

# **Driffield-Hornsea Methodist Circuit**

## **Annual Report**

**Year Ended 31<sup>st</sup> August 2020**

### **Registered Charity Number**

**1174599**

### **Principal Address:-**

**C/O The Circuit Office**

**52 Westgate**

**Driffield**

**East Yorkshire**

**YO25 6TJ**

### **Circuit Ministers**

**Rev Richard Teal (Superintendent)**

**Rev Robert Amos**

### **Circuit Stewards**

**Mr Alan Moir**

**Mr Geoff Ward**

**Mr Peter Brown**

**Mrs Ann Bradshaw**

**Mrs Val Walker**

**Mrs Rita Allinson**

**Sarah Sellar**

**Mrs Angela Prescott (Finance)**

**Trustees:** A full list of trustees is available from the circuit office.

### **Advisors:-**

#### **Bankers:**

**Natwest Bank PLC, 63 Market Place, Beverley, East Yorkshire. HU17 8AA**

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

#### **Investment Managers and Custodian Trustees**

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

### **STRUCTURE, GOVERNANCE AND MANAGEMENT**

The charity is incorporated and is governed under the Deed of Union (1932) and the Methodist Church Act (1976). The trustees are appointed by local churches and existing trustees. Ministers and circuit stewards are automatically trustees. The circuit is part of the Yorkshire North & East Methodist District and is accountable to the Methodist Conference. There are two presbyter ministers in the circuit and the superintendent minister has overall responsibility for the circuit. The ministers share the pastoral responsibility for the churches within the circuit. The ministers are supported with the day to day running of

the circuit by the Circuit Leadership Team (CLT) which is made up of the circuit stewards and circuit ministers. The CLT reports to the circuit meeting which is the governing body of the circuit.

The Methodist Church provides a range of guidance documents to assist circuits and local churches to manage any risks that may arise including, the care and maintenance of property and safeguarding of young people and vulnerable adults. These risks are considered by the circuit meeting or local church councils as appropriate. The circuit has adopted a safeguarding policy and the Circuit Safeguarding Officer supports local churches in adopting their own individual safeguarding policies and offers safeguarding training. The Charity Commission leaflet 'The Role of the Trustee' is available to all circuit trustees which outlines the responsibility of a trustee. Professional advice is taken as required, e.g. legal advice.

## **OBJECTIVES AND ACTIVITIES**

The purposes of the Methodist Church are and shall be deemed to have been since the Deed of Union 1932, the advancement of:

1. The Christian faith in accordance with the doctrinal standards and discipline of the Methodist Church
2. Any charitable purpose for the time being of any connexion, district, circuit, local or other organisation of the Methodist Church
3. Any charitable purpose for the time being of any society or institution, subsidiary or ancillary to the Methodist church
4. Any purpose for the time being of any charity being a charity subsidiary or ancillary to the Methodist Church.

The circuit is responsible for producing a plan of preaching appointments to ensure regular public acts of worship take place at each of the churches in the circuit. Individual churches are responsible for organising its own activities for the communities in their area. The circuit encourages churches to engage in ecumenical relationships with other Christian denominations in their local area to enable the sharing of resources and to strengthen the growth of the Christian faith in each area. Ministers are instrumental in creating good relationships with fellow clergy.

In all activities the trustees have regard to the Charity Commission's guidance on public benefit.

## **ACIEVEMENTS AND PERFORMANCE**

The Drifffield-Hornsea Methodist Circuit offers varied opportunities for faith and worship development in the thirteen churches within the circuit, including both village and town churches. The circuit aims to serve the local communities through the churches by providing fellowship, not only in the weekly services, but also in the form of mid-week spiritual activities, social activities, coffee mornings, lunches which bring people together for friendship and support. Everybody is welcome to participate in the church activities. The churches are assisted by the circuit ministers and local preachers.

The COVID 19 outbreak, resulting in the first lockdown in March 2020, saw the closure of churches for several months. Some churches did partially reopen in August. This had a negative impact on the financial resources of churches through reduced collections and rental income. The suspension of social activities also had a negative impact on the church communities and the area they serve. The ministers continued to support the church communities, offering pastoral support and alternative worship in the form of on-line services.

During this financial year the Circuit has supported individual churches within the Circuit as follows:-

1. Employed two Presbyterian Ministers to assist churches with the ministry in their churches and communities
2. Agreed financial aid to church projects in the form of grants e.g Drifffield Family Worker



3. The circuit became involved in a mission planning initiative, looking at ways in which the circuit can support the churches further by highlighting specific needs for each church and looking at funding opportunities to employ a local pastor to support the work of the ministers
4. The Circuit Safeguarding Officer offers advice and training to local churches and assists churches to ensure they comply with current safeguarding regulations.
5. The circuit employs an administrator to assist the ministers and churches with day to day administration.
6. The Circuit is currently in the process of obtaining outline planning permission to enhance the sale prospects of a closed chapel at Kelk.

As a Circuit we seek to make the best use of the resources of lay and ordained personnel, buildings and finance. There are challenges facing some of the smaller congregations with the on-going costs of maintaining buildings and falling numbers but the circuit is committed to supporting all churches through these challenging times.

## **FINANCIAL REVIEW**

The circuit accounts include:-

- a) The General Fund, the main operating account through which the expenditure and revenue for both operational and strategic purposes is handled
- b) The Circuit Model Trust Fund, which is primarily funded through sale of redundant buildings no longer required within the circuit. Under Methodist Conference directions the fund can be used for capital projects and projects supporting the mission of the church. Applications have to be made to and agreed by the circuit meeting.
- c) Other TMCP Accounts including both restricted and unrestricted funds

The circuit meeting has agreed the following financial grants to churches' refurbishment and mission projects. These will to be paid when the building work / project to due to start.

Nafferton Methodist Church refurbishment project - £50,000

Drifffield Methodist Church – Family worker (£9000 over 3 year)

The Bus Stop Project – Wetwang – Up to £7,000

## **Reserves Policy**

The reserves policy for the Drifffield-Hornsea Methodist Circuit is to hold a sum in reserve of 6 months average expenditure. This is felt to be prudent should any unforeseen expenditure arise requiring immediate payment and to cover short term expenditure in the event of an inability to raise the full circuit assessment from churches. It is necessary to ensure there are sufficient funds to cover the payment of stipends and expenses for ministers and lay workers and to pay the circuit contribution to the district. Funds in excess of the 6 month reserve are available to support church mission, building projects and general financial support to churches within the circuit, subject to circuit meeting approval.

Some funds are restricted. These funds include permanent endowments or gifts in memory where only the income from the trust can be used.

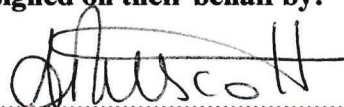
## **Principal Source of Funding**

Individual churches pay assessments to the circuit. There is also rental income from 2 manses which are currently not occupied by ministers. Most of the expenditure is related to the pay and associated costs of presbyters and lay workers.

**Approved by the Trustees on 24<sup>th</sup> March 2021 and signed on their behalf by:**



Rev Ron Hicks (Superintendent Minister)



Mrs Angela I Prescott (Circuit Steward –Finance)

## RESERVES POLICY of

**Drifffield-Hornsea Methodist Circuit**(\*Church Council ☐/Circuit Meeting ☐/District ☐)

1.	<b>General Funds held at Y/E 31/08/2020</b>	<b>£ 210050.32</b>
2.	<b>Restricted Funds held</b>	<b>£ 98596.72</b>
3.	<b>Endowment Funds held</b>	<b>£9487.82</b>

**4. Reserves policy for General Funds**

The circuit meeting is aware of the need to maintain a reasonable level of reserves, whilst at the same time guarding against holding funds in reserve which should otherwise be utilised for the charitable purposes of the organisation. The aim of the trustees is to set a target for general reserves of six months of general fund expenditure. Currently this would be £65092. The remaining funds are available to be used to support churches in their mission and to cover shortfall in annual budget. There is a sum of £9300 included in the general funds donated specifically towards Youth Work and £1610 donated specifically for The Bus Stop project. £27893.92 of the unrestricted funds are held at TMCP.

**5. Policy for Restricted Funds**

At the 31.08.20 the total value of restricted funds, including the Circuit Model Trust fund and various bequests held at TMCP totalled £98596.72. The following grants have been approved by the Circuit meeting:- Nafferton redevelopment - £50,000, Wetwang Bus Stop Project - £7000 and Drifffield Family worker - £9000


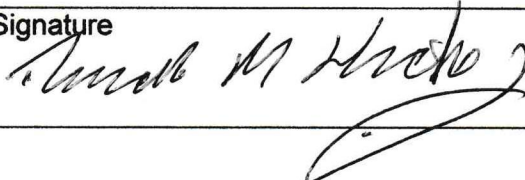
The circuit is committed to supporting churches in their future mission and property development. The circuit currently employs two full time ministers and the budget shortfall is covered by circuit reserves. The circuit covers a large geographical area and therefore requires a minimum of two ministers to cover the area

**6. Terms relating to Endowment Funds held**

The permanent endowments held by the circuit allow for the interest from the investments to be applied to the unrestricted general funds. The capital value of the endowment is not expended. The interest is minimal due to current low interest rates

This Reserves Policy has been approved by

**Drifffield-Hornsea**(\*Church Council ☐/Circuit Meeting ☐/District ☐)

<b>Treasurer</b>	<b>Trustee</b>
<b>Full name</b> <b>Angela Prescott</b>	<b>Full Name</b> <b>Rev Ron Hicks</b>
<b>Signature</b> 	<b>Signature</b> 



**THE METHODIST CHURCH**  
**STANDARD FORM OF ACCOUNTS**

Drifffield Hornsea	Circuit
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**FOR THE YEAR ENDED**  
**31 AUGUST 2020**

Yorkshire North & East	District	Circuit no	29/35
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**Registered Charity - Charity Registration number**

1174599

If not a registered charity **Her Majesty's Revenue and Customs Gift Aid number**

(The HMRC number is equivalent to a registered charity number in terms of evidence of charitable status and may be used to give to donors or grant funders wishing to see evidence of the organisation's charitable status. Methodist charities in England and Wales that are not registered charities are excepted from registration under Statutory Instrument 2014 No.242 )

Ministers:

Rev Richard Teal
Rev Robert Amos

Circuit Stewards:

Geoff Ward
Ann Bradshaw
Val Walker

Treasurer:

Angela Prescott
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SECTION A		Un - restricted Funds	Circuit Model Trust Fund	Restricted Funds	Totals this year	Totals last year
a1	RECEIPTS	£	£	£	£	£
a2	Assessment/Share	109,100			109,100	110,000
a3	Capital receipts					
a4	Bank and CFB interest and Investment income	1,242	759	306	2,307	2,781
a5	Grants	9,000			9,000	4,980
a6	Other receipts	22,373			22,373	21,487
a7	<b>TOTAL RECEIPTS</b>	<b>141,715</b>	<b>759</b>	<b>306</b>	<b>142,780 (a8)</b>	<b>139,248</b>

SECTION B		Un - restricted Funds	Circuit Model Trust Fund	Restricted Funds	Totals this year	Totals last year
b1	PAYMENTS	£	£	£	£	£
b2	Stipends, salaries, NIC, Pension and travel costs	71,833			71,833	83,677
b3	Manse Costs	13,429			13,429	12,717
b4	Administration etc	10,408	181	39	10,628	11,027
b5	District Assessment	25,092			25,092	24,116
b6	Grants & donations					125,000
b7						
b8	Other payments	9,484	2,258	189	11,931	25,321
b9	<b>TOTAL PAYMENTS</b>	<b>130,246</b>	<b>2,439</b>	<b>228</b>	<b>132,913 (b9)</b>	<b>281,858</b>

SECTION C		Un - restricted Funds	Circuit Model Trust Fund	Restricted Funds	Totals this year	Totals last year
c1	NET RECEIPTS/PAYMENTS FOR THE YEAR	£	£	£	£	£
c1	(a7-b9)	11,469	(1,679)	78	9,867	(142,610)
c2	Total funds brought forward from last year	198,582	90,315	19,554	308,451	450,700
c3	<b>Sub total (c1+c2)</b>	<b>210,051</b>	<b>88,636</b>	<b>19,631</b>	<b>318,318</b>	<b>308,090</b>
c4	Transfers and adjustments			(183)	(183) (c7)	361
c5	<b>TOTAL FUNDS AT END OF YEAR (c3+c4)</b>	<b>210,051</b>	<b>88,636</b>	<b>19,449</b>	<b>318,135 (c8)</b>	<b>308,451</b>

SECTION D		Un - restricted Funds	Circuit Model Trust Fund	Restricted Funds	Totals this year	Totals last year
d	FOR INFORMATION ONLY: MONEY RECEIVED AND PASSED ON TO (these amounts should not be included in total receipts/payments above)	£	£	£	£	£
d1	Balance brought forward from last year					
d2	Offerings/Gifts - received for external organisations					
d3	Offerings/Gifts - passed to external organisations					
d4	<b>BALANCE STILL TO BE PAID (d1 + d2 - d3)</b>					



## SUMMARY OF CIRCUIT ACCOUNTS AND INTERNAL ORGANISATION REPORTING TO THE CIRCUIT MEETING

## SECTION E Please follow the Guidance Notes to complete this page

Summary of the Circuit accounts for the year ended 31 August 2020 and Internal Organisations reporting to the Circuit Meeting. Note that the funds of an Internal Organisation would normally be Restricted funds unless it could be clearly shown that they could be used for any Methodist purpose. This section must be completed to arrive at the gross receipts and payments totals of the Circuit. If gross income exceeds the Accruals threshold of £250,000, then the Accruals method of accounting AND A DIFFERENT FORM must be used to report the accounts (see Methodist website). Please refer to the guidance notes regarding transfers between the Circuit and connected Circuit Organisations.

INTERNAL ORGANISATIONS	Receipts	Payments	Net Receipts/ Payments	Adjustments	Opening balances	Closing balances
e1						
e2						
e3						
e4						
e5						
e6						
e7						
e8 Sub total of Internal Organisations funds					(e11)	(e12)
e9 Circuit accounts (totals brought forward from page 2 - totals column)	142,780 (a8)	132,913 (b9)	9,867	(183) (c7)	308,451 (c6)	318,135 (c8)
e10 TOTAL CASH FUNDS HELD BY CIRCUIT	142,780	132,913	9,867	(183)	308,451 (x)	318,135 (y)
Continue on a separate sheet if necessary and bring the totals forward	TOTAL RECEIPTS	TOTAL PAYMENTS				

## SECTION F

## STATEMENT OF ASSETS AND LIABILITIES

## CIRCUIT - CASH FUNDS HELD at 31 August 2020

				OPENING BALANCES	CLOSING BALANCES
f1 Cash in hand					
f2 Bank Current Account				18,586	24,317
f3 Bank Deposit Account					
f4 Central Finance Board				152,735	157,839
f5 Trustees for Methodist Church Purposes				137,129	135,978
f6 Other funds					
f7 SUB TOTAL				308,451 (c6)	318,135 (c8)
f8 Total funds held by Internal Organisations (the closing balance totals above) (e12)				(e11)	(e12)
f9 TOTAL CASH FUNDS HELD BY CIRCUIT				308,451 (x)	318,135 (y)

## SECTION G

## OTHER ASSETS and LIABILITIES

	At 31 August 2019	At 31 August 2020
g1 Investments (include Endowments)		
g2 Land and Buildings (see notes re Insurance value)	1,040,472	1,503,386
g3 Other Assets		
g4 Loan(s) - show amount outstanding at year end		
g5 Other Liabilities		

f4 Include only Funds held at the Central Finance Board

f5 Include only CFB Funds held at Trustees for Methodist Church Purposes

g1 Include any other investments (not the cash element of TMCP trust accounts this is inserted in line f5)

## DECLARATIONS

### Treasurer

I confirm that I have prepared the accounts from the records of the Circuit and that they include all funds under the control of the Circuit

Signature of Treasurer

*Angela Prescott*

Date

30.12.20

Name

Angela Prescott

Address

Orchard Croft, 20 Eastgate, Driffield, E. Yorks, YO25 9TQ

### Presentation to the \*Circuit Meeting for approval.

I confirm that the Accounts have been presented to the Circuit Meeting on

24/03/2021

and were approved.

Signature of the Chair of the meeting

*Ronald M Hicks*

Name of the Chair of the meeting

RONALD M HICKS

Date

14/04/2021

### Independent Examiner's Report to the Trustees of the

DRIFFIELD - HORNSEA

Circuit

This Report is on the Circuit Accounts for the year ended 31<sup>st</sup> August

2020

### Respective responsibilities of Trustees and Examiner

The charity's trustees are responsible for the preparation of the accounts. The charity's trustees consider it is not required for this year under section 144 of the Charities Act 2011 (the Charities Act) and that an independent examination is needed.

It is my responsibility to:

- Examine the accounts under Section 145 of the Charities Act
- to follow the procedures laid down in the general Directions given by the Charity Commission (under Section 145(5)(b) of the Charities Act), and
- to state whether particular matters have come to my attention.



## Basis of Independent Examiner's Report

My examination was carried out in accordance with 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 presented with those records. It also includes consideration of any unusual items or disclosures in the accounts, and seeking explanations from the trustees concerning any 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 and the 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 that 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;
- to prepare accounts which accord with the accounting records and comply with the accounting requirements of the Charities Act 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.

*\* Please delete the words in the brackets if they do not apply appropriate*

(3) I have/have not\* obtained independent verification of all investments with the Trustees for Methodist Church Purposes ("TMCP") or held in other Trusts, Bank balances and Funds at the Central Finance Board of the Methodist Church ("CFB"), which are individually in excess of £10,000 (ten thousand pounds) at the balance sheet date.

*\* Please circle as appropriate*

Name

J.E. Lundy

Signature

J.E. Lundy

Relevant Professional qualification or body

LLB Solicitor

Address

25 HERFORD GATE  
DRIFFIELD

Date

24.3.2021.