

**East Mercia Methodist Circuit  
(formerly Rugby and Daventry Methodist Circuit)**

**Registered Charity Number 1132523**

**Trustees' Report and Audited Accounts**

**for the year ended 31 August 2023**

**East Mercia Methodist Circuit**  
**Trustees' Report for the year ended 31 August 2023**

**Introduction**

This report and accounts covers the year to 31 August 2023.

On 1 September 2022 the charity became the legal entity for the new East Mercia Methodist Circuit and changed its name to celebrate that change. The East Mercia Methodist Circuit was formed by combining the Rugby and Daventry Methodist Circuit with the Market Harborough Methodist Circuit and the Kettering and Corby Methodist Circuit. As this charity previously consisted of just the Rugby and Daventry Methodist Circuit, the comparative figures for the year to 31 August 2022 relate to that circuit only. Assets coming into the Charity from the Market Harborough and Kettering and Corby Methodist Circuits are required to be shown as income in the Statement of Financial Activities.

The Circuit seeks to live out the calling of the Methodist Church to respond to the gospel of God's love in Christ and to live out its discipleship and to:

- increase awareness of God's presence and to celebrate God's love
- help people to grow and learn as Christians through mutual support and care
- be a good neighbour to people in need and to challenge injustice

The mission of the East Mercia Methodist Circuit is to encourage and support people to be open and responsive to God, each other and the world.

**Review of the year**

The Statement of Financial Activities shows a net surplus on the General Fund, before other recognised gains and losses, of £1,318,729 for the year. This reflects the assets introduced at the circuit merger of £1,399,428. Other than that, a deficit would have been reported reflecting a policy of spending reserves on new initiatives to spread the word of God. Net income of £51,907 to the Circuit Model Trust fund mainly arises from the sale of a closed chapel (£300,000), assets introduced on circuit merger (£328,871) and the purchase of a new manse at Rothwell to replace the current unsatisfactory one (£420,000). At the end of the year, total reserves were £3,877,150. Of that, £3,190,000 is held in fixed assets such as freehold and investment property.

**Income trends**

The principal funding sources during the year, excluding circuit merger items, were:

- 1 General Fund Assessments: received from the Churches in the Circuit: £334,175.
- 2 General Fund and Circuit Model Trust Fund: Investment income: £20,687.
- 3 Rental income from manses not required for Ministers: £23,207.

**Expenditure trends**

The principal items of expenditure were the stipends of ministers and provision of their manses, as well as the salaries of lay workers employed by the Circuit. Stipends increase each year in line with increases approved by the Methodist Conference. Lay workers are paid at or above the Living Wage (determined each November by the Living Wage Foundation). Lay worker salaries are reviewed annually to take account of any change in the scope and scale of responsibilities, individual performance and local comparators.

**East Mercia Methodist Circuit**  
**Trustees' Report for the year ended 31 August 2023 (continued)**

**Expenditure trends (continued)**

The annual contribution to the District Advance fund of £105,835 was increased from the previous year as a result of higher Model trust Fund reserves. The contribution is made under Standing Order 955(6) and is a tariff based on Circuit funds held by the Trustees for Methodist Church Purposes at the previous year end.

**Fund balances**

At 31 August 2023, net current assets were £687,150 (2022: £203,045). This change reflects the merging of the 3 circuits as mentioned above.

**Plans for 2023/24 and future years**

The Circuit intends to continue to fund normal operating costs from the assessments paid by the Churches, but will fund development work out of reserves.

**Basis of preparation of accounts and legal framework**

The Charity's annual report and accounts for the year ended 31 August 2023 have been prepared in accordance with the Charities Act 2011 and the Charities: Statement of Recommended Practice 2019 as applicable to the Financial Reporting Standard (FRS) 102.

These financial statements are subject to audit owing to the gross asset value of the Circuit exceeding the relevant threshold.

**Charity registration number:** 1132523

**Main communication address**

Rugby Methodist Church, Russelsheim Way, Rugby, Warwickshire, CV22 7TB

**East Mercia Methodist Circuit****Trustees' Report for the year ended 31 August 2023 (continued)****Charity trustees**

The members of the East Mercia Methodist Circuit meeting are the Charity Trustees, membership being made up of circuit office holders, ministers and representatives appointed by the local churches (see Appendix to Trustees' Report for a full list of Trustees). The Circuit meeting delegates the day to day running of the circuit to a leadership team.

**Circuit Leadership Team for the year to 31 August 2023**

<i>Active circuit ministers</i>	Rev Andrew Farrington - Superintendent Deacon Georgina Brooks Rev Nathan Falla - Appointed 1 September 2023 Rev Jane Gaffney - Retired 31 August 2023 Rev Andy Murphy Rev Noel Nhariswa
<i>Authorised minister</i>	Rev Diane Bussey
<i>Circuit manager</i>	Katherine Tennyson
<i>Circuit stewards</i>	Peter Arnold Ian Basson - Resigned 31 August 2023 Marilyn Calvert Peter Candlin Richard Huntington John Over Carolyn Rice
<i>Circuit staff (not members of the circuit leadership team)</i>	Caroline Barratt Lynne Bone Lucy Catling - Resigned 30 June 2023 Susanne Cunningham Fiona Farrington - Appointed 1 August 2023 Anna Gittings - Appointed 1 July 2023 Ruth Henderson Katie Hitchcox Clare Pickering Janet Timperley Melissa Wheeler

Richard Huntington acted as the principal officer overseeing the day to day financial management and accounting for the Circuit during the year.

**Auditors** JW Hinks LLP - Chartered Accountants and Statutory Auditors

**Bankers** Central Finance Board of the Methodist Church  
Trustees for Methodist Church Purposes  
The Co-operative Bank  
HSBC UK

**Aims and organisation**

The charity's objective is to act as a resource provider in East Mercia for the Methodist Church.

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

- The Christian faith in accordance with the doctrinal standards and discipline of The Methodist Church;
- Any charitable purpose 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 to The Methodist Church.

## **East Mercia Methodist Circuit**

### **Trustees' Report for the year ended 31 August 2023 (continued)**

#### **Aims and organisation (continued)**

The Circuit encourages and supports the Methodist churches in East Mercia in:

- the organisation and resourcing of regular public acts of worship which are open to members of the church and non members alike.
- the teaching of Christianity through sermons, courses and small groups.
- the resourcing of pastoral work including visiting the sick and bereaved.
- taking religious assemblies in local schools.
- promotion of Christianity through the staging of events and services.
- provision of clubs, activities and support groups with a Christian ethos.
- supporting other charities in the UK and overseas financially and with prayer.

The Circuit reviews its aims, objectives and activities and identifies opportunities for future action. It promotes mission and gives appropriate support to churches that demonstrate that they are outward looking, mission focused, not averse to change and taking risk and, where possible and appropriate, seeking to work in partnership with others.

#### **Public Benefit**

The trustees confirm that they have had regard to the Charity Commission's guidance on public benefit.

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

The governing document for the circuit is the Deed of Union (1932) and Methodist Church Act (1976).

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.

#### **Selection of Trustees and Training of Trustees**

Trustees are appointed as set out in the Constitutional Practice and Discipline of the Methodist Church. Appointment is made by local churches or existing trustees or, in the case of ministers, on stationing in the Circuit.

A range of guidance produced by Methodist Connexion to support the effective running of the Circuit is given to Circuit Meeting members, in particular the leaflet 'The Role of a Trustee in The Methodist Church' is given to all new Circuit Meeting members as induction to their role as trustees. Other training is provided to Trustees appropriate to their role and responsibility within the Circuit.

#### **Related Parties**

The Circuit is part of the Northampton Methodist District and is also accountable to the Methodist Conference.

The following Methodist Churches and Local Ecumenical Projects (LEP) are linked to the Circuit: Bilton, Broadwell, Burton Latimer, Kettering Central, Christ Church Brownsover (LEP) (up-to 30 April 2023), Cornerstone Corby, Daventry, Desborough St Giles Church (LEP), Hillmorton Paddox, Hillmorton Duffy Place, Kibworth, Long Lawford, Lutterworth, Market Harborough, Naseby, Newbold (Circuit Project), Rothwell, Rugby, Making Connexions (Circuit Project).

The trustees and their close family members are also related parties.

**East Mercia Methodist Circuit****Trustees' Report for the year ended 31 August 2023 (continued)****Risk Management**

The major risks have been identified and recorded by the Circuit Leadership Team with professional advice taken as required. There is a regular annual review process undertaken and recorded. Income and expenditure is compared with the approved annual budget on a half yearly basis to detect trends as part of the risk management process and avoid unforeseen calls on reserves.

**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
- 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 in the circuit and in the churches.

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.

**East Mercia Methodist Circuit****Trustees' Report for the year ended 31 August 2023 (continued)****Reserves Policy**

The Reserves Policy for the Circuit is to hold a minimum sum equivalent to 4 months' average expenditure. This should be sufficient to meet any unforeseen item of major expenditure on manse and continue planned activities for the short term in the event of any inability to raise the full circuit assessment from churches.

At 31 August 2023, the Circuit held unrestricted reserves of £633,337, excluding reserves held as tangible fixed assets. Of this, £396,394 is the value of the investment properties due to be sold. Thus the cash reserves of £236,943 held by the Circuit represents £24,689 in excess of the amount determined under the Circuit's reserves policy. The Circuit continues to develop a strategy to utilise surplus reserves for the furtherance of its objectives.

**East Mercia Methodist Circuit**  
**Trustees' Report for the year ended 31 August 2023 (continued)**

**Statement of Trustees' Responsibilities**

The trustees are responsible for preparing the Report of the Trustees and the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

The law applicable to charities in England and Wales, the Charities Act 2011, Charity (Accounts and Reports) Regulations 2008 and the provisions of the trust deed requires the trustees to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the charity and of the incoming resources and application of resources, including the income and expenditure, of the charity for that period. In preparing those financial statements, the trustees are required to:

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in the Charity SORP;
- make judgements and estimates that are reasonable and prudent;
- 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 accounting records which disclose with reasonable accuracy at any time the financial position of the charity and to enable them to ensure that the financial statements comply with the Charities Act 2011, the Charity (Accounts and Reports) Regulations 2008 and the provisions of the trust deed. 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.

Approved by order of the board of trustees on 15 January 2024 and signed on its behalf by:

  
.....  
Trustee



**East Mercia Methodist Circuit  
Circuit Meeting Membership**

<b>MINISTERS</b>	Rev Andrew Farrington	Chair
	Deacon Georgina Brooks	
	Rev Nathan Falla	Appointed 1 September 2023
	Rev Jane Gaffney	Retired 31 August 2023
	Rev Andy Murphy	
	Rev Noel Nhariswa	
<b>AUTHORISED MINISTER</b>		
	Rev Diane Bussey	
<b>CIRCUIT STEWARDS</b>		
	Peter Arnold	
	Ian Basson	Resigned 31 August 2023
	Marilyn Calvert	
	Peter Candlin	
	Richard Huntington	
	John Over	
	Carolyn Rice	
<b>CIRCUIT MANAGER</b>		
	Katherine Tennyson	
<b>CHURCH REPRESENTATIVES</b>		
	Stephen Arthur	
	Pat Basson	
	Lynn Blackhurst	
	Judith Brierley	
	Stuart Bussey	
	Fiona Clarkson	
	David Collinson	
	Helen Cross	
	Michael Curtis	
	Wendy Curtis	
	Alan Deans	
	Christine Dybdahl	
	Ruth Fitch	
	Gillian Glenn	
	Helen Green	
	Peter Greenaway	
	Maggie Hadkiss	
	Andrew Hawkins	
	Susan Helnink	
	Ada-June Kusogbo	
	Derek Lill	
	Michael Margetts	
	Jeanne Moore	
	Peter Muir	
	Roger Piper	
	Adrian Price	
	Iain Rennie	
	Peter Shuker	
	Trevor Thomas	
	Karen Tomkins	
	Alison Tomlin	
	David Tomlin	
	Patrick Toole	
	Barbara Walker	
	Susan Walters	
	Howard Warrener	
	Ruth Watson	
	Jeff Wells	
	Ann Window	
	Angela Wooliscroft	

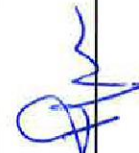
**East Mercia Methodist Circuit**  
**Statement of Financial Activities (SOFA) for the year ended 31 August 2023**

	Notes to the accounts	Unrestricted General Funds	Unrestricted CMTF Funds	Restricted Funds	Endowment Funds	TOTAL Year ended 31.8.23	Unrestricted General Funds (as restated)	Unrestricted CMTF Funds	Restricted Funds	Endowment Funds	TOTAL Year ended 31.8.22 (as restated)
<b>Income</b>		£	£	£	£	£	£	£	£	£	£
Charitable activities											
Assessments from churches	5	334,175				334,175	129,856				129,856
Donations	6	12,945		25,975		38,920					0
Grants	7			97,674		97,674	7,500				7,500
Lettings of manse	8	23,207		1,686		24,893					0
Other	9	1,407,511	628,871	13,416	484	2,050,282	9,511		43,217		52,728
Interest receivable	10	6,072	14,615			20,687	18	373			391
<b>Total income</b>		<b>1,783,910</b>	<b>643,486</b>	<b>138,751</b>	<b>489</b>	<b>2,566,636</b>	<b>146,885</b>	<b>373</b>	<b>43,217</b>	<b>0</b>	<b>190,475</b>
<b>Expenditure</b>											
Charitable activities											
Stipends, salaries, NI, Pension	11	207,145		94,599		301,744	89,192		19,289		108,481
District Assessment		69,780	1,804			71,584	33,957				33,957
Manse costs		96,450		9,085		105,535	25,202		7,813		33,015
Office costs		22,901	10,429	1,084		34,414	17,201				17,201
Other Expenditure		28,248		22,392	5	50,645	914	2,169	11,491		14,574
Grants and donations		26,807	67,361			94,168	27,399				27,399
Contributions to District Advance Fund		13,851	91,984			105,835	1,849				1,849
<b>Total expenditure</b>		<b>465,182</b>	<b>171,579</b>	<b>127,160</b>	<b>5</b>	<b>763,925</b>	<b>195,714</b>	<b>2,169</b>	<b>38,593</b>	<b>0</b>	<b>236,476</b>
<b>Net (expenditure) / income</b>		<b>1,318,729</b>	<b>471,907</b>	<b>11,591</b>	<b>484</b>	<b>1,802,711</b>	<b>(48,829)</b>	<b>(1,796)</b>	<b>4,624</b>	<b>0</b>	<b>(46,001)</b>
Gains and losses on investment assets											
Revaluation gains / losses on assets		(234,485)				(234,485)					0
Reclassification of funds						0					0
Transfers between funds		420,000	(420,000)			0					0
<b>Net movement in funds</b>		<b>1,504,244</b>	<b>51,907</b>	<b>11,591</b>	<b>484</b>	<b>1,568,226</b>	<b>(48,829)</b>	<b>(1,796)</b>	<b>4,624</b>	<b>0</b>	<b>(46,001)</b>
<b>Reconciliation of funds:</b>											
Total funds brought forward		2,195,007	72,179	41,738	0	2,308,924	2,243,836	73,975	37,114	0	2,354,925
<b>Total funds carried forward</b>		<b>3,699,251</b>	<b>124,086</b>	<b>53,329</b>	<b>484</b>	<b>3,877,150</b>	<b>2,195,007</b>	<b>72,179</b>	<b>41,738</b>	<b>0</b>	<b>2,308,924</b>

East Mercia Methodist Circuit  
Balance Sheet as at 31 August 2023

Page 11

Notes to the accounts	Unrestricted General Funds	Unrestricted CMTF Funds	Restricted Funds	Endowment Funds	31 August 2023	General Funds (as restated)	Unrestricted CMTF Funds	Restricted Funds	31 August 2022 (as restated)
	£	£	£	£	£	£	£	£	£
<b>Tangible Fixed Assets</b>									
Land, buildings & equipment	13	2,425,000			2,425,000	2,105,879			2,105,879
Investment property	14	765,000			765,000				
<b>Total fixed assets</b>		<b>3,190,000</b>			<b>3,190,000</b>	<b>2,105,879</b>			<b>2,105,879</b>
<b>Current Assets</b>									
Current investments	15	396,394			396,394				
Debtors and prepayments	16	23,159			23,159	15,691			15,691
Trustees for Methodist Church Purposes			124,086	484	124,570		72,179		72,179
Central Finance Board Deposits		149,610			149,610	101,620			101,620
Cash at bank		5,893			5,893	18,554		41,738	60,292
<b>Total current assets</b>		<b>575,056</b>	<b>124,086</b>	<b>484</b>	<b>754,290</b>	<b>135,865</b>	<b>72,179</b>	<b>41,738</b>	<b>249,782</b>
<b>Creditors and Accruals (due in under 1 yr)</b>	<b>17</b>	<b>65,805</b>		<b>1,335</b>	<b>67,140</b>	<b>46,737</b>			<b>46,737</b>
<b>Net current assets</b>		<b>509,251</b>	<b>124,086</b>	<b>484</b>	<b>687,150</b>	<b>89,128</b>	<b>72,179</b>	<b>41,738</b>	<b>203,045</b>
<b>Net assets</b>		<b>3,699,251</b>	<b>124,086</b>	<b>484</b>	<b>3,877,150</b>	<b>2,195,007</b>	<b>72,179</b>	<b>41,738</b>	<b>2,308,924</b>
<b>Funds of the Circuit</b>									
Unrestricted General Funds	18	3,699,251			3,699,251	2,195,007			2,195,007
Unrestricted CMTF Funds	18		124,086		124,086		72,179		72,179
Restricted Funds	18			53,329	53,329			41,738	41,738
Endowment Funds	18			484	484				
<b>Total Funds</b>		<b>3,699,251</b>	<b>124,086</b>	<b>484</b>	<b>3,877,150</b>	<b>2,195,007</b>	<b>72,179</b>	<b>41,738</b>	<b>2,308,924</b>

Signed:   
Richard Huntington  
Circuit Treasurer

Date: 15/1/24

**East Mercia Methodist Circuit**  
**Notes to the Accounts for the year ended 31 August 2023**

**1. Basis of accounting**

The financial statements of the charity, which is a public benefit entity under FRS 102, have been prepared in accordance with the Charities SORP (FRS 102) "Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts with the Financial Reporting Standard applicable in the United Kingdom and Republic of Ireland (FRC 102) (effective 1 January 2019)", Financial Reporting Standard 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" and the Charities Act 2011.

**2. Public benefit entity**

The charity constitutes a public benefit entity as defined by FRS 102.

**3. Consolidation**

The Circuit has denominational regulatory oversight in respect of the work of most 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 those Churches within the Circuit are not consolidated into these financial statements.

**4. Accounting policies**

**i. Income Recognition**

Income is brought into account when the Circuit becomes entitled to the resources and the Trustees believe it is more likely than not that they will receive the resources, and the monetary value can be measured with sufficient reliability.

In accordance with Charities SORP (FRS 102), the time of volunteers is not recognised.

**ii. Expenditure and Liabilities**

Liabilities are recognised where it is more likely than not that there is a legal or constructive obligation committing the Trustees to pay out resources and the amount of the obligation can be measured with reasonable certainty.

**iii. Grants**

Where there are no conditions attaching to a grant made by the Circuit from its own funds, the grant is recognised in full at the time of agreement to make the grant. Where the Circuit gives a grant with conditions for its payment, being a specific level of service or output to be provided, the grant is only recognised in the SOFA once the recipient of the grant has provided the specified service or output. When the grant to be accrued occurred over more than one year, the balance payable in future years is treated as a provision for future commitments in the Balance Sheet against the appropriate fund, the provision being released in future years as instalments are paid in accordance with the originally agreed terms.

**iv. VAT**

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

## **East Mercia Methodist Circuit**

### **Notes to the Accounts for the year ended 31 August 2023**

#### **4. Accounting policies (continued)**

##### **v. Tangible fixed assets**

These are capitalised if they can be used for more than one year, and individually cost at least £500.

The freehold property held at 31 August 2023 is shown in the accounts at current market value following the circuit merger. The land component of the freehold property is deemed to be £50,000 per property. No depreciation is provided on property because the Trustees consider the current residual fair value of the property in its present condition to be not less than the value at which it is stated in the balance sheet and, in the absence of any evidence of impairment, any depreciation for the buildings component of the property would be immaterial.

##### **vi. Investment properties**

From time to time the Circuit may hold residential property (formerly manses) which is surplus to its normal staffing requirements. Where this is the case and the property is deemed not to be held for the long term purposes of the Circuit, the property is designated as an investment property.

##### **vii. Properties held for sale**

From time to time the Circuit may be required to assume responsibility for Church premises and redundant manses following closure and cessation of worship. This results in the Circuit Trustees becoming the managing trustees for the property so that the Trustees decide whether the property can be used in a different way to further the mission of the Circuit or whether it is redundant and should be sold. If a decision is made to sell the property, it is classified as a current asset investment. Similarly, any other property held for resale would be a current asset investment. Such properties are recognised as an asset at its anticipated net sale price as determined by a professional valuation and after taking account of the levy to be charged by the Connexion. Any expenditure on the property that is likely to enhance its sales value is capitalised at the time that the expenditure is incurred. Where proceeds are intended to be spent on activities, the property is included in assets at the lower of cost and net realisable value.

##### **viii. Debtors, creditors, bank and cash**

Debtors are stated at settlement amount or amount advanced by the charity. Subsequently they are measured at the cash or other consideration expected to be received. Creditors are initially recognised at settlement amount after any trade discounts, where normal credit terms apply, or the amount advanced to the Circuit. Subsequently creditors that are current liabilities are measured at cash or other consideration expected to be paid. The liquid funds of bank balances and deposit fund balances are shown at their realisable values.

##### **ix. 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 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.

**East Mercia Methodist Circuit**  
**Notes to the Accounts for the year ended 31 August 2023**

**4. Accounting policies (continued)**

**x. Ministers' Manse Costs**

The Circuit is required to provide accommodation for each minister in the Circuit and their families and 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, as well as the cost of ministers' removal to the Circuit. Where any manse costs are viewed by HMRC as taxable benefits to the minister, the resulting employer NI charge is included as part of the NI cost for the year.

**5. Assessments from Churches**

At the year end the Circuit comprises 15 churches which are assessed for a contribution to meet the overall net core, ongoing costs of the Circuit. 33% of the assessment is apportioned to the Churches on the basis of their adjusted income, 33% on the basis of their unrestricted reserves and 33% on the basis of their members.

		Year ended 31.8.23 £	Year ended 31.8.22 (as restated) £
Bilton		19,616	14,415
Broadwell		5,735	3,967
Central with Burton Latimer	Circuit merger addition	33,760	-
Christ Church, Brownsover (LEP)	Dissolved during 2022/23	4,536	4,779
Corby, Cornerstone	Circuit merger addition	14,993	-
Daventry		35,991	28,458
Desborough St Giles Church (LEP)	Circuit merger addition	15,479	-
Grandborough	Sold during 2022/23	-	843
Hilmorton Paddox with Duffy Place		32,135	21,458
Kibworth	Circuit merger addition	17,712	-
Long Lawford		6,027	4,108
Lutterworth		18,807	14,217
Market Harborough	Circuit merger addition	47,100	-
Naseby	Circuit merger addition	5,640	-
Rothwell	Circuit merger addition	20,250	-
Rugby Methodist Church Centre		56,394	37,611
		<b>334,175</b>	<b>129,856</b>
		Year ended 31.8.23 £	Year ended 31.8.22 £
<b>6. Donations</b>			
Donations received		28,593	-
Other income		10,327	-
		<b>38,920</b>	<b>-</b>
		Year ended 31.8.23 £	Year ended 31.8.22 £
<b>7. Grants</b>			
District Assessment Fund grants received		15,000	-
Lay employee grants received		59,544	7,500
Other grants received		23,130	-
		<b>97,674</b>	<b>7,500</b>

# East Mercia Methodist Circuit

## Notes to the Accounts for the year ended 31 August 2023

### 8. Lettings

Lettings income relates to manses that are not required to house Circuit ministers in the short term and the manse has been let to tenants. Letting income is shown gross of fees and commission. The Trustees consider that it is likely that these manses are likely to be returned to use as manses in the foreseeable future so remain designated as tangible fixed assets.

### 9. Other income from charitable activities

	General Fund	Circuit Model Trust Fund	Year ended 31.8.23	Year ended 31.8.22
	£	£	£	£
Capital receipts for sale of church	-	300,000	300,000	-
Assets introduced on circuit merger	1,399,428	328,871	1,728,299	-
Other charitable income	811	-	811	52,728
Your Local Pantry	5,172	-	5,172	-
Release of loan repayments	16,000	-	16,000	-
	<b>1,421,411</b>	<b>628,871</b>	<b>2,050,282</b>	<b>52,728</b>

### 10. Interest receivable

	General Fund	Circuit Model Trust Fund	Endowment Fund	Year ended 31.8.23	Year ended 31.8.22
	£	£	£	£	£
Central Finance Board	6,068	-	5	6,073	18
Trustees for Methodist Church Purposes	4	14,615	-	14,619	373
	<b>6,072</b>	<b>14,615</b>	<b>5</b>	<b>20,692</b>	<b>391</b>

### 11. Stipends, Salaries and Associated costs

Staff costs paid during the year were:

	Ministers	Mission staff	Administ- ration	Year ended 31.8.23	Year ended 31.8.22 (as restated)
	£	£	£	£	£
Gross stipends and salaries	137,946	86,721	16,155	240,822	81,982
Employer's National Insurance costs	13,950	3,729	882	18,561	7,026
Pension costs	36,219	3,979	913	41,111	19,103
Apprenticeship Levy	726	421	103	1,250	370
Total staff costs	<b>188,841</b>	<b>94,850</b>	<b>18,053</b>	<b>301,744</b>	<b>108,481</b>

### Average number of full time equivalent number of staff employed during the year were :

Ministers	5.00	3.00
Mission staff	8.00	-
Administration	2.00	-
	<b>15.00</b>	<b>3.00</b>

**East Mercia Methodist Circuit****Notes to the Accounts for the year ended 31 August 2023****11. Stipends, Salaries and Associated costs (continued)**

No employees received employee benefits that totalled more than £60,000. There is no accrual for holiday pay as it is immaterial. All staff are paid at or above the living wage as calculated by the Living Wage Foundation.

Methodist Ministers are not employees of the Methodist Church although for simplicity, when accounting for National Insurance and pension contributions, the terms employer and employee are used as they would be in an employing body.

Contributions are made to the Methodist Ministers' Pension Scheme for all ministers. This is a defined benefit scheme which is accounted for in the financial statements of the Methodist Church in Great Britain. This scheme is in deficit but a plan for the removal of the deficit is being implemented.

Lay workers have the option of joining a defined contribution pension scheme which the Circuit has set up with NEST.

Each minister is entitled to a 3 month sabbatical every 7 years and the expenses incurred by the minister are met by the Connexion with the Circuit continuing to pay the stipend. The Circuit does not accrue for holiday pay cover as the remaining staff cover as needed without extra pay.

**Payments to Trustees**

The Superintendent Minister, other ministers of the Circuit and the Circuit Stewards constitute the Circuit Leadership Team and are considered as Key Management Personnel. The Superintendent chairs meetings of the Circuit Leadership Team and the Circuit Meeting. The Circuit Leadership Team, together with church and other representatives, are members of the Circuit Meeting and are the Trustees of the Circuit. The stipends, employer's National Insurance and employer's pension contributions and other expenses of the ministers of the Circuit are paid by the Circuit, as determined by the Methodist Church, and are separately disclosed as part of staff costs above. Manses are provided by the Circuit and the Circuit maintains the property.

	<b>Year ended 31.8.23 £</b>	<b>Year ended 31.8.22 £</b>
Payments made to trustees who are part of the leadership team		
Travel expenses	-	-
Phone expenses	-	-
	<u>-</u>	<u>-</u>
Payments made to trustees who are not part of the Circuit Leadership Team for additional services - preaching fees and related expenses	<u>-</u>	<u>-</u>
Number of trustees who were paid expenses	<u>-</u>	<u>-</u>

**12. Fees for audit of the accounts**

	<b>Year ended 31.8.23 £</b>	<b>Year ended 31.8.22 £</b>
Audit fees	<u>5,640</u>	<u>-</u>



**East Mercia Methodist Circuit**  
**Notes to the Accounts for the year ended 31 August 2023**

**13. Tangible Fixed Assets**

	Churches	Manse	Total
Cost or valuation	£	£	£
Balance at 1 September 2022	883,325	1,222,554	2,105,879
Additions	-	420,000	420,000
Acquired on circuit merger	-	955,000	955,000
Transfer to investment properties	-	(765,000)	(765,000)
Transfer to current asset investments	(70,000)	-	(70,000)
Revaluation in year	(563,325)	342,446	(220,879)
<b>Balance at 31 August 2023</b>	<b>250,000</b>	<b>2,175,000</b>	<b>2,425,000</b>
<b>Depreciation</b>			
Balance at 1 September 2022	-	-	0
Charge of year	-	-	0
<b>Balance at 31 August 2023</b>	<b>-</b>	<b>-</b>	<b>0</b>
<b>Net book value</b>			
<b>At 31 August 2023</b>	<b>250,000</b>	<b>2,175,000</b>	<b>2,425,000</b>
At 31 August 2022	883,325	1,222,554	2,105,879
<b>Basis of depreciation</b>	not depreciated	not depreciated	

**Churches at 31 August 2023 comprise:**

Newbold Methodist Church
--------------------------

**Manse at 31 August 2023 comprise:**

Dunsmore Avenue, Rugby	Durrell Drive, Rugby
Hall Close, Kettering	Proclamation Avenue, Rothwell
Farndale View, Market Harborough	

During the year ended 31 August 2023, professional valuations were obtained on all churches and manse.

Each property is deemed to have a land component of £50,000.

**14. Investment Property**

Cost or valuation	£
Balance at 1 September 2022	0
Acquired on circuit merger	340,000
Transfer from tangible fixed assets	765,000
Transfer to current asset investments	(340,000)
<b>Balance at 31 August 2023</b>	<b>765,000</b>

**Investment Properties at 31 August 2023 comprise:**

Rowan Drive, Lutterworth	London Road, Daventry
--------------------------	-----------------------

During the year ended 31 August 2023, professional valuations were obtained on all investment properties.

**15. Current Investments**

	£
Balance at 1 September 2022	0
Transfer from tangible fixed assets	70,000
Transfer from investment property	340,000
Revaluation loss on property	(13,606)
<b>Balance at 31 August 2023</b>	<b>396,394</b>

**East Mercia Methodist Circuit**  
**Notes to the Accounts for the year ended 31 August 2023**

<b>16. Debtors</b>	<b>31 August 2023</b>	<b>31 August 2022 (as restated)</b>
	£	£
Prepayments accrued income	<u>23,159</u>	<u>15,691</u>

<b>17. Creditors due in less than one year</b>	<b>31 August 2023</b>	<b>31 August 2022 (as restated)</b>
	£	£
Accruals and deferred income	<u>67,140</u>	<u>46,737</u>

<b>18. Reserves</b>	General Unrestricted Funds	Unrestricted CMTF Funds	Restricted Funds	Endowment Funds	Total
	£	£	£	£	£
At 1 September 2022	2,226,053	72,179	41,738	0	2,339,970
Net (expenditure) / income for the year	1,084,244	471,907	11,591	484	1,568,226
Prior year adjustment	(31,046)	0	0	0	(31,046)
Transfer between funds	420,000	(420,000)	0	0	0
<b>At 31 August 2023</b>	<u><b>3,699,251</b></u>	<u><b>124,086</b></u>	<u><b>53,329</b></u>	<u><b>484</b></u>	<u><b>3,877,150</b></u>

The purpose of the General Unrestricted Fund is for use at the discretion of the Trustees in the furtherance of the objectives of the Circuit. About 85% of this fund is held as freehold property and so is not available to meet expenditure in the short term.

The purpose of the Circuit Model Trust Fund (CMTF) is for use at the discretion of the Trustees in the furtherance of the objectives of the Circuit. Its main source of income is contributions from the sale of manse and church buildings in the Circuit, after contributions and levies to the Connexion determined by the Methodist Church. Although technically an Unrestricted Fund under the control of the Circuit Meeting, prior approval is still required from the District to utilise these funds.

The purpose of the Restricted Fund is to support the work of the Lay Mission Staff active in Churches around the Circuit.

The purpose of the Endowment Fund is to support mission work in the wider Methodist Church.

**East Mercia Methodist Circuit**  
**Notes to the Accounts for the year ended 31 August 2023**

**19. Related party transactions**

Name of related party	Relationship	Description of transaction	Year ended 31 August 2023		Year ended 31 August 2022	
			Income from related party	Paid to or goods provided to related party	Income from related party	Paid to or goods provided to related party
			£	£	£	£
Methodist churches within the East Mercia Circuit	Churches within the Circuit	Assessments (share of circuit costs)	334,175		129,856	
Northampton Methodist District	Methodist District in which the Circuit is located	District Advance Fund contribution		105,835		1,849
Northampton Methodist District	Methodist District in which the Circuit is located	District contributions and expenses		71,584		33,957

There were no amounts owed to related parties at the year end.

There is an amount of £55,045 (2022: £46,737) within creditors in respect of deferred circuit assessments.

**20. Operating Leases**

The minimum future lease payments receivable under non-cancellable operating leases ending no later than one year from the balance sheet date is £nil (2022: £nil).

**21. Contingent Liabilities and Capital Commitments**

At 31 August 2023 the Circuit had no contingent liabilities or capital commitments.

**22. Prior Year Adjustment**

On 1 September 2022 when the Circuit merger took place, the charity moved from a receipts and payments basis of accounting to the accruals concept. As a result of this it was necessary to restate the comparative figures for both prepaid stipend costs and deferred assessment income.

As a result of this a total amount of £31,046 was added to the final result for the year ended 31 August 2023 and deducted from the final result for the year ended 31 August 2022.

The comparative total reserves for the year ended 31 August 2022 have decreased from £2,339,970 to £2,308,924 as a result of the above.

## East Mercia Methodist Circuit

### Declarations

#### Treasurer

I confirm that these accrual based accounts for the year ended 31 August 2023 have been prepared from the records of the Circuit and that they include all funds under the control of the Circuit Meeting.

Signature of Treasurer:



Date: 15 January 2024

Name of Treasurer: Richard Huntington

Address: Rugby Methodist Church, Russelsheim Way, Rugby, Warwickshire, CV22 7TB

#### Authorisation by 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 15 January 2024 and that the Trustees authorised the Chair of the meeting to sign the accounts.

Signature of the Chair of  
the meeting:

Date: 15 January 2024



Name of the Chair of  
the meeting:

Rev Andrew Farrington

## Independent Auditor's Report to the Trustees of East Mercia Methodist Circuit

### Opinion

We have audited the financial statements of East Mercia Methodist Circuit (the 'charity') for the year ended 31 August 2023 which comprise of the Statement of Financial Activities, 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 and United Kingdom Accounting Standards, including Financial Reporting Standard 102 *The Financial Reporting Standard applicable in the UK and Republic of Ireland* (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the charity's affairs as at 31 August 2023, and of its incoming resources and application of resources, including its income and expenditure, for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Charities Act 2011.

### Basis for qualified opinion

The previous financial statements for the year ended 31 August 2022 were not subject to audit. We were unable to satisfy ourselves by alternative means concerning the opening balances disclosed in the Statement of Financial Activities and the Balance Sheet as comparative figures. Whilst we were satisfied with the material accuracy of amounts recorded in the Balance Sheet as at 31 August 2023, the impact of opening balances on the current year financial performance prevents us from forming an opinion on the financial statements taken as a whole.

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 charity in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, 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.

### Conclusions relating to going concern

In auditing the financial statements, we have concluded that the trustees' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the charitable company's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

Our responsibilities and the responsibilities of the trustees with respect to going concern are described in the relevant sections of this report.

### Other information

The trustees are responsible for the other information. The other information comprises the information included in the trustees annual report, other than the financial statements and our auditor's report thereon. 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 addition to the 'Basis for Qualified Opinion' paragraph.

### Matters on which we are required to report by exception

We have nothing to report in respect of the following matters in relation to which the Charities (Accounts and Reports) Regulations 2008 require us to report to you if, in our opinion:

- the information given in the financial statements is inconsistent in any material respect with the trustees' report; or
- the charity has not kept adequate accounting records; or
- the financial statements are not in agreement with the accounting records and returns; or
- we have not received all the information and explanations we require for our audit.

### Responsibilities of trustees

As explained more fully in the trustees' responsibilities statement, 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 charity'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 liquidate the charity or to cease operations, or have no realistic alternative but to do so.

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

We have been appointed as auditor under section 144 of the Charities Act 2011 and report in accordance with regulations made under section 154 of that Act.

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.

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below:

We identified areas of laws and regulations that could reasonably be expected to have a material effect on the financial statements and discussed the policies and procedures regarding compliance.

Specific areas considered were as follows:

- Enquiring with management and others to gain an understanding of the organisation itself including operations, financial reporting and known fraud or error.
- Evaluating and understanding the internal control system.
- Performing analytical procedures as expected or unexpected variances in account balances or classes of transactions appear.
- Testing documentation supporting account balances or classes of transactions.

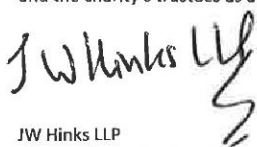
Because of the inherent limitations of an audit, there is a risk that we will not detect all irregularities, including those leading to a material misstatement in the financial statements or non-compliance with regulation. This risk increases the more that compliance with a law or regulation is removed from the events and transactions reflected in the financial statements, as we will be less likely to become aware of instances of non-compliance. The risk is also greater regarding irregularities occurring due to fraud rather than error, as fraud involves intentional concealment, forgery, collusion, omission or misrepresentation.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at: <https://www.frc.org.uk/Our-Work/Audit/Audit-and-assurance/Standards-and-guidance/Standards-and-guidance-for-auditors/Auditors-responsibilities-for-audit/Description-of-auditors-responsibilities-for-audit.aspx>. This description forms part of our auditor's report.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

### Use of our report

This report is made solely to the charity's trustees, as a body, in accordance with Part 4 of the Charities (Accounts and Reports) Regulations 2008. Our audit work has been undertaken so that we might state to the charity'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 charity and the charity's trustees as a body, for our audit work, for this report, or for the opinions we have formed.



JW Hinks LLP  
Chartered Accountants and Statutory Auditors  
19 Highfield Road  
Edgbaston  
Birmingham  
West Midlands  
B15 3BH

Date: 15 January 2024