

**Methodist Church**

**Isle of Man Circuit  
Circuit number 15/1**

**Financial Statements**

**For the year ended 31 August 2020**

**Methodist Church  
Isle of Man Circuit**

**Contents**

**Page**

1 - 4	Trustees' Report
5	Trustees' Responsibilities Statement
6 - 7	Independent Auditor's Report
8	Statement of Financial Activities
9	Balance Sheet
10 - 15	Notes to the Financial Statements

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# **Methodist Church Isle of Man Circuit**

## **Trustees' Report**

### **1 Objectives and Activities**

The Isle of Man Circuit of the Isle of Man District (Circuit 15-1) came into existence on 1 September 2008, following the merger of the Island's Ramsey, Castletown and Douglas and Peel Circuits.

The Circuit is classed as being a separate charity in its own right. Isle of Man Methodist charities are not registered and have exempted status by Government instrument. The effect of this exception is that no information needs to be submitted to the General Registry and Churches, Circuits and Districts do not, therefore, have a registration number.

The Circuit objective is to act as a Resource provider within the Isle of Man for the Methodist Church.

The activities covered in these financial statements fall within the work of The Methodist Church in the Isle of Man ("The Methodist Church"). The aim of The Methodist Church is to fulfil its calling, which is to respond to the gospel of God's love in Christ and to live out its discipleship in worship and mission. It does this via its strategic objectives, which are:

1. Worship – to increase awareness of God's presence and to celebrate God's love;
2. Learning and caring – to help people to learn and grow as Christians, through mutual support and care;
3. Service – to be a good neighbour to people in need and to challenge injustice; and
4. Evangelism – to make more followers of Jesus Christ.

The Circuit meets quarterly to fulfil its governance and oversight responsibilities.

### **2 Public benefit requirement**

The Trustees of The Methodist Church had due regard to the need to serve the public benefit defined as below:

1. The organisation must have an identifiable benefit.
2. The benefit must be to the public or a section of the public.

The Trustees consider that for these reasons the charity meets these public benefit requirements.

Specifically The Methodist Church in the Isle of Man

- Provides acts of worship, open to all, on a regular basis through its thirty local chapels.
- Promotes work with children and young people through its "Manor Ark Project" on the Pulrose estate and through regular children's activities based across the island.
- Promotes and resources "Messy Church" an open opportunity for families to learn and grow in a number of locations.
- Provides premises for a number of other groups such as playgroups, music/drama activities and adult choirs.
- Provides local opportunities for fellowship and education including "Café Lingo" a service teaching English as a second language at its Promenade site in Douglas.

# Methodist Church Isle of Man Circuit

## Trustees' Report (continued)

### 2.1 Plans for 2020/2021

Circuit financial plans for the coming year have been prepared on the basis that there are equivalent of 6.16 full-time ordained staff (four full-time, two at 0.75 and two supernumeraries at 0.33) with anticipated cost of living stipend increases. The assessments payable by Circuit Churches have been increased by 1% in view of increased administrative and mission costs.

### 3 Financial Review

#### *Income trends*

Circuit income is primarily drawn from the assessment paid by the circuit churches and donations received.

The sundry income is mainly composed of the 16% uplift on stipends reimbursed by the Connexion.

#### *Expenditure trends*

Stipend expenditure has increased each financial year in line with conference approved increases.

13% of 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.

#### *Fund balances*

As at 31 August 2020 the net assets of the Circuit were £2,633,188 (2019: £2,809,103). The result for the year ended 31 August 2020 is a loss £175,915 (2019: profit of £24,071).

Our free reserves are held to further the work of the Church and our calling to respond to the Gospel of God's love in Christ and to live out its discipleship in worship and mission. In doing this we will use 10% of our reserves each year to fund our revenue expenditure. This will be reviewed on a regular basis and also when the level of reserves falls to approximately 50% of our annual revenue. In addition funds need to be held to upgrade our manses for the use of our ordained staff and to effect repairs in excess of the annual sum provided in our budgeting process. From time to time our churches undertake major capital projects to make their premises more suitable for modern worship and grants will be made available on a case by case basis.

All properties owned by the Circuit are held by the Trustees for Manx Methodist Church Purposes, as Custodian Trustee.

# **Methodist Church Isle of Man Circuit**

## **Trustees' Report (continued)**

### **4 Structure, Governance and Management**

The Circuit is an unincorporated association and is governed by the Deed of Union (1932) and Methodist Church Act (1976) (Imperial Parliament).

Detailed governance arrangements are outlined within the Constitutional Practice and Discipline of the Methodist Church by order of the annual conference (CPD).

Day to day management of the circuit is undertaken by the Circuit Leadership team along with the Local Preachers meeting, the Circuit Finance and Property Committee and the Circuit Policy Committee.

All members of the Circuit Meeting are Managing Trustees. These are appointed in accordance with Methodist Standing Orders by local Church Councils. In order to be appointed they must be members of the Methodist Church duly voted in on an annual basis by the local Church Council who are themselves the Managing Trustees for the local church. Due regard is given to the requirements of our safeguarding policies when making these appointments. Only those individuals so appointed and listed are entitled to vote at Circuit Meetings.

### **5 Reference and Administrative Details**

#### **5.1 Name of the charity**

The Isle of Man Circuit of the Isle of Man District (Circuit 15-1), abbreviated to "Circuit" within these financial statements.

#### **5.2 Principal office**

Trinity Methodist Church  
Rosemount  
Douglas  
Isle of Man  
IM1 3EY

#### **5.3 Office Holders**

The following held office during and following the financial year:

Superintendent	Revd Richard Hall
Secretary to Meeting	John Binns
Treasurer	Eddie Teare
Stewards and Managing Trustees	Pat Costain Eddie Teare Sue Montgomery Phyllis Jackson Harvey Garton Gareth Moore



## **Methodist Church Isle of Man Circuit**

### **Trustees' Responsibilities Statement**

The Trustees are responsible for preparing the Trustees' report and the financial statements in accordance with applicable law and regulations.

Law applicable to charities in the Isle of Man requires the Trustees to prepare financial statements for each financial year that give a true and fair view of the state of affairs of the charity and of its incoming resources and application of resources for that period. In preparing these financial statements, the Trustees are required to:

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in the Charities SORP;
- make judgements and accounting estimates that are reasonable and prudent; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charity will continue in business.

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

The Trustees are responsible for the maintenance and integrity of the financial information included on the charity's website. Legislation in the Isle of Man governing the preparation and dissemination of the financial statements and other information included in annual reports may differ from legislation in other jurisdictions.

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## **Independent Auditor's report to the Trustees of the Methodist Church Isle of Man Circuit**

### **Opinion**

We have audited the financial statements of the Methodist Church Isle of Man Circuit (the "Circuit") for the year ended 31 August 2020 which comprise the statement of financial activities, the balance sheet and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law, Methodist Church Accounting Guidance and the Statement of Recommended Practice "Accounting for Charities" (except where noted).

### **In our opinion, the financial statements:**

- give a true and fair view of the state of the Circuit's affairs as at 31 August 2020 and of its incoming resources and application of resources for the year then ended;
- have been properly prepared in accordance with accounting policies set out therein.

### **Basis for opinion**

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the Circuit in accordance with the ethical requirements that are relevant to our audit of the financial statements, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

### **Who we are reporting to**

This report is made solely to the Circuit's Trustees, as a body, in accordance with the terms of our engagement. Our audit work has been undertaken so that we might state to the Circuit's Trustees those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Circuit and the Circuit's Trustees as a body, for our audit work, for this report, or for the opinions we have formed.

### **Conclusions relating to going concern**

We have nothing to report in respect of the following matters in relation to which the ISAs (UK) require us to report to you where:

- the Trustees' use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the Trustees have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the Circuit's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

### **Other information**

The Trustees are responsible for the other information. The other information comprises the information included in the Trustees' Report set out on pages 1 to 4. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon. In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.



## **Independent Auditor's report to the Trustees of the Methodist Church Isle of Man Circuit (Continued)**

### **Responsibilities of Trustees**

As explained more fully in the Trustees' responsibilities statement set out on page 5, the Trustees are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the Trustees determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the Trustees are responsible for assessing the Circuit's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Trustees either intend to dissolve the organisation or to cease operations, or have no realistic alternative but to do so.

### **Auditor's responsibilities for the audit of the financial statements**

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists.

Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at: [www.frc.org.uk/auditorsresponsibilities](http://www.frc.org.uk/auditorsresponsibilities). This description forms part of our auditor's report.

**Grant Thornton Limited**  
Douglas  
Isle of Man

**Date:**

**Methodist Church  
Isle of Man Circuit  
Year ended 31 August 2020**

<b>Statement of Financial Activities</b>	<b>Note</b>	<b>General funds (Unrestricted)</b>	<b>Circuit Model Trust (Unrestricted)</b>	<b>Restricted funds</b>	<b>Total 2020</b>	<b>2019</b>
		<b>£</b>	<b>£</b>	<b>£</b>	<b>£</b>	<b>£</b>
<b>Incoming Resources</b>						
Assessments on churches		280,111	-	-	280,111	351,846
Grants and donations		-	-	29,097	29,097	30,103
Income from lettings		1,680	-	-	1,680	1,680
Funds from churches ceasing worship		-	-	-	-	2,751
Sundry receipts		4,171	-	24,724	28,895	23,582
Inter-Circuit funding		55,000	-	-	55,000	-
<b>Total Incoming Resources</b>		<b>340,962</b>	<b>-</b>	<b>53,821</b>	<b>394,783</b>	<b>409,962</b>
<b>Resources Expended</b>						
Stipends, salaries, NI & pension	8	270,897	-	48,901	319,798	274,112
Assessments to Connexion		59,240	-	-	59,240	59,901
Assessment to District		5,000	50,546	-	55,546	47,505
Telephone & travel		19,798	-	1,399	21,197	23,636
Insurance & rates		13,834	-	161	13,995	15,473
Maintenance expenses - manses		21,586	-	-	21,586	9,726
Grants & donations		300	-	-	300	1,100
Office costs		12,190	-	-	12,190	14,037
Other		8,486	-	3,360	11,846	10,401
Inter-Circuit funding		-	55,000	-	55,000	-
<b>Total Resources Expended</b>		<b>411,331</b>	<b>105,546</b>	<b>53,821</b>	<b>570,698</b>	<b>455,891</b>
<b>Net outgoing resources before other recognised gains and losses</b>		<b>(70,369)</b>	<b>(105,546)</b>	<b>-</b>	<b>(175,915)</b>	<b>(45,929)</b>
Unrealised gain arising on transfer of fixed asset	1	-	-	-	-	70,000
<b>Profit/ (Loss) for the year</b>		<b>(70,369)</b>	<b>(105,546)</b>	<b>-</b>	<b>(175,915)</b>	<b>24,071</b>
<b>Funds brought forward</b>	1	<b>136,059</b>	<b>2,673,044</b>	<b>-</b>	<b>2,809,103</b>	<b>2,785,032</b>
<b>Total funds carried forward</b>		<b>65,690</b>	<b>2,567,498</b>	<b>-</b>	<b>2,633,188</b>	<b>2,809,103</b>

The notes on pages 10 to 15 form part of these financial statements.

**Methodist Church  
Isle of Man Circuit  
Year ended 31 August 2020**

<b>Balance Sheet</b>	<b>Note</b>	<b>General Funds (Unrestricted)</b>	<b>Circuit Model Trust (Unrestricted)</b>	<b>Restricted Funds</b>	<b>Total 2020</b>	<b>2019</b>
		£	£	£	£	£
<b>Fixed Assets</b>						
Tangible fixed assets	2	-	2,080,171	-	2,080,171	2,080,171
		<u>-</u>	<u>2,080,171</u>	<u>-</u>	<u>2,080,171</u>	<u>2,080,171</u>
<b>Current Assets</b>						
Debtors and Prepayments	3	34,663	-	8,107	42,770	60,661
Cash	4	130,279	631,978	(7,137)	755,120	970,615
		<u>164,942</u>	<u>631,978</u>	<u>970</u>	<u>797,890</u>	<u>1,031,276</u>
<b>Current Liabilities</b>						
Creditors and Accruals	5	99,252	144,651	970	244,873	302,344
		<u>99,252</u>	<u>144,651</u>	<u>970</u>	<u>244,873</u>	<u>302,344</u>
<b>Net Assets</b>						
		<u>65,690</u>	<u>2,567,498</u>	<u>-</u>	<u>2,633,188</u>	<u>2,809,103</u>
<b>Funds of the Circuit</b>						
General Funds (Unrestricted)	11	65,690	-	-	65,690	136,059
Circuit Model Trust (Unrestricted)	12	-	2,567,498	-	2,567,498	2,673,044
Restricted Fund	13	-	-	-	-	-
<b>Total Funds</b>		<u>65,690</u>	<u>2,567,498</u>	<u>-</u>	<u>2,633,188</u>	<u>2,809,103</u>

The financial statements were approved by the Trustees and authorised for issue and signed on their behalf by:

..... **Chairman** ..... **Date**  
 ..... **Treasurer** ..... **Date**

The notes on pages 10 to 15 form part of these financial statements.

**Methodist Church  
Isle of Man Circuit  
Year ended 31 August 2020**

**Notes to the Financial Statements**

**Note 1 Accounting Policies**

**Basis of Preparation**

These financial statements have been prepared under the historical cost convention (except that property is reflected at the fair value) and in accordance with the Accounting and Reporting by Charities: Statement of Recommended Practice (SORP) applicable to charities preparing their accounts in accordance with FRS 102 - the Charities SORP (FRS 102) and taking note of the Update Bulletin issued in 2016. The principal accounting policies adopted in the preparation of the financial statements are set out below.

The financial statements are prepared in sterling which is also the functional currency of the Circuit and are rounded to the nearest £.

The entity has taken advantage of the small charity exemption not to prepare a cash flow statement.

**Incoming resources**

These are included in the Statement of Financial Activities when the Circuit becomes entitled to the resources, the Trustees are reasonably certain they will receive the resource; and the monetary value can be measured with sufficient reliability.

**Resources expended**

Expenditure is recognised when a liability is incurred, or a constructive obligation arises that would result 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.

**Pension cost**

Minister's pension schemes are administered by Connexion with the Circuit contribution being at a rate of 26.9% of salary and Minister's own contributions being set at 9.3% of salary with an additional voluntary contribution. Lay employees, where applicable, receive a Circuit contribution at a rate of 6% of salary with their own contributions likewise set at a rate of 6% of salary, payable to an Isle of Man Insurance and Pensions Authority approved personal pension scheme in the employees own name, this being the employees responsibility to establish.

**VAT**

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

**Methodist Church  
Isle of Man Circuit  
Year ended 31 August 2020**

**Notes to the Financial Statements (continued)**

**Note 1 Accounting Policies (continued)**

**Tangible fixed assets**

Tangible assets are capitalised if they have a useful economic life exceeding one year and there is a de minimis limit of £1,000. They are valued at cost or a reasonable value on receipt. Where cost is not available, the Circuit Meeting may provide a reasonable estimate of the building's current value to the Circuit to form a basis for initial recognition. Subsequent accounting for revaluations utilise fair value. The circuit has adopted a policy of obtaining periodic revaluations every 5 years. This is in accordance with the Methodist Accounting guidance.

No depreciation is provided on the buildings because the trustees consider the current residual fair value of the manse buildings and churches to be not less than its current value. Any depreciation would not be material. The properties have been reviewed for impairment.

**Debtors and prepayments**

Debtors and prepayments are in respect of amounts owing to the Circuit and Prepayments made by the Circuit.

**Cash**

Cash includes cash at bank and on hand.

**Creditors and accruals**

Creditors are in respect of amounts owed by the Circuit and any amounts accrued. This also includes the 1st quarter assessment for 2021 fiscal year received in August.

**Funds**

The funds held constitute: General Funds held for any purpose of the Circuit which are Unrestricted. The Circuit Model Trust Fund has wide purposes defined in Standing Orders and is categorised as unrestricted. Restricted funds relate to money which has been given, collected or donated for a specific purpose. It is a requirement of charity law that when funds are given or raised for a particular purpose, they must be used for that purpose. These funds have been split out in the Statement of Financial Activities and Balance Sheet and are detailed in Note 13. There are no Endowment funds. Any funds may be represented by more than just cash.

**Transferring church buildings**

When a church building closes for worship, the responsibility for the asset is transferred from the church to the Circuit, as managing trustee. Any such transfers are recognised in the Statement of Financial Activities to reflect the unrealised gain.

**Methodist Church  
Isle of Man Circuit  
Year ended 31 August 2020**

**Notes to the Financial Statements (continued)**

**Note 1 Accounting Policies (continued)**

**Going concern**

Based on the monetary assets and human resources available at 31 August 2020, the Trustees believe that the Circuit is a going concern.

**Note 2 Tangible fixed assets**

	<b>2020</b>	2019
	£	£
Manses	<b>1,890,171</b>	1,890,171
Churches	<b>190,000</b>	190,000
	<u><b>2,080,171</b></u>	<u>2,080,171</u>

	<b>Buildings</b>
	£
<b>Valuation</b>	
At 31 August 2019	2,080,171
Additions	-
Disposals	-
At 31 August 2020	<u><b>2,080,171</b></u>
<b>Net book value</b>	
At 31 August 2020	<u><b>2,080,171</b></u>
At 31 August 2019	<u><b>2,080,171</b></u>

All properties referenced above are held by the Trustees for Manx Methodist Church Purposes, as Custodian Trustee.

There were no additions nor disposals made during the year.

The Circuit has adopted the policy to revalue its fixed assets every five years. Valuations have been carried out by an independent valuer, Black Grace Cowley Limited, as at 31 August 2017. The valuation has been made in accordance with the RICS Valuation - Global Standards 2017 (The Red Book). The valuation was based on comparable market transactions and has been taken as deemed cost in the financial statements at 31 August 2020 and 31 August 2019.

The Trustees believe the fair value of the properties that have been revalued as at 31 August 2017 have not changed at year end similarly the fair value of property acquired in 2018 remained unchanged which has been included within the financial statements at acquisition cost. The Trustees believe these amounts represent the fair value of properties at year end.

**Methodist Church  
Isle of Man Circuit  
Year ended 31 August 2020**

**Notes to the Financial Statements (continued)**

<b>Note 3</b>	<b>Debtors &amp; Prepayments</b>	<b>2020</b>	<b>2019</b>
		<b>£</b>	<b>£</b>
	Debtors	<b>8,030</b>	3,443
	Prepayments	<b>23,901</b>	41,882
	Amounts due from District	<b>10,839</b>	15,336
		<b><u>42,770</u></b>	<u>60,661</u>

<b>Note 4</b>	<b>Cash</b>	<b>2020</b>	<b>2019</b>
		<b>£</b>	<b>£</b>
	Isle of Man Bank Current Account	-	133,556
	Circuit Model Trust	<b>631,978</b>	804,258
	Lloyds Bank Current Account	<b>122,799</b>	32,601
	Petty cash	<b>343</b>	200
		<b><u>755,120</u></b>	<u>970,615</u>

The Circuit Model Trust balance comprises of accounts held by the Trustees for the Manx Methodist Church Purposes in its capacity as custodian trustee.

<b>Note 5</b>	<b>Creditors &amp; Accruals</b>	<b>2020</b>	<b>2019</b>
		<b>£</b>	<b>£</b>
	Creditors	<b>13,171</b>	2,126
	Assessment on churches in advance	<b>81,912</b>	82,240
	Accruals	<b>4,169</b>	3,734
	Amount payable to District	-	1,989
	Ramsey Methodist Church Funds	<b>144,651</b>	211,385
	Donations re Sierra Leone (Note 13)	<b>970</b>	870
		<b><u>244,873</u></b>	<u>302,344</u>

Assessment on churches in advance relates to the amounts received from Churches in advance for the first quarter of the 20/21 financial year. The prior year balance has been fully recognised as income during the year.

**Methodist Church  
Isle of Man Circuit  
Year ended 31 August 2020**

**Notes to the Financial Statements (continued)**

**Note 5 Creditors & Accruals (continued)**

The Circuit Model Trust is holding funds of £144,651 (2019: £211,385) in respect of the sale of Ramsey Methodist Church, and is currently awaiting the decision from the congregation as to the potential purchase of a new property with these funds. The funds could be recalled at any time.

**Note 6 Related Party Transactions**

The Methodist Church is governed in accordance with its Constitution, Practice and Discipline (CPD) and is organised in four tiers; individual Churches whose governance is exercised by the Church Councils, Circuits (geographical groups of Churches) whose governance is exercised by Circuit Meetings, Districts (geographical groups of Circuits) whose governance is exercised by Synods (with Policy Committees exercising interim delegated authority), and a Connexion, directed by the Conference. In addition, on the Isle of Man, the Trustees for Manx Methodist Church Purposes (TMMCP) act as Custodian Trustee for Manx Methodist Church assets. Transactions with these related parties are clearly shown in the accounts and, where appropriate, are amplified by notes.

**Note 7 Audit fees**

Fees payable to the auditor for the preparation and audit of the financial statements for the year ending 31 August 2020 totalled £4,200 (2019: £4,056).

**Note 8 Ministers and Employees' remuneration**

During the financial years ending 31 August the Circuit incurred the following ministers' and employees' remuneration costs, as detailed in the Statement of Financial Activity:

	<b>2020</b>	2019 restated
	£	£
Stipends, salaries and NI	<b>281,032</b>	236,155
Pension costs	<b>38,766</b>	37,957
Total remuneration	<b><u>319,798</u></b>	<u>274,112</u>

According to the Constitutional Practice and Discipline of the Methodist Church documents, Ministers are also entitled to claim reasonable expenses.

No individual received remuneration in excess of £60,000.

The average number of ministers and employees during the year is 14 (2019:13). There is no accrual for holiday pay as it is immaterial.



**Methodist Church  
Isle of Man Circuit  
Year ended 31 August 2020**

**Notes to the Financial Statements (continued)**

**Note 9 Payment to Trustees**

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

Similarly, there were no travel and accommodation expenses that have been paid to managing trustees during the year.

**Note 10 Capital Commitments and Contingent Liabilities**

As at 31 August 2020, there were no capital commitments and contingent liabilities were identified.

**Note 11 General Funds (Unrestricted)**

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.

**Note 12 Circuit Model Trust (Unrestricted)**

Fund designated for the maintenance of the centre.

Pursuant to the Deed of Union (1932), in 1934 a model trust deed (known as the "Model Deed") was adopted in the Isle of Man and certain property of the Methodist Church in the Isle of Man is held upon the trusts of that deed. Such property is held by the Trustees for Manx Methodist Church Purposes ("TMMCP") as custodian trustee."

**Note 13 Restricted Funds**

Amounts referred to as restricted funds include donations in respect of the Manor Ark and Sierra Leone projects, as detailed below:

**Manor Ark, Pulrose**

During the year ending 31 August 2020, receipts of £20,370 (2019: £22,050) and expenses of £28,477 (2019: £29,219) were incurred, leaving a £8,107 (2019: £7,167) receivable from District included within Debtors. This resulted in a net nil balance within the restricted funds at year end (2019: Nil).

**Sierra Leone Project**

The circuit paid out £NIL (2019: £6,424) towards a specific project in Sierra Leone whilst incurring bank charges of £NIL (2019: £25). A balance of £970 (2019: £870) is included within creditors for the year ended 31 August 2020.

**Minister's Stipends**

The Circuit this year decided to reflect Connexional grants, supplements and uplifts towards Minister's costs against restricted funds. Receipts in the year ended 31 August 2020 totalled £25,489 (2019: £24,016) having been paid out in full resulting in a net nil balance within the restricted funds at year end.

**Note 14 General information**

The Circuit's principal office is Trinity Methodist Church, Rosemount, Douglas, Isle of Man, IM1 3EY.