young families in the Walton area.
- 'Table Sale' continues on a monthly basis at County Hub, which is run by volunteers and provides good links with the local Walton community. This has become a popular local event which makes 'pre-loved' household items available to local residents.
- 'Channel,' a small local charity, continues to maintain a store at the County Hub building and partners with the Intergenerational Project and Table Sale on occasions. This charity supports local social workers, family support workers and health visitors. Through the provision of small grants, bedding, baby equipment and household items, Channel assists some of Liverpool's most deprived families.
- Kensington Food Bank is primarily an independent safety net for those in need of a food provision. During the year this continues to operate twice monthly and allowed a total of approximately 484 food parcels to be distributed at the door. During this year, the CCLO has enabled operational responsibility to be taken on by volunteers from the Kensington Methodist Church congregation.
- Kensington Community Lunch has continued to serve hot food at the doors with the CCLO and two or three volunteers. During this current year, 578 lunches have been served in lunch bags and distributed at the doors, ranging from eight to 20 people each week. This reflects an increase from last year's total of 459 lunches. We continue to distribute clothes for the seasons and maintain a good stock of donations for the colder months. Most of the people who come to us are from the surrounding area of Kensington (primarily postcodes L6 and L7) and some from further afield. We have witnessed a significant increase in drug and alcohol abuse, homelessness, and an increase of those on benefits who are struggling cope with rapidly rising costs of living.
- Support of the existing uniformed organisations is provided by CFW in two of our circuit churches. Boys' Brigade and Girls' Association (BB/GA) is based at West Derby Methodist Church and Girls' Brigade (GB) is based at Kensington Methodist Church.
- Following a time with events being restricted to Zoom or via social media, "in person" events for families restarted at West Derby during school holidays and at time of Christian festivals.
- "Summer at West Derby" returned in August with a full programme of activity evenings, film nights and weekly all age worship co-ordinated and led by the CFW. Aimed at families across all generations, events were well received and supported throughout the month.
- CFW continues to organise follow-up gifts at Easter for all children baptised in both Kensington and West Derby Methodist Churches during the prior year.

The project's vision and community action continue to be well received and actively recognised through continued financial support by the Methodist Church Connexion and Liverpool Methodist District. Connexional funding for this project ceased in August 2022, and the circuit has successfully obtained a new Liverpool Methodist District grant for one year in order for this project to continue.

Circuit Churches and Pastoral Care

In September 2021, the circuit began the year with three worshipping churches contained in four buildings. The decision had been made to close Oakfield Methodist Church with County Hub effective Easter 2022. On 7 March 2022 the circuit meeting passed a resolution that following the cessation of worship on Sunday 17 April 2022, the Oakfield

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Methodist Church building on Oakfield Road would be sold, and that proceeds would be earmarked for mission work in the circuit. It was decided to retain the County Hub building to house the Community Intergenerational Project with trusteeship transferring to the Liverpool North Central Circuit Meeting. On closure of the Oakfield building, the circuit office was relocated to County Methodist Hub. In addition, the Liverpool branch of the Zimbabwean Methodist Fellowship relocated from the Oakfield building to Kensington Methodist Church. At the close of this current year, normal progress for the Oakfield sale has been ongoing.

Oakfield Methodist Church with County Hub congregation members dispersed to other Methodist churches and to other denominations within the local community. In order to preserve ongoing fellowship and pastoral care, a bi-monthly coffee morning with devotions hosted by County Methodist Hub has proven to allow for ongoing pastoral contact and support.

The work at Kensington and West Derby Methodist Churches continues post pandemic. Following the loss of tenants and some members Kensington Methodist Church has alerted the Circuit about potential financial vulnerability concerns.

'Refreshment Stop,' the Circuit's mid-week worship and fellowship element, is primarily supported by the former Oakfield with County Hub congregation members. This expression has grown in size over the past year and has attracted regular worshippers primarily from the surrounding Walton community.

2.2 Plans for future years

With the closure of Oakfield Methodist Church with County Hub, the circuit is now faced with increased financial, governance and personnel issues.

In this regard, conversations are ongoing with regard to the potential amalgamation of the Circuit together with the Liverpool North and Crosby Circuits from September 2023.

The Circuit has agreed a sale of the Oakfield buildings to release necessary cash to fund operations.

The Circuit is committed to develop the work of the Community Intergenerational Project in the circuit churches and within the base at County Hub. The Circuit has established a steering group to oversee the day-to-day operations of the County Hub building ensuring its suitability as a base for the office and activities of the Community Intergenerational Project. This steering group serves in an advisory capacity to the Circuit Meeting in its role as trustee body for the premises. We remain committed to prioritise addressing social and economic deprivation throughout both the Walton and Kensington areas. In addition, the CFW continues to support the family work at West Derby Methodist Church.

Changes to Methodist Church grant making capabilities will impact continuation of the Circuit's Community Intergenerational Project beyond 2023. The Circuit meeting is committed to utilise reserves to fund this project through 2023-24. Tentative arrangements have been agreed to apply for one additional year of grant assistance from the Liverpool Methodist District in the event that building sale proceeds are delayed.

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3 FINANCIAL REVIEW

During the year the Circuit received total income of £577k (2020-21: £84k) and dispersed £119k (2020-21: £108k). The resulting excess of income was reduced by an unrealised loss of £17k (2020-21: gain of £4k) on the properties, restricted reserves and endowments to produce a net excess of income of £441k (2020-21: deficit of £20k) and total reserves carried forward of £933k (2020-21: £492k).

The Circuit's main source of funding was the transfer of property, cash and endowment funds following the closure of Oakfield Methodist Church. The properties of Oakfield church and house and County Hub are included at valuation at date of transfer. After the year end an offer to buy the Oakfield properties has been accepted at a price above the balance sheet valuation.

The usual main source of funding from assessments obtained from each Church within the Circuit was badly affected by the impact of the Covid pandemic on church finances. Both Oakfield and Kensington churches were unable to meet the set assessments. Oakfield's decision to close and Kensington's ongoing financial difficulties means that this will not be recovered. The assessments received in the year amounted to £36,978 (2020-21: £51,864).

Grants received are from Methodist Church connexion and Liverpool District Advance Fund towards the costs of the Community Intergenerational project. Income from properties are lettings received from community and charitable tenants of the County Hub premises. Donations are primarily charitable and individual contributions towards project activities of the Children and Family worker.

The unrestricted general account shows costs in line with budget as work practices returning to some normality despite various restrictions of the Covid pandemic in place in the year. There were no significant events during the year. Stipend expenditure and lay employee rates have increased each financial year in line with conference approved increases. It is Circuit policy that all staff in the Circuit are paid at or above the real living wage as calculated by the Living Wage foundation.

The net deficits on the designated Oakfield Property and County Hub Property accounts are transferred to general account. A contribution from general account is also transferred to the Intergenerational Project account.

25% of general fund expenditure is the Circuit contribution to the District and Connexion of which a significant part is used to fund the work of the wider Methodist church.

Disregarding capital receipts, the general account incurred a deficit of £40k (2020-21: £23k). Despite this the level of deficit, the trustees of the Circuit have every reason to believe that the Circuit is a going concern, because of the high level of property reserves.

The Circuit holds four freehold properties being the Manses in Priory Road and Eaton Road, Liverpool and also the church and house properties at Oakfield and church buildings at County Hub. The sale of the Oakfield church and house will realise cash funds to pay off existing creditors, fund assessment shortfall in 2022/23 and fund essential maintenance and refurbishment of the Eaton Road manse. The Circuit has previously agreed to sell the Priory Road property to fund future work.

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The Circuit has adequate reserves to cover any shortfall in anticipated income. There are no subsidiary undertakings. Trustees do not foresee any other factors that will significantly affect the financial performance in the next year or two.

After the year end the Circuit has agreed to amalgamate with Liverpool North Circuit and Crosby Circuit (excluding Formby Methodist Church) from September 2023. The amalgamation will establish a broader stability to the mission work of Methodism across North Liverpool and South Sefton and will support the continuing work of churches and mission projects in each of the Circuits. The structural, governance and management arrangements for the amalgamated Circuit are currently being finalised.

3.1 Investment Policy and Performance

To comply with Methodist Standing Orders, monies for long term investment are lodged with the Trustees for Methodist Church Purposes (TMCP). TMCP acts as custodian trustee for all real estate held by Circuits and for all large (over £20k) bequests and for the proceeds of sale of any property formerly owned by the Circuit. These sums are invested in unitised investments or held on deposit. The investment returns are close to tracking the movements in the FTSE100 index. The deposit income mirrors the deposit rates available elsewhere. The Circuit's trustees' investment policy is aligned with that of the CFB and TMCP because these organisations take into consideration the social, environmental and ethical considerations, both negatively and positively, that make investments suitable for the Methodist Church.

Short term deposits are lodged directly with the Central Finance Board (CFB) and attract good rates of interest. There are no bench marks for the expected returns or appreciation on investments at TMCP and CFB. It is the Circuit's policy to manage the cash and investment resources of the Circuit so that a rate of return on investment – both by way of dividend and capital appreciation – is obtained at least as good as market rate considering the Circuit's low appetite for risk.

3.2 Reserves level and policy

The Circuit Reserves policy relates to our general (unrestricted) funds which are freely available to be used for any or all of the purposes of the Circuit. The aims are:

- to secure and sustain the Circuit's viability and future.
- to give reassurance to the general public that the Circuit, which is a charity, intends to use all of the money coming into its care for the purposes of the charity.

The reserves held at the end of the year were as follows:

	£
<i>Unrestricted funds</i>	
General Fund	848,416
Circuit Model Trust Fund	<u>4,361</u>
Total unrestricted funds	852,777

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Restricted funds

Worship and Mission	439
Mission Capital	26,179
Oakfield Mission	19,146
Kensington Outreach	-
Intergenerational Mission	899
CFW Projects	<u>4,874</u>
Total restricted funds	<u>51,537</u>

Total endowment funds **28,577**

Total funds **932,891**

Available Reserves

Total unrestricted funds	852,777
Less: invested in properties	<u>(865,000)</u>

Uncommitted reserves, readily available **(12,223)**

There are no other funds materially in deficit. All investment funds are separately invested either with CFB or TMCP. No money is directly invested in property, securities or other forms of investment.

The minimum policy level of the readily available part of the General Fund is such as to pay for:

- three months' payroll costs and closing costs of staff redundancies - £18k
- three months administration and staff expense costs - £ 2k
- manse repair reserve - £20k
- three months connexional and district assessment - £ 4k

At 31 August 2022 this sum amounted to £44k against actual readily available reserves of (£12k) as stated above. Actual readily available reserves were thus in deficit of policy at the year-end by £56k.

After the year end the sale of Oakfield church and house is agreed at an amount above the balance sheet valuation. On completion this will release substantial and sufficient funds to cover reserves policy requirement, pay creditors, cover budget shortfall for 2022/23 and provide funds for essential maintenance and refurbishment of the Eaton Road manse.

In addition, the trustees have previously agreed the sale of one manse property which should realise funds in excess of £100k to cover work for future years.

3.3 Plans for 2022/23

Circuit financial plans for the coming year are for a continuation of one full time ordained staff member along with two part time lay workers and one part time cleaner. Plans include anticipated cost of living stipend increases, combined with a small increase in the assessment paid to the District and Connexion such that on average a 2.5% assessment increase has been requested from the circuit churches.

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4 TRUSTEES' RESPONSIBILITIES

For each financial year ending on 31 August the Trustees are required to prepare financial statements that give a true and fair view of the Circuit's financial activities during the year and of its financial position at the end of the year. In preparing these financial statements, the Trustees must:

- select suitable accounting policies and applied them consistently using the accruals method
- make judgements and estimates that are reasonable and prudent
- follow applicable accounting standards
- prepare accounts to comply with the Charities SORP

The Trustees are responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the Circuit and enables them to ensure that the financial statements comply with the law. They are also responsible for safeguarding the assets of the Circuit and hence taking reasonable steps for the prevention and detection of fraud and other irregularities.

The Trustees are responsible for the maintenance and integrity of the corporate and financial information included on the Circuit's website. Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

4.1 Training

Training in the responsibilities of trustees is offered to all new trustees soon after their appointment. A range of guidance produced by Methodist Connexion to support the effective running of the Circuit and the role of Trustees is utilised when required.

4.2 Risk

The major risks have been identified and recorded by the Trustees with professional advice taken as required. There is a regular annual review process undertaken and recorded.

Risks are managed by being aware of them, quantifying their impact not only in cost terms but in possible reputational or structural damage, laying them off through an insurer and minimising them by not taking them or by setting up control systems that timeously report any significant change in the risk.

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.

4.3 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

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- 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 Circuit commits itself to ensuring the implementation of Connexional Safeguarding Policy; government legislation, guidance and safe practice. The 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.

5 STRUCTURE, GOVERNANCE AND MANAGEMENT

5.1 Structure

Circuits are the coordinating charities for local groups of Churches; Circuits pay the stipends of the ministers and employ lay staff to serve the Churches in the Circuit; most decisions are made at or ratified by the Circuit Meeting. A District is the coordinating charity for a group of contiguous Circuits and makes its decisions at the half yearly synods. The Methodist Conference meets once each year as the supreme denominational body for all Methodist Churches.

- Overall regulatory authority rests with the Methodist Conference.
- The Connexional Office implements decisions made by Conference and is also responsible for the stationing of presbyters and deacons (collectively known as ministers) in individual Circuits within the District.
- Connexional decisions are passed to the Chair of the District and the appropriate officers of the District for implementation.
- The District passes control down to Circuit level for local implementation by the Superintendent Minister, ministerial staff and Circuit Stewards, and authority is delegated to the Circuit Meeting for certain matters.
- The Circuit Meeting passes regulatory control down to Church Councils for local implementation by the presbyter, the Church Stewards, and other officers, and this regulatory authority is then exercised by Church Councils as Managing Trustees of their charity.

5.2 Purposes of the Methodist Church

The purposes of the Methodist Church are and shall be deemed to have been since the date of the union the advancement of:

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- the Christian faith in accordance with the doctrinal standards and the discipline of the Methodist Church
- any charitable purposes for the time being of any connexional, District, Circuit, local or other organisation of the Methodist Church
- any charitable purpose for the time being of any society or institution subsidiary or ancillary to the Methodist Church
- any purpose for the time being of any charity being a charity subsidiary or ancillary of the Methodist Church.

5.3 Governance

The Circuit is an unincorporated association and is governed by the Methodist Church Act 1976, the Deed of Union and the Model Trust Deeds of the Methodist Church and was registered with the Charity Commissioners on 4 September 2015.

The Circuit operates within a statutory framework of regulation and seeks to ensure that it follows Methodist Standing Orders. It relies on the Connexional Office at 25 Marylebone Road, London NW1 5JR to provide guidance on changes that could affect the Circuit.

The appointment of Trustees and other officers follows the Constitutional Practice and Discipline of the Methodist Church (CPD). The primary governing body of the Circuit is the Circuit Meeting (the trustees), which is responsible for the general oversight of the Circuit. The Trustees receive no remuneration or other financial benefits.

The members of the Circuit Meeting are the Charity Trustees, membership being made up of Circuit office holders, ministers and representatives appointed by the churches. The Circuit Meeting normally meets four times per year and deals with routine and exceptional matters.

5.4 Management

Day to day management of the circuit is undertaken by the Circuit Staff and Circuit Stewards in consultation with the Circuit Meeting, along with the Local Preachers meeting and the Circuit Property Committee.

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6 REFERENCE AND ADMINISTRATION DETAILS

6.1 Charity Name

Liverpool North Central Methodist Circuit

6.2 Charity Registration Number

1163418, registered in England and Wales

6.3 Principal Office

c/o County Methodist Hub

Harlech Street

Liverpool

L4 3RJ

E-mail finance@liverpoolnorthcentral.org.uk

Web Site www.liverpoolnorthcentral.org.uk

6.4 Superintendent Minister

The Revd Ian Hu

6.5 Secretary of the Circuit Meeting

Mrs Ruth Stirrup

6.6 Circuit Stewards

Mr Frank McFarlane (Managerial) (Deceased February 2022)

Mr David K Smith

Mr Stephen Twist (Property) from February 2022

Mr David Williamson (Property) from February 2022

6.7 Names of trustees

The following served as trustees throughout part or all of the year 2021-22 or were trustees at the time of this report being approved:

Mrs Gillian Culshaw to May 2022

Mr Ian Culshaw to May 2022

The Revd Ian Hu

Mr Brian Kiel

Ms Joan Lewis

Mr Frank McFarlane (Deceased February 2022)

Mrs Patricia McGinty

Ms Lorraine Oram

Mr David K Smith

Mr David Stirrup to May 2022

Mrs Ruth Stirrup

Mrs Jill Stubbs

Mrs Alison Twist

Mr Steve Twist

Mr David Williamson

No trustee claims exemption from disclosure of his or her name here.

6.8 Children and Family Worker

Mrs Alison Twist

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6.9 Community and Church Liaison Officer

Ms Karen Macklin

6.10 Bankers

CAF Bank Ltd
25 Kings Hill Avenue
West Malling
ME19 4JQ

Central Finance Board of the Methodist Church
9 Bonhill Street
London
EC2A 4PE

HSBC plc
99 – 101 Lord Street
LIVERPOOL
L2 6PG

6.11 Investment managers and custodian trustees

Trustees for Methodist Church Purposes
Central Buildings
Oldham Street
Manchester
M1 1JQ

6.12 Independent Examiner

Mr Anthony Kletz FCA
17 Gleneagles Drive
Ainsdale
Southport
PR8 3PP

Approvals

The Trustees' Report and the Financial Statements were approved by the Circuit Meeting on 5 June 2023.

Signed on behalf of the Circuit Meeting, as authorised:

Ian Hu (signed)

David K Smith (signed)

Rev Ian Hu
Superintendent Date: 5 June 2023

David K Smith
Circuit Treasurer Date: 5 June 2023

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

	Notes to the accounts	General Fund (Unrestricted) £	Circuit Model Trust Fund (Unrestricted) £	Designated Funds (Unrestricted) £	Restricted Funds £	Endowment Funds £	Totals 2021-22 £	Totals 2020-21 £
Income and Endowments								
Donations and legacies	7			60	7,960		8,020	2,970
Income from monetary investments		23	20		706	258	1,007	452
Income from properties	3			3,140			3,140	
Assessments on Churches	4	36,978					36,978	51,864
Capital Receipts	6	450,000		3,860	19,138	25,415	498,413	
Grants received	5				29,176		29,176	28,392
Other charitable activities								
Total from charitable activities		487,001	20	7,060	56,980	25,673	576,734	83,678
Other income								
Total income and endowments		487,001	20	7,060	56,980	25,673	576,734	83,678
Expenditure								
Grants and donations	8							
Salaries and assoc. costs	9	38,459		1,716	33,180		73,355	75,911
Property maintenance	11	8,967		6,862			15,829	4,436
Connexional assessment	13	13,352					13,352	13,576
District assessment and Levy	14	1,724	112				1,836	4,200
Office and administration costs	12	5,244	11	1,164	2,211	17	8,647	5,933
Other charitable activities	15				5,808		5,808	3,965
Total charitable expenditure		67,746	123	9,742	41,199	17	118,827	108,021
(Losses)/gains on monetary investments					(1,701)	(173)	(1,874)	3,622
(Losses)/gains on properties		(15,000)					(15,000)	
Net income/(expenditure)		404,255	(103)	(2,682)	14,080	25,483	441,033	(20,721)
Transfers between funds	17	(9,060)	(4)	2,682	6,623	(241)		
Net movement in funds		395,195	(107)		20,703	25,242	441,033	(20,721)
Reconciliation of funds:								
Total funds brought forward		453,221	4,468		30,834	3,335	491,858	512,579
Total funds carried forward		848,416	4,361		51,537	28,577	932,891	491,858

Balance Sheet as at 31 August 2022

	Notes to the accounts	General Fund (Unrestricted) £	Circuit Model Trust Fund (Unrestricted) £	Designated Funds (Unrestricted) £	Restricted Funds £	Endowment Funds £	Total 2022 £	Total 2021 £
Fixed Assets								
Circuit Manse and Properties	18	865,000					865,000	150,000
Investment property	19							280,000
Investments					35,044	26,402	61,446	26,265
Total fixed assets		865,000			35,044	26,402	926,446	456,265
Current Assets								
Debtors	20	34,319					34,319	30,832
Investments with TMCP	21	5,267	4,361		10,281	2,175	22,084	12,824
Central Finance Board	22							
Deposits		3,564			5,772		9,336	18,854
Cash at Bank and in hand		10,012			440		10,452	1,915
Total current assets		53,162	4,361		16,493	2,175	76,191	64,425
Current liabilities								
Creditors (due in under 1 year)	23	69,746					69,746	28,832
Net current assets/liabilities		(16,584)	4,361		16,493	2,175	6,445	35,593
Total assets less current liabilities		848,416	4,361		51,537	28,577	932,891	491,858
Net assets		848,416	4,361		51,537	28,577	932,891	491,858
Funds of the Circuit								
General Fund (Unrestricted)		848,416					848,416	453,221
Circuit Model Trust Fund (Unrestricted)			4,361				4,361	4,468
Designated Funds (Unrestricted)								
Total Unrestricted Funds		848,416	4,361				852,777	457,689
Restricted Funds					51,537		51,537	30,834
Endowment Funds						28,577	28,577	3,335
Total Funds		848,416	4,361		51,537	28,577	932,891	491,858

Liverpool North Central Methodist Circuit (Number 18/03)
Notes to the Accounts For The Year Ended 31 August 2022

1 Accounting framework and accounting policies

i Accounting framework

The financial statements have been prepared under the Charities Act 2011 in accordance with the 2019 version of *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) ("the SORP") and in accordance with the "true and fair override" provision contained therein.

ii Public benefit entity

The Liverpool North Central Methodist Circuit ("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, on the accruals basis to 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 Going concern

Based on the monetary assets and human resources available at 31 August 2022, the trustees believe that the Circuit is a going concern.

vi 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 Churches within the circuit are not consolidated into these financial statements.

vii Income recognition

Income is brought into account when it is more likely than not that the economic benefit of the income will accrue to the Circuit. No attempt is made to measure the value of services donated by volunteers.

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 payment of accounts to the church cleaner on behalf of West Derby Methodist Church.
- the payment of accounts to the church cleaner on behalf of Oakfield with County Hub Methodist Church (ceased April 2022.)

Liverpool North Central Methodist Circuit (Number 18/03)
Notes to the Accounts For The Year Ended 31 August 2022

- the payment of accounts to the church cleaner on behalf of Kensington Methodist Church.

In all these matters the transactions are not reflected in the SOFA because they are the income and expenditure of either the Connexion or church as appropriate.

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.

viii Expenditure

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.

ix VAT

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

x Tangible fixed assets

All tangible fixed assets costing more than £1,000 are capitalised and included initially at cost, including any incidental expenses of acquisition and irrecoverable VAT.

Subsequently, charitable (functional) land and buildings are held at valuation. The Circuit undertakes to perform the valuations every five years to ensure that the carrying amount does not differ materially from the fair value of the asset at the end of the reporting period. Work to existing properties which is capable of extending the useful life or otherwise adding to the value of the property is capitalised. All other expenditure incurred in respect of general repairs to functional assets is charged to the SOFA in the year it is incurred. No depreciation is provided on the buildings because the trustees consider the current residual fair value of the 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 cost to date. The properties have been reviewed for impairment.

xi Investments

The investments of the Circuit are held by the Trustees for Methodist Church Purposes (TMCP) as custodian trustees. The valuations, at market value, are those provided by TMCP. The unrealised gains arising on investments at the end of the year are shown in the SOFA and in Note 26 below.

xii Receivables and Payables; Bank and Cash

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 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 account balances are shown at the realisable values.

Liverpool North Central Methodist Circuit (Number 18/03)
Notes to the Accounts For The Year Ended 31 August 2022

xiii Methodist Connexional Funds

The Methodist Church Connexion raises assessments 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.

xiv 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.

xv 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. 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 the 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

CMTF: Circuit Model Trust Fund

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

District: a group of contiguous Circuits

DAF: District Advance Fund

FRS: Financial Reporting Standard

HMRC: Her Majesty's Revenue and Customs

MCF: Methodist Church Fund

MMPS: Methodist Ministers' Pension Scheme

MWIB: Methodist Women in Britain (Liverpool North Central Circuit)

Pensions Trust: The Pensions Trust, the organisation through which the Circuit arranges a pension scheme for its lay employees

RMG: Resourcing Mission Group. The policy committee of the District

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

Liverpool North Central Methodist Circuit (Number 18/03)
Notes to the Accounts For The Year Ended 31 August 2022

3 Income from Properties

Following the receipt of the County Hub building from May 2022, letting income is received from community and charitable groups using the premises.

	General	CMTF	Desig	Restricted	Endow	Total	2021
Letting Income:							
County Hub			3,140			3,140	-
Totals						<u>3,140</u>	<u>=</u>

4 Assessments on Circuits

From May 2022, Oakfield with County Hub ceased to meet for worship and closed with all assets transferred to the Circuit. The Circuit now comprises 2 churches and each is assessed for a contribution to meet the overall net costs of the Circuit. In making its assessment budgeted income from investment income (including property letting) and confirmed external grants is taken into account. The Circuit aims to cover all its net core costs from the Assessment.

	General	CMTF	Desig	Restricted	Endow	Total	2021
Assessments:							
Oakfield with County Hub	5,871					5,871	16,400
Kensington	9,071					9,071	13,428
West Derby	<u>22,036</u>					<u>22,036</u>	<u>22,036</u>
Totals	<u>36,978</u>					<u>36,978</u>	<u>51,864</u>

An assessment on churches is annually determined based on church income and ability to pay. Assessments on churches are 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 treated as a creditor.

Oakfield with County Hub made a number of payments prior to closure and transfer of assets. Amounts owed to circuit for payments on its behalf in respect of staff wages are deducted with remainder allocated as assessment income.

Kensington encountered a decline in income both in donations and room lettings due to restrictions resulting from the covid pandemic. As a result, the church was unable to meet its assessment commitments which have been written off as unrecoverable.

5 Grants received

	General	CMTF	Desig	Restricted	Endow	Total	2021
Intergenerational Ministry							
Methodist Church				16,672		16,672	16,228
District Advance Fund				<u>12,504</u>		<u>12,504</u>	<u>12,164</u>
Totals				<u>29,176</u>		<u>29,176</u>	<u>28,392</u>

The grants from Methodist Church and District Advance Fund towards intergenerational ministry are for year three of a three-year grant to support community intergenerational work across the Circuit.

Liverpool North Central Methodist Circuit (Number 18/03)
Notes to the Accounts For The Year Ended 31 August 2022

The Circuit has been awarded a District Advance Fund grant to continue to support intergenerational work across the Circuit for 2022/23.

6 Capital receipts

From May 2022, Oakfield with County Hub ceased to meet for worship and closed with all assets transferred to the Circuit. Assets included two church properties at Oakfield Road, Anfield, Liverpool and Harlech Street, Walton, unrestricted cash funds and a number of restricted and endowment funds. The church properties are valued based on professional advice received by the trustees.

	General	CMTF	Desig	Restricted	Endow	Total	2021
Oakfield church and house properties	250,000					250,000	
County Hub property	200,000					200,000	
Oakfield sale of chattels, fixtures and fittings			2,020			2,020	
Oakfield Trust (Unrestricted)			1,840			1,840	
Oakfield Trusts (Restricted)				19,138		19,138	
Oakfield Endowment Trusts					25,415	25,415	
Totals	450,000		3,860	19,138	25,415	498,413	

7 Donations and legacies

	General	CMTF	Desig	Restricted	Endow	Total	2021
CFW Projects							
Personal and charitable donations			60	7,960		8,020	2,970
Totals			60	7,960		7,960	2,970

8 Grants and donations

There were no grants or donations made during the year.

9 Salaries and associated costs

Stipends paid to one full time (2020-21: one) employee were as follows:

Stipends

	General	CMTF	Desig	Restricted	Endow	Total	2021
Stipends	28,571					28,571	28,241
National Insurance contributions	2,941					2,941	2,784
Pension Fund contributions	6,947					6,947	6,915
Totals	38,459					38,459	37,940

Liverpool North Central Methodist Circuit (Number 18/03)
Notes to the Accounts For The Year Ended 31 August 2022

The Circuit employs three part time, (2020-21: two) lay staff and no part time minister (2020-21 one) as follows:

	General	CMTF	Desig	Restricted	Endow	Total	2021
Salary			1,716	29,894		31,610	34,457
National Insurance contributions				1,688		1,688	1,753
Pension Fund contributions				1,798		1,798	1,761
Totals			1,716	33,180		34,896	31,840

Contracted Hours (pw)

10

40

Salaries and associated costs Totals	38,459		1,716	33,180		73,355	75,911
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No employees received employee benefits that totalled 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 real living wage as calculated by the Living Wage foundation.

Pensions

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.

The Connexion accounts for the MMPS pension scheme and shows the figures in the annual Methodist Church in Great Britain accounts. At the last triennial valuation 31 August 2020, the scheme was in deficit by £14m. The Connexion has been negotiating with the Trustee of the Scheme to agree a recovery plan and long-term funding objective for the Scheme. The Recovery Plan consists of core payments of £1.1m per annum for 6 years; conditional payments (dependant on scheme funding position) of up to £3.4m per annum for 6 years, and a further £0.8m per annum to cover the increase in the rate of future accrual. All the amounts are being funded from the Pension Reserve Fund. Further details of this scheme can be found in the Annual Report and Accounts of The Methodist Church at www.methodist.org.uk

On the other hand, lay employees are contractually employees and have the option of joining The Pensions Trust in accordance with Auto-enrolment legislation.

10 Cost of Superintendent and Trustees

The Superintendent of the Circuit and the remaining members of the CLT are considered as key management personnel. The Superintendent chairs meetings of the CLT and Circuit meetings. The members of the Circuit meeting are the trustees of the Circuit. The stipends, employer's NIC and employer's pension contributions and other expenses of the ministers of the Circuit are paid by the Circuit.

Liverpool North Central Methodist Circuit (Number 18/03)
Notes to the Accounts For The Year Ended 31 August 2022

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 disclosed here as HMRC does not regard this as a benefit in kind in the hands of the minister.

Each Minister is entitled to a three-month sabbatical every seven years and the expenses incurred by the Minister are met by the Connexion with the Circuit continuing to pay the stipend. During the year there has been no sabbatical. The Circuit does not accrue for holiday pay cover as the remaining staff cover the holidays as needed and without extra pay.

	Total	2021
	£	£
Stipends of Ministers	28,571	28,241
Employer's National Insurance contributions	2,941	2,784
Employer's Pension contributions to a defined benefit pension scheme	<u>6,947</u>	<u>6,915</u>
Total cost	<u>38,459</u>	<u>37,940</u>

Payments to trustees

It is generally not Circuit policy to reimburse non-ministerial members of the CLT, Circuit Meeting and others involved in the administration of Circuit affairs for expenditure properly incurred in carrying out their duties. The Ministers of the Circuit undertake the primary executive roles within the Circuit. Apart from the Ministers, the Children and Family worker and the Community and Church Liaison officer no member of the Circuit Meeting or CLT was in receipt of any payment for work undertaken on behalf of the Circuit, although certain travelling and administration costs may at times be re-imbursed in relation to specific projects.

One trustee (Circuit Children and Family worker) is an employee of the Circuit and is in receipt of a salary and other employment related expenses.

Travel and administration costs of £nil (2020-21: £nil) were paid to other trustees.

11 Property maintenance

The Circuit is managing trustee for two manses, one of which is occupied by a minister stationed in the Circuit. The Circuit is responsible for the payment of Council Tax, Utilities, Water charges and Insurance.

Manse costs	General	CMTF	Desig	Restricted	Endow	Total	2021
Repairs and maintenance							
131 Priory Road	961					961	329
25 Eaton Road	2,427					2,427	511
Council Tax	2,234					2,234	1,213
Water Rates	746					746	1,444
Insurance	<u>1,149</u>					<u>1,149</u>	<u>939</u>
Totals	<u>7,517</u>					<u>7,517</u>	<u>4,436</u>

Liverpool North Central Methodist Circuit (Number 18/03)
Notes to the Accounts For The Year Ended 31 August 2022

The Circuit covers the cost of quinquennial and electrical inspections in the circuit churches. The following costs were incurred:

Other property costs	General	CMTF	Desig	Restricted	Endow	Total	2021
Quinquennial on church properties	<u>1,450</u>					<u>1,450</u>	
Totals	<u>1,450</u>					<u>1,450</u>	

From May 2022, Oakfield and County Hub properties became responsibility of the Circuit. There are some residual billing costs included as costs incurred. Oakfield properties are marketed for sale with increased insurance costs due to the buildings being vacant.

Designated property costs	General	CMTF	Desig	Restricted	Endow	Total	2021
Oakfield Designated							
Council Tax			91			91	
Water Rates			360			360	
Heat and Light			1,386			1,386	
Building Insurance			<u>2,969</u>			<u>2,969</u>	
Totals			<u>4,806</u>			<u>4,806</u>	
County Hub Designated							
Repairs and maintenance			500			500	
Building Insurance			1,052			1,052	
Heat and Light			396			396	
Cleaning Supplies			<u>108</u>			<u>108</u>	
Totals			<u>2,056</u>			<u>2,056</u>	
Property maintenance Totals	<u>8,967</u>		<u>6,862</u>			<u>15,829</u>	<u>4,436</u>

12 Office and administration costs

	General	CMTF	Desig	Restricted	Endow	Total	2021
PPSA	1,317			476		1,793	1,371
Office expenses							498
Sundries	728			264		992	1,129
Training				210		210	
Telephone	532		256			788	451
Travel	2,665			438		3,103	1,733
Safeguarding							63
Legal expenses			908			908	420
3Generate expenses				645		645	
Preaching and worship expenses				97		97	197
TMCP charges	<u>2</u>	<u>11</u>		<u>81</u>	<u>17</u>	<u>111</u>	<u>71</u>
Totals	<u>5,244</u>	<u>11</u>	<u>1,164</u>	<u>2,211</u>	<u>17</u>	<u>8,647</u>	<u>5,933</u>

Liverpool North Central Methodist Circuit (Number 18/03)
Notes to the Accounts For The Year Ended 31 August 2022

13 Connexional Assessment

The Connexional Assessment is calculated relative to the proportion of staffing (ministerial and lay), church members, church attendances and total relevant income of all circuits in the Liverpool District. One third of the overall cost is calculated using staffing proportions, one third income proportions, one sixth attendance proportions and one sixth membership proportions.

	General	CMTF	Desig	Restricted	Endow	Total	2021
Methodist Church Fund (MCF)	<u>13,352</u>					<u>13,352</u>	<u>13,576</u>
Totals	<u>13,352</u>					<u>13,352</u>	<u>13,576</u>

14 District Assessment

The District Assessment is calculated relative to the proportion of staffing (ministerial and lay), church members, church attendances and total relevant income of all circuits in the Liverpool District. One third of the overall cost is calculated using staffing proportions, one third income proportions, one sixth attendance proportions and one sixth membership proportions.

Standing order provides that a levy be taken into District Advance Funds (DAFs) on all capital money held in each circuit model trust fund. The levy is 2.5% on the first £100,000.

	General	CMTF	Desig	Restricted	Endow	Total	2021
District assessment and Levy	<u>1,724</u>	<u>112</u>				<u>1,836</u>	<u>4,200</u>
Totals	<u>1,724</u>	<u>112</u>				<u>1,836</u>	<u>4,200</u>

15 Other charitable activities

	General	CMTF	Desig	Restricted	Endow	Total	2021
CFW projects running costs				4,410		4,410	3,159
Kensington projects running costs				<u>1,398</u>		<u>1,398</u>	<u>806</u>
Totals				<u>5,808</u>		<u>5,808</u>	<u>3,965</u>

16 Investment management

During the year the Circuit paid £111 to TMCP, the custodians of the Circuit's investments (Circuit Model Trust Fund and various endowment funds (2020-21: £71). The sum of £111 was levied at 0.2% on the value of the funds at the end of the year and is shown as allocated. See Note 12 above.

Liverpool North Central Methodist Circuit (Number 18/03)
Notes to the Accounts For The Year Ended 31 August 2022

17 Transfers between funds

During the year the following transfers were made:

- £292 between endowment funds and restricted funds being income earned on endowments available for restricted use.
- £1,382 between general fund and restricted funds Kensington outreach costs.
- £5,000 between general fund and Intergenerational project fund.

18 Manse and other property

In accordance with Circuit policy to obtain revised valuations every five years, valuations are revised on all properties in the year.

The property in Eaton Road, Liverpool is determined to be returned to use as a manse and is transferred from investment property.

The properties at Oakfield, Liverpool and County hub, Liverpool were received following the closure of Oakfield church. Both properties are included at valuation.

There is no depreciation on the properties as the impairment review at the end of the year confirmed that the current residual market value of the building was greater than the carrying value of that part of the asset's cost to date.

	Land	Buildings	Total
	£	£	£
Cost or valuation 131 Priory Road			
Balance b/f at 1 September	30,000	120,000	150,000
Revaluation in year	<u>5,000</u>	<u>10,000</u>	<u>15,000</u>
Balance c/f at 31 August 2022	<u>35,000</u>	<u>130,000</u>	<u>165,000</u>
Cost or valuation 25 Eaton Road			
Transfer from Investment property	70,000	210,000	280,000
Revaluation in year		<u>(30,000)</u>	<u>(30,000)</u>
Balance c/f at 31 August 2022	<u>70,000</u>	<u>180,000</u>	<u>250,000</u>
Cost or valuation Oakfield properties			
Capital receipt at valuation	<u>100,000</u>	<u>150,000</u>	<u>250,000</u>
Balance c/f at 31 August 2022	<u>100,000</u>	<u>150,000</u>	<u>250,000</u>
Cost or valuation County hub properties			
Capital receipt at valuation	<u>75,000</u>	<u>125,000</u>	<u>200,000</u>
Balance c/f at 31 August 2022	<u>75,000</u>	<u>125,000</u>	<u>200,000</u>
Totals carried forward at 31 August 2022	280,000	585,000	865,000

Liverpool North Central Methodist Circuit (Number 18/03)
Notes to the Accounts For The Year Ended 31 August 2022

19 Investment property

The trustees have determined that the property in Eaton Road, Liverpool be returned to use as a manse and will no longer classify the same as an Investment Property.

	Land	Buildings	Total
	£	£	£
Cost or valuation			
Balance brought forward at 1 September, at cost	70,000	210,000	280,000
Transfer to Circuit manse and properties	(70,000)	(210,000)	(280,000)
Balance carried forward at 31 August 2022	-	-	-

20 Debtors and prepayments

Debtors were made up as follows:	2021-22	2020-21
	£	£
Trade debtors		
Grant – Liverpool Methodist District	12,504	-
Payroll costs – Oakfield MC	-	5,531
Payroll costs – West Derby MC	<u>3,944</u>	<u>2,995</u>
	16,448	8,526
Prepayments and accrued income		
Payments in advance	<u>17,871</u>	<u>22,306</u>
<i>Unrestricted Prepayments:</i>	17,871	22,306
Total (net)	34,319	30,832

All sums shown as Debtors at 1 September 2021 were received during the following year.
 All sums paid in advance at 1 September 2021 were for activities that have been held during 2021-22.

21 Trustees for Methodist Church Purposes

The funds that support the Mission Capital Fund are held by TMCP in Trustees Interest Funds on which interest is credited to the accounts each month. 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.

22 Central Finance Board (CFB) and Cash at Bank

The Circuit has two accounts at HSBC plc, and one current account and one deposit at CAF Bank, both authorised institutions. The sums held on those accounts are immediately

Liverpool North Central Methodist Circuit (Number 18/03)
Notes to the Accounts For The Year Ended 31 August 2022

available. In addition, the Circuit has one deposit account at CFB, a common deposit fund. Interest is earned on this account and credited monthly; the sums deposited can be withdrawn without notice and without loss of interest. These sums are viewed as being liquid.

23 Creditors and accrued expenses

Creditors were made up as follows:	2021-22	2020-21
	£	£
Trade creditors		
Connexional Assessment	4,639	
Minister's expenses	<u>5,780</u>	<u>4,221</u>
<i>Total trade creditors</i>	<i>10,419</i>	<i>4,221</i>
Other creditors		
Advance payment	<u>57,488</u>	<u>17,000*</u>
<i>Other creditors</i>	<i>57,488</i>	<i>17,000</i>
Accruals and deferred income		
Assessments received in advance	-	4,100
Various accruals	<u>1,839</u>	<u>3,511</u>
<i>Unrestricted Accruals:</i>	<i>1,839</i>	<i>7,611</i>
Total	69,746	28,832

Maturity analysis of financial liabilities				
	Accrued at		Accrual	Accrued at
	01-Sep-21	Paid in year	Made in year	31-Aug-22
Trade creditors				
Minister's expenses	4,221	4,221	5,780	5,780
Connexional Assessment			<u>4,639</u>	<u>4,639</u>
<i>Total trade creditors</i>	<i>4,221</i>	<i>4,221</i>	<i>10,419</i>	<i>10,419</i>
Other creditors				
Advance payment	<u>17,000*</u>		<u>40,488</u>	<u>57,488</u>
<i>Other creditors</i>	<i>17,000</i>		<i>40,488</i>	<i>57,488</i>
Accruals and deferred income				
Assessments received in advance	4,100	4,100		
Various accruals	<u>3,511</u>	<u>3,511</u>	<u>1,839</u>	<u>1,839</u>
<i>Unrestricted Accruals:</i>	<i>7,611</i>	<i>7,611</i>	<i>1,839</i>	<i>1,839</i>
Total	28,832	11,832	52,746	69,746

With the exception of items marked thus (*) all sums shown as Creditors at 1 September 2021 were paid during the following year. It is expected that all sums accrued at 31 August 2022 will be paid during the year to 31 August 2023.

Liverpool North Central Methodist Circuit (Number 18/03)
Notes to the Accounts For The Year Ended 31 August 2022

24 Unrestricted Funds

24.1 General Fund – balance £848,416 at 31 August 2022 (2021: £453,221)

The purpose of the fund is for use at the discretion of the trustees in the furtherance of the general objectives of the Circuit and which have not been designated for other purposes.

During the year the Circuit received by transfer properties at Oakfield and County hub. Income and expenditure relating to these properties is managed through separate designated funds with the net balance being a transfer to the General Fund.

Over 100% of this fund, by valuation, is held as freehold properties.

25 Restricted Funds - balance £51,537 at 31 August 2022 (2021: £30,834)

The Worship and Mission Fund, balance £439 (2021: £326), is used principally to support worship and mission costs in the circuit. Total expenditure in the year was £742. A capital amount, £26,179 at 31 August 2022, is invested to provide income to support the purposes of the fund.

The Kensington Outreach Fund – balance £nil (2021: £16) provides funds for the circuit projects at Kensington Methodist church including the weekly community lunch. Total income in the year was £nil and expenditure was £1,398. A transfer from general funds of £1,382 was made to this fund.

The Oakfield Mission fund – balance £19,146 (2021: Nil) is the amalgamation of a number of funds received by transfer during the year. Total income in the year was £19,244 being transfer value and investment income and expenditure of £2. A transfer of £96 was made to the Worship and Mission fund.

The Intergenerational Fund – balance £899 (2021: £1,291) is a project to support Community Intergenerational work across the Circuit supported by Methodist Church Connexion and the District Advance Fund. This project commenced in August 2019 with Connexion funding ended in 2022. Further District Advance funding is agreed for 2023.

The CFW Projects – balance £4,874 (2021: £1,324) funds various community activities led by the Children and Family worker. Total income in the year was £7,960 and expenditure was £4,410.

The market valuations for the various funds have been provided by TMCP. The funds of the Intergenerational project are held on deposit at CAF, HSBC and CFB.

Liverpool North Central Methodist Circuit (Number 18/03)
Notes to the Accounts For The Year Ended 31 August 2022

26 Summary of movements on significant individual funds

	Balance at					Balance at
Fund	01-Sep-21	Income	Expenditure	Transfers	Gains/ Losses	31-Aug-22
	£	£	£	£	£	£
General Fund	453,221	487,001	(67,746)	(9,060)	(15,000)	848,416
Circuit Model Trust Fund	4,468	20	(123)	(4)		4,361
Oakfield Property		3,920	(5,714)	1,794		
County Property		<u>3,140</u>	<u>(4,028)</u>	888		
Total unrestricted	457,689	494,081	(77,611)	(6,382)	(15,000)	852,777
Worship and Mission	326		(742)	855		439
Mission Capital	27,877	600	(79)	(518)	(1,701)	26,179
Kensington Projects	16		(1,398)	1,382		
Oakfield Mission		19,244	(2)	(96)		19,146
Intergenerational project	1,291	29,176	(34,568)	5,000		899
CFW Projects	<u>1,324</u>	<u>7,960</u>	<u>(4,410)</u>			<u>4,874</u>
Total restricted	30,834	56,980	(41,199)	6,623	(1,701)	51,537
Circuit Account (Trust 822)	196	1		(1)		196
Hugh Rowlands (Trust 280)	378	3	(2)	(1)		378
J Edmondson Bequest (Trust 867)	2,331	27	(12)	(15)	(173)	2,158
Edith Rimmer Bequest (Trust 5243)	430	4	(3)	(1)		430
H J Stones Bequest (Trust 3840)		5,324		(47)		5,277
May Crane Bequest (Trust 8240)		<u>20,314</u>		<u>(176)</u>		<u>20,138</u>
Total endowment	3,335	25,673	(17)	(241)	(173)	28,577
Total Funds	491,858	576,734	(118,827)		(16,874)	932,891

Liverpool North Central Methodist Circuit (Number 18/03)
Notes to the Accounts For The Year Ended 31 August 2022

27 Connected organisations and related parties

All of the Circuit trustees are members of one or another Church within the Circuit and may be trustees in their Churches.

Connected organisations include the Methodist Connexion, Liverpool Methodist District, Churches within the Circuit, other Methodist Circuits in Great Britain, CFB and TMCP. All of these entities have their own trustees or directors and autonomous administration such that the Circuit has no significant influence over any of them, nor they over the Circuit. They are, therefore, not considered related parties.

Names of Connected Organisations	Receipts £	Payments £
Donee: Liverpool Methodist District – District assessment		(1,724)
Donee: The Methodist Church Fund – Connexional assessment		(13,352)
Donor: Churches within Liverpool North Central Circuit (assessments on Churches)	36,978	
Donor: Liverpool Methodist District – Grant from District Advance Fund	12,504	
Donor: The Methodist Church Fund – Connexional grant	16,672	

There were no related party transactions.

28 Volunteer contributions

Every entity (Connexion, Circuit, District, and Church) within the Methodist Church in GB is heavily reliant on volunteers who contribute their skills, time and money in the furtherance of the work of the Church. Principally this contribution is by serving on committees of the Circuit that deal with mission, manse, finance, policy, grants, training, development. We are grateful to all of them for their help and commitment.

29 Capital commitments and contingent liabilities

There were no capital commitments or contingent liabilities at the year-end (2020-21: nil).

30 Lease commitments

The Circuit has no lease commitments

31 Independent examiner

No accrual has been made for the fee of the independent examiner who has provided his services free of charge (2020-21: Nil). The independent examiner provided no additional services during the year.

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 Policy Committee.

Signature of treasurerDavid K Smith.....Date...5 June 2023...

Name of treasurer ,,,**DAVID K SMITH**,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,

Address ...**16 DALEGARTH AVENUE, LIVERPOOL L12 0AJ**.....

Presentation to the Circuit Meeting

I confirm that the annual report and accounts for the year ended 31 August 2022 were presented to the Circuit Meeting at its meeting on 5 June 2023...

Signature of the Chair of the meetingIan Hu.....

Name of the Chair of the meeting**REVD IAN HU**... Date 5 June 2023.....

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.

Liverpool North Central Methodist Circuit (Number 18/3)

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 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.....Anthony M Kletz.....

Name of independent examiner ...**MR ANTHONY M KLETZ**.....

Relevant professional qualification of independent examiner ...**FCA**.....

Address ...**17 Gleneagles Drive, Ainsdale, Southport PR8 3PP**.....

DateJune 2023.....