



The Methodist Church

NORTH LIVERPOOL AND SOUTH SEFTON METHODIST CIRCUIT

(FORMERLY LIVERPOOL NORTH CENTRAL METHODIST CIRCUIT)



TRUSTEES' ANNUAL REPORT AND ACCOUNTS YEAR ENDED 31 AUGUST 2023

Registered Charity No 1163418

North Liverpool and South Sefton Methodist Circuit (Number 18/03)
(Formerly Liverpool North Central Methodist Circuit)
Year Ended 31 August 2023

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 eight times during the year. During the year preparatory planning took place for the planned amalgamation of the Circuit with the Liverpool (North) Circuit and Crosby Circuit (excluding Formby Church) from September 2023.

1.1 Mission Statement

The 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

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

We seek to achieve the following:

- 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 fourth 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 project continues 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. This focus includes school holiday provision for local families with school-aged children. Our activities continue to encourage socialisation whilst fostering interpersonal support networks.

The CCLO and CFW discontinued the ‘Arts and Hearts’ group in May 2022 when similar resources became available elsewhere within the community. They continued to look for other ways to respond to adults in need of support throughout the community through an ongoing process of observation, conversation and discernment. This process continued during the year.

The Community Intergenerational Project successfully applied for a Liverpool District ‘Warm Spaces Grant’ during this year. County Methodist Hub was opened to the community once a week for 13 sessions, providing a warm space and lunch free of charge. This proved to be a welcome feature and served a total of 75 lunches over 13 sessions. This new feature received positive feedback, including one resident commenting that it helped her general wellbeing and has since developed an increased confidence for her to attend other events at County Methodist Hub on her own.

Other ongoing and continuing activities include the following:

- The CFW continues to receive small grants and donations to fund school holiday sessions called ‘Rise and Shine’ within the County Hub building. This project includes a

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food provision, craft activities, family-oriented films and seasonally themed parties and activities. Periodically, parents have been provided with food parcels as available. Families have continued to express their gratitude for this provision as the entire 'Rise and Shine' project has assisted them with coping with their children during school holidays and the ongoing cost of living pressures. Overall, during the year ending 31 August 2023, a total of 70 children from 36 families benefitted from this project.

- The 'Bumps and Babies' group, aimed at parents and carers of children under one year old or expectant mothers, continues to operate successfully. This expression provides 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. This community event enables relationships to develop with various vulnerable adults from the immediate Walton community.
- '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 700 food parcels to be distributed at the door. Whilst this activity is considered to be a Circuit-based community activity, its operations are taken on by volunteers from the Kensington Methodist Church congregation.
- Kensington Community Lunch continued to serve hot food at the doors with the CCLO and two or three volunteers until December 2022. This project had run its season after many years of strong witness since 2008.
- 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.
- The CFW has successfully created programming for families at West Derby Methodist Church, comprising seasonally themed family activities such as 'Pumpkin Party' in October, 'Jesus' Birthday Party' during Advent, and Pancake Party on Shrove Tuesday, together with Lent Packs for home use. The CFW has also encouraged participation throughout the Circuit with 3-Generate, the annual Methodist Church youth gathering.
- "Summer at West Derby" has become a fixture during August of each year. This year featured a programme of Film Nights on Tuesdays, Activity Evenings on Thursdays and Café Church worship on Sunday mornings in August. This summer initiative attracts several local families together with new families from the West Derby community. This year featured a successful all-age quiz which welcomed both church and community families and adults. During Summer 2023, a total of 61 children from 41 families participated in 'Summer at West Derby.'
- 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 Liverpool Methodist District during the year.

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2.2 Circuit Churches and Pastoral Care

Following the closure and cessation of worship, 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 enabled ongoing pastoral contact and support. This activity has developed to include a wider network of attendees from both the community and other Circuit churches. The CCLO takes an active role in assisting with preparation for these events.

'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 continues to grow slowly in size and attracts regular worshippers primarily from the local Walton community.

The work at Kensington and West Derby Methodist Churches continues with some new members added at both churches.

West Derby Church is being supported in its building redevelopment plans particularly as it carries out a feasibility review.

Following the loss of tenants and some members Kensington Methodist Church has carried out a detailed financial review with Circuit support to establish a more secure financial footing.

2.3 Plans for future years

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

In this regard, the Circuit will amalgamate with the Liverpool (North) Circuit and Crosby Circuit (excluding Formby Church) from September 2023.

The sale of the Oakfield building in Summer 2023 released cash funds for operations. The trustees committed to continue to fund Community Intergenerational Project for a further two years.

The circuit remains 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 and to support the work 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.

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3 FINANCIAL REVIEW

During the year the Circuit received total income of £115k (2021-22: £577k) and dispersed £339k (2021-22: £119k). The resulting deficit of income was reduced by a net gain of £197k (2021-22: loss of £17k) on the properties, restricted reserves and endowments to produce a net deficit of income of £27k (2021-22: excess of £441k) and total reserves carried forward of £906k (2021-22: £933k).

During the year the sale was completed of the properties of Oakfield church and house at a price above the balance sheet valuation. In accordance with Methodist discipline a levy was transferred to the Connexional Property Fund and surplus funds were invested in the Circuit Model Trust Fund.

The usual main source of funding from assessments was badly affected by Oakfield's decision to close and Kensington's ongoing financial difficulties. Following a detailed review of Kensington's financial situation revised assessments were set and a Reserve Fund grant approved. The assessments received in the year amounted to £33,250 (2021-22: £36,978).

Grants received are from 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.

During the year, the Circuit faced severe liquidity and cash flow difficulties due to the delay in sale of the Oakfield properties. A number of private donations were received for general use to sustain and support Circuit ministry and mission.

Other donations to designated funds include monies received for the ongoing work at County Hub and a gift aid recovery for the Oakfield premises and charitable and individual contributions towards project activities of the Community Intergenerational project.

During the year the Circuit teamed with neighbouring Circuits to share Superintendency. One third of Superintendent's Stipend costs was paid by Liverpool (North) Circuit.

The unrestricted general account shows costs in line with budget. 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.

29% 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 the professional costs and connexional levy on property sale, the general account had a deficit of £15k (2021-22: deficit £40k). 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 investment and property reserves.

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The Circuit holds three freehold properties being the Manses in Priory Road and Eaton Road, Liverpool and also the church property at County Hub. The sale of the Oakfield church was completed in August 2023. The Circuit has agreed to sell the Eaton Road property to fund future work.

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.

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.

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 | 664,050 |
| Circuit Model Trust Fund | 152,965 |
| County Property Fund | <u>20,000</u> |
| Total unrestricted funds | 837,015 |

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Restricted funds

| | |
|-------------------------------|----------------------|
| Worship and Mission | (801) |
| Mission Capital | 24,914 |
| Oakfield Mission | 12,938 |
| Kensington Outreach | - |
| Intergenerational Mission | 391 |
| CIP Projects | <u>4,714</u> |
| Total restricted funds | <u>42,156</u> |

Total endowment funds **26,996**

Total funds **906,167**

Available Reserves

| | |
|------------------------------|-----------------------|
| Total unrestricted funds | 837,015 |
| Less: invested in properties | <u>(615,000)</u> |
| | <u>222,015</u> |

Committed Funds

| | |
|---|----------------|
| CIP Project 2023/24 and 2024/25 | 120,000 |
| CMTF Grant to West Derby Methodist Church | <u>35,000</u> |
| | 155,000 |

Uncommitted reserves, readily available **67,015**

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 - £ 3k
- manse repair reserve - £20k
- County Hub repair reserve - £20k
- three months connexional and district assessment - £ 4k

At 31 August 2023 this sum amounted to £65k against actual readily available reserves of £67k as stated above. Actual readily available reserves are consistent with policy at the year-end.

In addition, the trustees have agreed the sale of one manse property which should realise funds in excess of £100k.

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3.3 Plans for 2023/24

From September 2023 the Circuit will amalgamate to become a larger body.

A budget has been set with financial plans for the amalgamated Circuit to be the continuation and support of existing ministry and mission work of each of the Circuits whilst a review and analysis of priorities and policy takes place.

The amalgamated Circuit will hold relatively substantial cash, investments and property reserves. Given the level of reserves, it is anticipated that general account deficits will be supported for many years.

As from September 2023 an unchanged level of assessments 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.

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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:

- 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 Tavistock Place London WC1H 9SF 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

North Liverpool and South Sefton Methodist Circuit (Formerly Liverpool North Central Methodist Circuit. The charity was re-named North Liverpool and South Sefton Methodist Circuit on 1 September 2023 following amalgamation with Liverpool (North) Methodist Circuit and Crosby Methodist Circuit (excluding Formby Methodist Church.)

6.2 Charity Registration Number

1163418, registered in England and Wales

6.3 Principal Office

The principal office throughout the year 2022-23 was:

c/o County Methodist Hub

Harlech Street

Liverpool

L4 3RJ

E-mail finance@nlss.org.uk

Web Site www.nlss.org.uk

6.4 Superintendent Minister

The Revd Ian Hu

6.5 Secretary of the Circuit Meeting

The following served as Secretary during the year 2022-23

Mrs Ruth Stirrup

6.6 Circuit Stewards

The following served as Circuit Stewards throughout the year 2022-23

Mr David K Smith (Finance)

6.7 Circuit Property Team

The following served as members of the Circuit Property team throughout the year 2022-23

Mr Stephen Twist (Property)

Mr David Williamson (Property)

6.8 Circuit Minister

There were no other ministers who served in the Circuit during 2022-23

6.9 Names of trustees

The following served as trustees throughout part or all of the year 2022-23 or were trustees at the time of this report being approved:

The Revd Ian Hu

Mr Brian Kiel

Ms Joan Lewis

Mrs Patricia McGinty until August 2023

Ms Lorraine Oram

Mr David K Smith

Mrs Ruth Stirrup until August 2023

Mrs Jill Stubbs

Mrs Alison Twist until August 2023

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Mr Stephen Twist
Mr David Williamson
Mrs Jean Barnes from September 2023
Mr Tom Battersby from September 2023
Revd Susan Edwards from September 2023
Mr David Evans from September 2023
Mrs Norma Evans from September 2023
Mrs Valerie Gee from September 2023
Mr Stephen Gent from September 2023
Mrs Hilary Henshall from September 2023
Mr David Hird from September 2023
Revd Helen Kirkup from September 2023
Mrs Edna Korman from September 2023
Mrs Margaret Langton from September 2023
Mr Alan Lewis from September 2023
Mrs Viv Marriott from March 2024
Ms Angela McAvoy from September 2023
Mrs Hilary Ness from September 2023
Mr Sachin Patil from September 2023
Mr Ian Roxburgh from September 2023
Mrs Anne Roxburgh from September 2023
Mrs Liz Shaw from September 2023
Mr Richard Stevens from September 2023
Revd Neil Stubbens from September 2023
Mr Joseph Thomas from September 2023
Mrs Wendy Thomas from September 2023
Ms Lynette Thompson from September 2023

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

6.10 Children and Family Worker

Mrs Alison Twist

6.11 Community and Church Liaison Officer

Ms Karen Macklin

6.12 Circuit Lay Worker

There were no other lay workers who served in the Circuit during 2022-23

6.13 Bankers

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

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

HSBC plc
99 – 101 Lord Street
LIVERPOOL
L2 6PG

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6.14 Investment managers and custodian trustees

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

6.15 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 3 September 2024.

Signed on behalf of the Circuit Meeting, as authorised:

Ian Hu (signed)

David K Smith (signed)

Rev Ian Hu
Superintendent

Date: 3 September 2024

David K Smith

Circuit Treasurer

Date: 3 September 2024

Statement of Financial Activities (SOFA) for the year ended 31 August 2023

| | Notes to the accounts | General Fund (Unrestricted) £ | Circuit Model Trust Fund (Unrestricted) £ | Designated Funds (Unrestricted) £ | Restricted Funds £ | Endowment Funds £ | Totals 2022-23 £ | Totals 2021-22 £ |
|---|-----------------------|----------------------------------|--|--------------------------------------|-----------------------|----------------------|---------------------|---------------------|
| Income and Endowments | | | | | | | | |
| Donations and legacies | 7 | 32,000 | | 4,358 | 4,318 | | 40,676 | 8,020 |
| Income from monetary investments | | 223 | 288 | | 1,314 | 949 | 2,774 | 1,007 |
| Income from properties | 3 | | | 7,045 | | | 7,045 | 3,140 |
| Assessments on Churches | 4 | 33,250 | | | | | 33,250 | 36,978 |
| Capital Receipts | 6 | | | | | | | 498,413 |
| Grants received | 5 | | | | 29,905 | | 29,905 | 29,176 |
| Other charitable activities | | | | 1,000 | | | 1,000 | |
| Total from charitable activities | | 65,473 | 288 | 12,403 | 35,537 | 949 | 114,650 | 576,734 |
| Other income | | | | | | | | |
| Total income and endowments | | 65,473 | 288 | 12,403 | 35,537 | 949 | 114,650 | 576,734 |
| Expenditure | | | | | | | | |
| Grants and donations | 8 | | 35,000 | | | | 35,000 | |
| Salaries and assoc. costs | 9 | 26,754 | | 5,538 | 35,780 | | 68,072 | 73,355 |
| Property maintenance | 11 | 9,419 | | 24,915 | | | 34,334 | 15,829 |
| Connexional assess & Levy | 13 | 163,150 | | | | | 163,150 | 13,352 |
| District assessment & Levy | 14 | 4,643 | 109 | | | | 4,752 | 1,836 |
| Capital Payments | 16 | | | | 5,836 | 430 | 6,266 | |
| Office & admin costs | 12 | 18,553 | 13 | 779 | 1,307 | 91 | 20,743 | 8,002 |
| Other charitable activities | 15 | | | | 6,281 | | 6,281 | 6,453 |
| Total charitable expenditure | | 222,519 | 35,122 | 31,232 | 49,204 | 521 | 338,598 | 118,827 |
| (Losses) on monetary investments | | | | | (1,625) | (1,151) | (2,776) | (1,874) |
| Gains/(losses) on properties | | 200,000 | | | | | 200,000 | (15,000) |
| Net income/(expenditure) | | 42,954 | (34,834) | (18,829) | (15,292) | (723) | (26,724) | 441,033 |
| Transfers between funds | 18 | (227,320) | 183,438 | 38,829 | 5,911 | (858) | | |
| Net movement in funds | | (184,366) | 148,604 | 20,000 | (9,381) | (1,581) | (26,724) | 441,033 |
| Reconciliation of funds: | | | | | | | | |
| Total funds brought forward | | 848,416 | 4,361 | | 51,537 | 28,577 | 932,891 | 491,858 |
| Total funds carried forward | | 664,050 | 152,965 | 20,000 | 42,156 | 26,996 | 906,167 | 932,891 |

Balance Sheet as at 31 August 2023

| | Notes to the accounts | General Fund (Unrestricted) £ | Circuit Model Trust Fund (Unrestricted) £ | Designated Funds (Unrestricted) £ | Restricted Funds £ | Endowment Funds £ | Total 2023 £ | Total 2022 £ |
|--|-----------------------|----------------------------------|--|--------------------------------------|-----------------------|----------------------|-----------------|-----------------|
| Fixed Assets | | | | | | | | |
| Circuit Manse and Properties | 19 | 615,000 | | | | | 615,000 | 865,000 |
| Investment property | | | | | | | | |
| Investments | | | | | 27,814 | 25,251 | 53,065 | 61,446 |
| Total fixed assets | | 615,000 | | | 27,814 | 25,251 | 668,065 | 926,446 |
| Current Assets | | | | | | | | |
| Debtors | 20 | 21,110 | | 20,000 | | | 41,110 | 34,319 |
| Investments with TMCP | 21 | 5,440 | 207,965 | | 10,040 | 1,745 | 225,190 | 22,084 |
| Central Finance Board | 22 | | | | | | | |
| Deposits | | 24,161 | | | 4,302 | | 28,463 | 9,336 |
| Cash at Bank and in hand | | 14,457 | | | | | 14,457 | 10,452 |
| Total current assets | | 65,168 | 207,965 | 20,000 | 14,342 | 1,745 | 309,220 | 76,191 |
| Current liabilities | | | | | | | | |
| Creditors (due in under 1 year) | 23 | 16,118 | 55,000 | | | | 71,118 | 69,746 |
| Net current assets/liabilities | | 49,050 | 152,965 | 20,000 | 14,342 | 1,745 | 238,102 | 6,445 |
| Total assets less current liabilities | | 664,050 | 152,965 | 20,000 | 42,156 | 26,996 | 906,167 | 932,891 |
| Net assets | | 664,050 | 152,965 | 20,000 | 42,156 | 26,996 | 906,167 | 932,891 |
| Funds of the Circuit | | | | | | | | |
| General Fund (Unrestricted) | | 664,050 | | | | | 664,050 | 848,416 |
| Circuit Model Trust Fund (Unrestricted) | | | 152,965 | | | | 152,965 | 4,361 |
| Designated Funds (Unrestricted) | | | | 20,000 | | | 20,000 | |
| Total Unrestricted Funds | | 664,050 | 152,965 | 20,000 | | | 837,015 | 852,777 |
| Restricted Funds | | | | | 42,156 | | 42,156 | 51,537 |
| Endowment Funds | | | | | | 26,996 | 26,996 | 28,577 |
| Total Funds | | 664,050 | 152,965 | 20,000 | 42,156 | 26,996 | 906,167 | 932,891 |

Liverpool North Central Methodist Circuit (Number 18/03)
Notes to the Accounts For The Year Ended 31 August 2023

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 North Liverpool and South Sefton Methodist Circuit (Formerly 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 2023, 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 the following 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.

Liverpool North Central Methodist Circuit (Number 18/03)
Notes to the Accounts For The Year Ended 31 August 2023

- 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 2023

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 2023

3 Income from Properties

Letting income is received from community and charitable groups using the County Hub premises.

| | General | CMTF | Desig | Restricted | Endow | Total | 2022 |
|-----------------|---------|------|-------|------------|-------|---------------------|---------------------|
| Letting Income: | | | | | | | |
| County Hub | | | 7,045 | | | 7,045 | 3,140 |
| Totals | | | | | | <u>7,045</u> | <u>3,140</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 | 2022 |
|--------------------------|----------------------|------|-------|------------|-------|----------------------|----------------------|
| Assessments: | | | | | | | |
| Oakfield with County Hub | | | | | | 5,871 | 5,871 |
| Kensington | 11,214 | | | | | 11,214 | 9,071 |
| West Derby | <u>22,036</u> | | | | | <u>22,036</u> | <u>22,036</u> |
| Totals | <u>33,250</u> | | | | | <u>33,250</u> | <u>36,978</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.

Following a detailed review of Kensington's financial situation, the assessment was adjusted to an agreed and affordable level of £2,500 per quarter.

5 Grants received

| | General | CMTF | Desig | Restricted | Endow | Total | 2022 |
|-----------------------------------|---------|------|-------|----------------------|-------|----------------------|----------------------|
| Intergenerational Ministry | | | | | | | |
| Methodist Church | | | | | | | 16,672 |
| District Advance Fund | | | | <u>29,905</u> | | <u>29,905</u> | <u>12,504</u> |
| Totals | | | | <u>29,905</u> | | <u>29,905</u> | <u>29,176</u> |

The District Advance Fund grant continued to support intergenerational work across the Circuit for 2022/23 following the completion of a three-year grant to support community intergenerational work across the Circuit from Methodist Church and District Advance Fund.

There is no grant funding approved for 2023/24.

Liverpool North Central Methodist Circuit (Number 18/03)
Notes to the Accounts For The Year Ended 31 August 2023

6 Capital receipts

In 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 were valued based on professional advice received by the trustees.

| | General | CMTF | Desig | Restricted | Endow | Total | 2022 |
|--|---------|------|-------|------------|-------|-------|-----------------------|
| Oakfield church and house properties | | | | | | | 250,000 |
| County Hub property | | | | | | | 200,000 |
| Oakfield sale of chattels, fixtures and fittings | | | | | | | 2,020 |
| Oakfield Trust (Unrestricted) | | | | | | | 1,840 |
| Oakfield Trusts (Restricted) | | | | | | | 19,138 |
| Oakfield Endowment Trusts | | | | | | | <u>25,415</u> |
| Totals | | | | | | | <u>498,413</u> |

7 Donations and legacies

| | General | CMTF | Desig | Restricted | Endow | Total | 2022 |
|-----------------------------------|---------|------|---------------------|---------------------|-------|----------------------|---------------------|
| Donations: | | | | | | | |
| Personal and charitable donations | 32,000 | | <u>4,358</u> | <u>4,318</u> | | <u>40,676</u> | <u>8,020</u> |
| Totals | | | <u>4,358</u> | <u>4,318</u> | | <u>40,676</u> | <u>8,020</u> |

During the year, the Circuit faced severe liquidity and cash flow difficulties due to the delay in sale of the Oakfield properties. A number of private donations were received for general use to support Circuit ministry and mission.

Donations to designated funds include monies received for the ongoing work at County Hub and a gift aid recovery for the Oakfield premises.

Restricted fund donations include various private and charitable contributions towards project activities of the Intergenerational project.

8 Grants and donations

| | General | CMTF | Desig | Restrtd | Endow | Total | 2022 |
|--------------------------|---------|----------------------|------------------------|---------|-------|----------------------|------|
| CMTF Grants | | | | | | | |
| Kensington Reserve | | 10,000 | | | | 10,000 | |
| West Derby Redevelopment | | 5,000 | | | | 5,000 | |
| Kensington Kitchen Fund | | 20,000 | | | | 20,000 | |
| County Hub Kitchen Fund | | <u>20,000</u> | <u>(20,000)</u> | | | | |
| Totals | | <u>55,000</u> | <u>(20,000)</u> | | | <u>35,000</u> | |

Liverpool North Central Methodist Circuit (Number 18/03)
Notes to the Accounts For The Year Ended 31 August 2023

Following the completion of sale of Oakfield properties funds were transferred to CMTF.

In accordance with Circuit grant procedures a number of grant applications were received and approved.

The grant awards of £20,000 to Kensington and to County Hub (designated fund) were to meet project costs only with any excess funds to be returned.

The grant award to West Derby Redevelopment was to cover initial feasibility costs in respect of architect and fundraising consultancy fees. (A further grant was approved subject to the positive outcome of the feasibility process. This grant is disclosed under contingent liabilities.

9 Salaries and associated costs

During the year the Circuit teamed with neighbouring Circuits to share Superintendency. One third of Superintendent's Stipend costs was paid by Liverpool (North) Circuit. (2021-22: one full time Superintendent.) Stipends paid were as follows:

Stipends

| | General | CMTF | Desig | Restricted | Endow | Total | 2022 |
|----------------------------------|----------------------|------|-------|------------|-------|----------------------|----------------------|
| Stipends | 19,862 | | | | | 19,862 | 28,571 |
| National Insurance contributions | 2,063 | | | | | 2,063 | 2,941 |
| Pension Fund contributions | <u>4,829</u> | | | | | <u>4,829</u> | <u>6,947</u> |
| Totals | <u>26,754</u> | | | | | <u>26,754</u> | <u>38,459</u> |

The Circuit employs three part time, (2021-22: three) lay staff as follows:

| | General | CMTF | Desig | Restricted | Endow | Total | 2022 |
|----------------------------------|---------|------|---------------------|----------------------|-------|----------------------|----------------------|
| Salary | | | 5,538 | 31,954 | | 37,492 | 31,610 |
| National Insurance contributions | | | | 1,926 | | 1,926 | 1,688 |
| Pension Fund contributions | | | | 1,900 | | 1,900 | 1,798 |
| Totals | | | <u>5,538</u> | <u>35,780</u> | | <u>41,318</u> | <u>34,896</u> |

Contracted Hours (pw)

10

40

| | | | | | | | |
|---|----------------------|--|---------------------|----------------------|--|----------------------|----------------------|
| Salaries and associated costs Totals | <u>26,754</u> | | <u>5,538</u> | <u>35,780</u> | | <u>68,072</u> | <u>73,355</u> |
|---|----------------------|--|---------------------|----------------------|--|----------------------|----------------------|

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

Stipendiary Circuit Ministers are eligible to join the Methodist Ministers' Pension Scheme (MMPS). The MMPS is a funded defined benefit scheme maintained by The Methodist Church of Great Britain. As the Circuit is unable to identify its share of the underlying assets and liabilities of the scheme, the Circuit has taken the advantage of the exemption in Financial Reporting Standard (FRS) 17, Retirement Benefits, and has accounted its

Liverpool North Central Methodist Circuit (Number 18/03)
Notes to the Accounts For The Year Ended 31 August 2023

contributions to the scheme as if it were a defined contribution scheme. The pension costs for the scheme represent the contribution payable by the Circuit in the year. The contribution rates are set each year by the Methodist Conference.

Lay employees are contractually employees and may be required to be auto enrolled in the Circuit's Pensions Trust Auto Enrolment pension scheme which is a defined benefit scheme and the Circuit contribute as an employer to this scheme.

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.

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 | 2022 |
|--|----------------------|----------------------|
| | £ | £ |
| Stipends of Ministers | 19,862 | 28,571 |
| Employer's National Insurance contributions | 2,063 | 2,941 |
| Employer's Pension contributions to a defined benefit pension scheme | 4,829 | 6,947 |
| Total cost | <u>26,754</u> | <u>38,459</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 (2021-22: £nil) were paid to other trustees.

Liverpool North Central Methodist Circuit (Number 18/03)
Notes to the Accounts For The Year Ended 31 August 2023

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 | 2022 |
|-------------------------|--------------|------|-------|------------|-------|--------------|--------------|
| Repairs and maintenance | | | | | | | |
| 131 Priory Road | 437 | | | | | 437 | 961 |
| 25 Eaton Road | 703 | | | | | 703 | 2,427 |
| Council Tax | 3,448 | | | | | 3,448 | 2,234 |
| Water Rates | 1,091 | | | | | 1,091 | 746 |
| Insurance | 860 | | | | | 860 | 1,149 |
| Totals | 6,539 | | | | | 6,539 | 7,517 |

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 | 2022 |
|-----------------------------------|--------------|------|-------|------------|-------|--------------|--------------|
| Quinquennial on church properties | 2,880 | | | | | 2,880 | 1,450 |
| Totals | 2,880 | | | | | 2,880 | 1,450 |

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 were marketed for sale with completion in August 2023. Increased insurance costs were due to the buildings being vacant.

| Designated property costs | General | CMTF | Desig | Restricted | Endow | Total | 2022 |
|------------------------------------|--------------|------|---------------|------------|-------|---------------|---------------|
| Oakfield Designated | | | | | | | |
| Council Tax | | | | | | | 91 |
| Water Rates | | | 1,124 | | | 1,124 | 360 |
| Heat and Light | | | 660 | | | 660 | 1,386 |
| Repairs and clearance | | | 3,206 | | | 3,206 | |
| Building Insurance | | | 5,982 | | | 5,982 | 2,969 |
| Totals | | | 10,972 | | | 10,972 | 4,806 |
| County Hub Designated | | | | | | | |
| Repairs and maintenance | | | 5,170 | | | 5,170 | 500 |
| Building Insurance | | | 4,147 | | | 4,147 | 1,052 |
| Heat and Light | | | 3,622 | | | 3,622 | 396 |
| Water Rates | | | 1,004 | | | 1,004 | |
| Cleaning Supplies | | | - | | | - | 108 |
| Totals | | | 13,943 | | | 13,943 | 2,056 |
| Property maintenance Totals | 9,419 | | 24,915 | | | 34,334 | 15,829 |

Liverpool North Central Methodist Circuit (Number 18/03)
Notes to the Accounts For The Year Ended 31 August 2023

12 Office and administration costs

| | General | CMTF | Desig | Restricted | Endow | Total | 2022 |
|---|----------------------|------------------|-------------------|---------------------|------------------|----------------------|---------------------|
| PPSA, IT and equipment | 2,852 | | 277 | 374 | | 3,503 | 1,793 |
| Sundries | 878 | | | | | 878 | 992 |
| Training | | | | | | | 210 |
| Telephone | 1,767 | | 502 | | | 2,269 | 788 |
| Travel | 2,862 | | | 257 | | 3,119 | 3,103 |
| Safeguarding | | | | | | | |
| Legal, survey and professional expenses | 10,189 | | | | | 10,189 | 908 |
| Preaching and worship expenses | | | | 548 | | 548 | 97 |
| TMCP charges | <u>5</u> | <u>13</u> | | <u>128</u> | <u>91</u> | <u>237</u> | <u>111</u> |
| Totals | <u>18,553</u> | <u>13</u> | <u>779</u> | <u>1,307</u> | <u>91</u> | <u>20,743</u> | <u>8,002</u> |

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.

Under Methodist Standing Order 970, the Connexional Priority Fund ("CPF") levy is charged on the proceeds from the disposition of virtually all Methodist Model Trust Property. (A proportion of the CPF levy may be reclaimed and used to fund a qualifying Replacement Project.) This levy was charged following the disposal of Oakfield Church. There is no provision for any reclaim included in these accounts.

| | General | CMTF | Desig | Restrtd | Endow | Total | 2022 |
|---|-----------------------|------|-------|---------|-------|-----------------------|----------------------|
| Methodist Church Fund (MCF) | <u>14,005</u> | | | | | <u>14,005</u> | <u>13,352</u> |
| Connexional Priority Fund ("CPF") levy | | | | | | | |
| Sale of Oakfield Church | <u>149,145</u> | | | | | <u>149,145</u> | |
| Connexional assessment and levy Totals | <u>163,150</u> | | | | | <u>163,150</u> | <u>13,352</u> |

Liverpool North Central Methodist Circuit (Number 18/03)
Notes to the Accounts For The Year Ended 31 August 2023

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 | 2022 |
|------------------------------|---------------------|-------------------|-------|------------|-------|---------------------|---------------------|
| District assessment and Levy | <u>4,643</u> | <u>109</u> | | | | <u>4,752</u> | <u>1,836</u> |
| Totals | <u>4,643</u> | <u>109</u> | | | | <u>4,752</u> | <u>1,836</u> |

15 Other charitable activities

| | General | CMTF | Desig | Restricted | Endow | Total | 2022 |
|-----------------------------------|---------|------|-------|---------------------|-------|---------------------|---------------------|
| CFW projects running costs | | | | 2,679 | | 2,679 | 4,410 |
| 3Generate expenses | | | | 2,750 | | 2,750 | 645 |
| Kensington projects running costs | | | | <u>852</u> | | <u>852</u> | <u>1,398</u> |
| Totals | | | | <u>6,281</u> | | <u>6,281</u> | <u>6,453</u> |

16 Capital Payments

A detailed review of model trust funds and permanent endowments has been carried out to understand charitable purposes with support from TMCP, Liverpool District and Charity Commission.

Following review, it was determined to transfer two model trust funds to West Derby Methodist Church and one Permanent endowment to Kensington Methodist Church as best means to ensure charitable benefit is best applied.

17 Investment management

During the year the Circuit paid £237 to TMCP, the custodians of the Circuit's investments (Circuit Model Trust Fund and various endowment funds (2021-22: £111). The sum of £237 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.

18 Transfers between funds

During the year the following transfers were made:

- £300,855 between general fund and circuit model trust fund property disposals of £450,000 less connexional property levy of £149,145.
- £17,137 between circuit model trust fund and general fund being legal and survey costs on completion of property disposals.

Liverpool North Central Methodist Circuit (Number 18/03)
Notes to the Accounts For The Year Ended 31 August 2023

- £80,000 between circuit model trust fund and general fund being transfers to support circuit grants and other operating expenditure.
- £20,000 between circuit model trust fund and County designated fund being transfer to support kitchen refurbishment
- £859 between endowment funds and restricted funds being income earned on endowments available for restricted use.
- £600 between CIP Projects and County designated fund to support utility costs
- £1,200 between CIP Projects and Intergenerational fund to support salary costs
- £852 between general fund and restricted funds Kensington outreach costs.
- £4,800 between general fund and Intergenerational project fund.

19 Manse and other property

In accordance with Circuit policy to obtain revised valuations every five years, valuations remain unaltered following revision on all properties in 2022.

The property in Eaton Road, Liverpool is no longer required as a manse and is currently for sale.

The properties at Oakfield, Liverpool were sold during the year.

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 | 35,000 | 130,000 | 165,000 |
| Revaluation in year | = | = | = |
| Balance c/f at 31 August 2023 | <u>35,000</u> | <u>130,000</u> | <u>165,000</u> |
| | | | |
| Cost or valuation 25 Eaton Road | | | |
| Balance b/f at 1 September | 70,000 | 180,000 | 250,000 |
| Revaluation in year | = | = | = |
| Balance c/f at 31 August 2023 | <u>70,000</u> | <u>180,000</u> | <u>250,000</u> |
| | | | |
| Cost or valuation Oakfield properties | | | |
| Balance b/f at 1 September | 100,000 | 150,000 | 250,000 |
| Revaluation on disposal | <u>40,000</u> | <u>160,000</u> | <u>200,000</u> |
| Sold in year | <u>(140,000)</u> | <u>(310,000)</u> | <u>(450,000)</u> |
| Balance c/f at 31 August 2023 | = | = | = |
| | | | |
| Cost or valuation County hub properties | | | |
| Balance b/f at 1 September | 75,000 | 125,000 | 200,000 |
| Revaluation in year | = | = | = |
| Balance c/f at 31 August 2023 | <u>75,000</u> | <u>125,000</u> | <u>200,000</u> |
| | | | |
| Totals carried forward at 31 August 2023 | 180,000 | 435,000 | 615,000 |

Liverpool North Central Methodist Circuit (Number 18/03)
Notes to the Accounts For The Year Ended 31 August 2023

20 Debtors and prepayments

| | | |
|---|---------------|---------------|
| Debtors were made up as follows: | 2022-23 | 2021-22 |
| | £ | £ |
| General Fund: | | |
| Trade debtors | | |
| Grant – Liverpool Methodist District | - | 12,504 |
| Stipend costs – Liverpool (North) Circuit | 13,371 | - |
| Payroll costs – West Derby MC | <u>1,450</u> | <u>3,944</u> |
| | 14,821 | 16,448 |
| Prepayments and accrued income | | |
| Payments in advance | <u>6,289</u> | <u>17,871</u> |
| <i>Unrestricted Prepayments:</i> | 6,289 | 17,871 |
| | | |
| Total General Fund | 21,110 | 34,319 |
| | | |
| Designated Fund: County Hub | | |
| Other debtors | | |
| Approved grant award from CMTF | <u>20,000</u> | - |
| <i>Other debtors</i> | 20,000 | - |
| | | |
| Total | 41,110 | 34,319 |

All sums shown as Debtors at 1 September 2022 were received during the following year.
All sums paid in advance at 1 September 2022 were for activities that have been held during 2022-23.

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 available.

Following the transfer of assets from Oakfield Methodist Church in 2022 the Circuit has operated two “legacy” accounts at HSBC plc. These accounts were closed in September 2023.

Liverpool North Central Methodist Circuit (Number 18/03)
Notes to the Accounts For The Year Ended 31 August 2023

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: | 2022-23 | 2021-22 |
|---|---------------|---------------|
| | £ | £ |
| General Fund: | | |
| Trade creditors | | |
| Connexional Assessment | 9,324 | 4,639 |
| Minister's expenses | <u>781</u> | <u>5,780</u> |
| <i>Total trade creditors</i> | <i>10,105</i> | <i>10,419</i> |
| | | |
| Other creditors | | |
| Advance payment | <u>2,400</u> | <u>57,488</u> |
| <i>Other creditors</i> | <i>2,400</i> | <i>57,488</i> |
| | | |
| Accruals and deferred income | | |
| Various accruals | <u>3,613</u> | <u>1,839</u> |
| <i>Unrestricted Accruals:</i> | <i>3,613</i> | <i>1,839</i> |
| | | |
| Total General Fund | 16,118 | 69,746 |
| | | |
| Circuit Model Trust Fund: | | |
| Other creditors | | |
| Approved grant awards | <u>55,000</u> | - |
| <i>Other creditors</i> | <i>55,000</i> | - |
| | | |
| Total | 71,118 | 69,746 |

| Maturity analysis of financial liabilities | | | | |
|---|---------------|---------------|---------------|---------------|
| | Accrued at | | Accrual | Accrued at |
| | 01-Sep-22 | Paid in year | Made in year | 31-Aug-23 |
| Trade creditors | | | | |
| Minister's expenses | 5,780 | 5,780 | 781 | 781 |
| Connexional Assessment | <u>4,639</u> | <u>4,639</u> | <u>9,324</u> | <u>9,324</u> |
| <i>Total trade creditors</i> | <i>10,419</i> | <i>10,419</i> | <i>10,105</i> | <i>10,105</i> |
| | | | | |
| Other creditors | | | | |
| Advance payment | <u>57,488</u> | <u>57,488</u> | <u>2,400</u> | <u>2,400</u> |
| <i>Other creditors</i> | <i>57,488</i> | <i>57,488</i> | <i>2,400</i> | <i>2,400</i> |
| | | | | |
| Accruals and deferred income | | | | |
| Various accruals | <u>1,839</u> | <u>1,839</u> | <u>3,613</u> | <u>3,613</u> |
| <i>Unrestricted Accruals:</i> | <i>1,839</i> | <i>1,839</i> | <i>3,613</i> | <i>3,613</i> |
| | | | | |
| Total | 69,746 | 69,746 | 16,118 | 16,118 |

Liverpool North Central Methodist Circuit (Number 18/03)
Notes to the Accounts For The Year Ended 31 August 2023

With the exception of items marked thus (*) all sums shown as Creditors at 1 September 2022 were paid during the following year. It is expected that all sums accrued at 31 August 2023 will be paid during the year to 31 August 2024.

24 Unrestricted Funds

24.1 General Fund – balance £664,050 at 31 August 2023 (2022: £848,416)

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 completed disposal of the properties at Oakfield, Liverpool with significant gain on disposal, payment of Connexional levy in accordance with Methodist discipline and transfer of excess funds to the Circuit Model Trust Investment Fund.

Income and expenditure relating to properties is managed through separate designated funds with deficits funded by transfer from the General Fund.

At the end of year 92% of this fund, by valuation, is held as freehold properties.

24.2 Circuit Model Trust Fund – balance £152,965 at 31 August 2023 (2022: £4,361)

This unrestricted fund is for use at the discretion of trustees in the furtherance of the general objectives of the Circuit.

Funds were received from investment by transfer from the General Fund, following sale of the Oakfield properties.

Grants were awarded to church property projects in the year.

The trustees have committed £120,000 to the work of the Community Intergenerational Project until August 2025.

The trustees have approved a grant of £35,000 to the West Derby redevelopment project subject to the project being fully funded.

24.3 Oakfield Property Fund – balance £nil at 31 August 2023 (2022: £nil)

This fund is closed following sale of the properties in August 2023. Costs include maintenance and costs relating to disposal whilst the properties were being marketed.

24.4 County Property Fund – balance £20,000 at 31 August 2023 (2022: £nil)

This fund includes income and expenditure relating to the use of the premises at County Hub which serves as a primary base for the work of the Community Intergenerational project.

Transfers are received from General Fund to cover the net costs.

A balance of £20,000 is held being committed funds for a Kitchen refurbishment, completed in November 2023.

Liverpool North Central Methodist Circuit (Number 18/03)
Notes to the Accounts For The Year Ended 31 August 2023

25 Restricted Funds - balance £42,156 at 31 August 2023 (2022: £51,537)

The Worship and Mission Fund, balance (£801) (2022 £439, is used principally to support worship and mission costs in the circuit. Total expenditure in the year was £3,298. A capital amount, £24,914 at 31 August 2023, is invested to provide income to support the purposes of the fund.

The Kensington Outreach Fund – balance £nil (2022: £nil) provides funds for the circuit projects at Kensington Methodist church including the community food bank. Total income in the year was £nil and expenditure was £852. A transfer from general funds of £852 was made to this fund.

The Oakfield Mission fund – balance £12,938 (2022: £19,146) is the amalgamation of a number of funds received by transfer on the closure of Oakfield church. Total income in the year was £549 being investment income and expenditure of £54. A transfer of £503 was made to the Worship and Mission fund. Following review with TMCP (see Note 16) two funds were transferred to West Derby Methodist Church.

The Intergenerational Fund – balance £391 (2022: £899) is a project to support Community Intergenerational work across the Circuit initially supported by Methodist Church connexion and the District Advance Fund. This project commenced in August 2019 with Connexion funding ended in 2022 but matched by District Advance funding for 2023. The trustees have committed to use reserves for this project until August 2025.

The CIP Projects – balance £4,714 (2022: £4,874) funds various community and intergenerational activities of the Community Intergenerational project. This fund is a catchall for various activities with specific restrictions relating to some donations. Strict compliance is ensured by the management of the children and family worker in association with the treasurer. Total income in the year was £4,318 and expenditure was £2,678 with transfers out of £1,800.

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 2023

26 Summary of movements on significant individual funds

| | Balance at | | | | | Balance at |
|-----------------------------------|----------------|----------------|------------------|----------------|------------------|----------------|
| Fund | 01-Sep-22 | Income | Expenditure | Transfers | Gains/ Losses | 31-Aug-23 |
| | £ | £ | £ | £ | £ | £ |
| General Fund | 848,416 | 65,473 | (222,519) | (227,320) | 200,000 | 664,050 |
| Circuit Model Trust Fund | 4,361 | 288 | (35,122) | 183,438 | | 152,965 |
| Oakfield Property | | 3,058 | (10,973) | 7,915 | | |
| County Property | | <u>9,345</u> | <u>(20,259)</u> | <u>30,914</u> | | <u>20,000</u> |
| Total unrestricted | 852,777 | 78,164 | (288,873) | (5,053) | 200,000 | 837,015 |
| | | | | | | |
| Worship and Mission | 439 | | (3,298) | 2,058 | | (801) |
| Mission Capital | 26,179 | 765 | (303) | (696) | (1,031) | 24,914 |
| Kensington Projects | | | (852) | 852 | | |
| Oakfield Mission | 19,146 | 549 | (5,660) | (503) | (594) | 12,938 |
| Intergenerational project | 899 | 29,905 | (36,413) | 6,000 | | 391 |
| CIP Projects | <u>4,874</u> | <u>4,318</u> | <u>(2,678)</u> | <u>(1,800)</u> | | <u>4,714</u> |
| Total restricted | 51,537 | 35,537 | (49,204) | 5,911 | (1,625) | 42,156 |
| | | | | | | |
| Circuit Account (Trust 822) | 196 | 6 | | (6) | | 196 |
| Hugh Rowlands (Trust 280) | 378 | 24 | (2) | (22) | | 378 |
| J Edmondson Bequest (Trust 867) | 2,158 | 140 | (14) | (127) | (71) | 2,086 |
| Edith Rimmer Bequest (Trust 5243) | 430 | 28 | (432) | (26) | | - |
| H J Stones Bequest (Trust 3840) | 5,277 | 156 | (15) | (141) | (224) | 5,053 |
| May Crane Bequest (Trust 8240) | <u>20,138</u> | <u>595</u> | <u>(58)</u> | <u>(536)</u> | <u>(856)</u> | <u>19,283</u> |
| Total endowment | 28,577 | 949 | (521) | (858) | (1,151) | 26,996 |
| | | | | | | |
| Total Funds | 932,891 | 114,650 | (338,598) | | 197,224 | 906,167 |

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.

Liverpool North Central Methodist Circuit (Number 18/03)
Notes to the Accounts For The Year Ended 31 August 2023

| Names of Connected Organisations | Receipts £ | Payments £ |
|---|---------------|---------------|
| Donee: Liverpool Methodist District – District assessment | | (4,752) |
| Donee: The Methodist Church Fund – Connexional assessment | | (14,005) |
| Donee: The Methodist Church Fund – Connexional priority levy | | (149,145) |
| Donee: Kensington Methodist Church CMTF Grants | | (30,000) |
| Donee: West Derby Methodist Church CMTF Grant | | (5,000) |
| Donor: Churches within Former Liverpool North Central Circuit (assessments on Churches} | 33,250 | |
| Donor: Liverpool Methodist District – Grant from District Advance Fund | 29,905 | |

There were no related party transactions.

28 Volunteer contributions

Every entity (Connexion, Circuit, Circuit, 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

The Circuit trustees have committed an amount of £120,000 from the Circuit Model trust fund to extend the work of the Community Intergenerational project until at least August 2025. It is proposed that a further review of progress be carried out in early 2024/25. (2021-22: nil).

A further grant of £35,000 has been awarded to West Derby Methodist Church towards the costs of redevelopment to the main church building. The grant to be paid only on the project being fully funded through other grants and donations.

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 (2021-22: 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 2023 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...20 August 2024

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 2023 were presented to the Circuit Meeting at its meeting on 3 September 2024...

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

Name of the Chair of the meeting**REVD IAN HU**... Date 3 September 2024.....

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 2023 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**.....

DateSeptember 2024.....