

Grimsby & Cleethorpes Circuit

Basis of Independent Examiner's Report

My examination was carried out in accordance with the general Directions given by the Charity Commission. An examination includes a review of the accounting records kept by the charity and a comparison of the accounts presented with those records. It also includes consideration of any unusual items or disclosures in the accounts, and seeking explanations from you as 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

I have completed my examination. I confirm that no material matters have come to my attention in connection with the examination (other than that disclosed below) which give me cause to believe that in, any material respect:

the accounting records were not kept in accordance with section 130 of the Act; or

the accounts do not accord with the accounting records; or

the accounts do not comply with the applicable requirements concerning the form and content of accounts set out in the Charities (Accounts and Reports) Regulations 2008 other than any requirement that the accounts give a 'true and fair' view, which is not a matter considered as part of an independent examination; or

the trustees' annual report is not consistent with the accounts

Flottergate Homes is now fully included in the Circuit accounts and forms part of this examination. Comments made in last year's Statement regarding legality of ownership of the Homes property are still relevant and I note that the valuation of the Homes property continues to be excluded at this stage until this is fully resolved.

I have no concerns and have come across no other matters in connection with the examination to which attention should be drawn in this report in order to enable a proper understanding of the accounts to be reached.

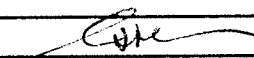
I have not obtained independent verification of all investments with the Trustees for Methodist Church Purposes or held in other trusts, bank balances and funds at the Central Finance Board of the Methodist Church at the balance sheet date.

** Please delete as appropriate*

Name

Graham Stevens

Signature



Relevant Professional qualification or body

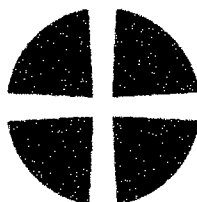
A.C.M.A.

Address

51 Thorganby Road, Cleethorpes, N E Lincs. DN35 0HL.

Date

19th September 2023



**Circuit
Accruals Accounts
2022-23**

THE METHODIST CHURCH
REPORT AND ACCOUNTS
(ACCRUALS BASIS)
for the year ended 31 August 2023

GRIMSBY & CLEETHORPES

Circuit

Registered Charity - Registration number

1133104

Lincolnshire

**Circuit
No**

17/5

Ministers

Rev Neil Vickers

Rev Susan Chambers

Rev Katie Deakins

Circuit Stewards

Ann Conn
J Derek Holroyd
Elizabeth Kershaw
Melanie Dickerson

Circuit Treasurer

John Derek Holroyd

Introduction

The Trustees are pleased to present the Annual Report of the Trustees of the Grimsby & Cleethorpes Methodist Circuit (hereinafter referred to as "The Circuit") for the year ended 31st August 23.

Aims and organisation

The Governing Document of the Charity is the Deed of Union of the Methodist Church 1932 and the Methodist Church Act 1976. The purposes of the Methodist Church are, and shall be deemed to have been since the Date of Union, the advancement of:

- a) The Christian faith in accordance with the doctrinal standards and discipline of The Methodist Church;
- b) Any charitable purpose for the time being of any Connexional, District, Circuit. Local or other organisation of The Methodist Church;
- c) Any charitable purpose for the time being of any society or institution subsidiary or ancillary to The Methodist Church;
- d) Any purpose for the time being of any charity being a charity subsidiary or ancillary to The Methodist Church

Worship takes place across the area covered by the Circuit in places set out in the list of operating Churches listed below, which are open to anyone who may wish to visit them without any charge. The Circuit produces a quarterly preaching plan to ensure that regular acts of worship take place at all the churches and chapels in its geographical area and that the following activities take place to further the objectives set out above :-

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 chaplaincy services where appropriate.

Public Benefit

The Trustees have had regard to the Charity Commission's guidance on public benefit.

Plans made for 2023/24

Circuit financial plans for the coming year have been prepared on the basis of 3 presbyters with anticipated cost of living stipend and pay increases combined with an increase in the assessments paid to the District and Connexion. The level of assessments requested from the churches in the Circuit has increased to help to defray the anticipated increased costs of the Circuit although there has been some resistance from some Churches.

Brief review of the year

The Circuit employs three full-time ministers. These ministers are supported by two pastoral assistants, nine supernumerary ministers, four dedicated Circuit Stewards and two part time administrator. The circuit supports the ministry of a youth and community church and a charitable housing project for elderly people within the Grimsby area. Acts of worship take place at each of the churches every Sunday, apart from Healing which is every other Sunday, supported by local preachers and worship leaders.

The year began with eleven churches led by three full time ministers. Due to the cost of replacing old heating systems a decision was taken to absorb Flottergate Homes finances within the Circuit Finances. This was to protect the work of providing low-cost housing to vulnerable people. The outstanding loan is being reduced each year. This is commented on further under its own section in the Finance Reports which follow.

Church membership continued to be a cause for concern after Covid with membership down to 362.

Central Hall was an ongoing concern.

Messy church continues at Immingham.

Safeguarding training was now able to be held within the circuit.

There had also been a move towards more circuit services in a year.

Regular meetings are being held with treasurers to monitor the cost of heating and general rising expenses.

Moving Forward

During the current year New Waltham & Humberston Churches agreed to form one society and the Humberston Church ceased to meet. The Humberston Church building is on the market for sale and it hoped that the building will be sold before 31st December 2023.

South Killingholme Church building has been sold and completion was on the 27th August 2023.

Churches were encouraged to prayerfully consider the way forward for the circuit.

Plans for 2023/2024

To actively consider the role of church mission in the North East Lincolnshire area and how best to use the resources available to serve the community.

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 (comprising the presbyters and Circuit Stewards) and the Local Preachers meeting.

Trustee Training

A range of guidance is produced by Methodist Connexion to support the effective running of the Circuit, including the leaflet 'The Role of a Trustee in The Methodist Church'.

Related Parties

The Circuit is part of the Lincolnshire District and is also accountable to the Methodist Conference. 13 operating Churches are linked to the Circuit and are listed in Appendix B to this Report.

Risk Management

Major risks, both physical and financial, are identified and recorded and professional advice taken as required. There is a regular annual review process undertaken and recorded.

Income and Expenditure is monitored in total and is compared with the approved annual budget to detect trends as part of the risk management process to 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:

1. the care and nurture of, and respectful pastoral ministry with, all children, young people and adults
2. the safeguarding and protection of all children, young people and adults when they are vulnerable
3. the establishing of safe, caring communities which provide a loving environment where there is informed vigilance as to the dangers of abuse.
4. The Circuit 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.

5. The Circuit 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.
6. The Circuit will seek to work with anyone who has suffered abuse, developing with them an appropriate ministry of informed pastoral care.

The Circuit will seek to challenge any abuse of power, especially by anyone in a position of trust

1. The Circuit 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.
2. In all these principles the Circuit 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.

Reserves Policy

The Reserves Policy for the Circuit is to hold approximately 50 % of the average expenditure. This should be sufficient to meet any unforeseen item of major expenditure on manses and / or to be able to continue, in the short term, funding planned activities in the event of the failure of churches to meet their quarterly assessment liabilities in full.

Legal and Administrative

The Circuit's financial statements for the year ended 31 August 2023 have been prepared under the Charities Act 2011 in accordance with the 2019 version of Accounting and Reporting by Charities: Statement of Recommended Practice (SORP) applicable to charities preparing their accounts in accordance with the Financial Reporting Standard for Smaller Entities (FRSSE) applicable in the UK and in line with guidelines issued by The Methodist Church. Accounts are currently produced on the Accrual basis in spite of annual overall income in most years not exceeding the £250,000 limit which would allow accounts to be prepared using the simpler Receipts and Payments basis. In other years however income from sale of assets does take the overall income above the £250,000 limit when Accrual accounts have to be prepared. For ease of understanding the accounts we have opted to use one consistent basis – the Accruals basis in spite of the additional workload and complexity involved.

Full Name of Charity:	Grimsby & Cleethorpes Methodist Circuit
Registration Charity Number:	1133244
Date of registration	2009
Main communication address	26 Charles Avenue Grimsby DN33 2DA

The members of the Circuit meeting are the Managing Trustees, membership being made up of circuit office holders, ministers and representatives appointed by the local churches. A full list of Trustees is shown in the table below.

Circuit Ministers and officers

Active Circuit Ministers	Rev Neil Vickers (Superintendent Minister)
	Rev Susan Chambers
	Rev Katie Deakins

Circuit Stewards	Ann Conn
	J Derek Holroyd
	Elizabeth Kershaw
	Melanie Dickerson

Administrator	Rebecca Ridley & Jackie Bishop
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Independent examiner	Graham Stevens A.C.M.A.
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Investment Bankers

Central Finance Board of the Methodist Church

Trustees for Methodist Church purposes

Bankers

HSBC. 55 Victoria Street, Grimsby

LIST OF TRUSTEES

Ruth Constant Elizabeth Hutson Annette Taylor Nickie Coles Revd. Ian Wales Revd. Barry Armson Revd. Alec Conn Revd. Hazel Humphries Revd. Patrick Mickleburgh Revd. John Robinson Revd. John Boardman Revd. Jade Bath Jackie Bishop Elizabeth Norman Doreen Phillips Richard Melling Bethany J Wilkinson	David Lamle Beverley Barker Elizabeth Ede David Dickerson Susan Bott Geoffrey Idle Brian Duke Malcolm Cullen Diane Patrick Angela Vickers Hazel Salters Michael Gough Rena Lynne Dudgeon Peter Opie Paul Glazebrook Patricia Crawshaw	Andrew Hornsby Lester Kitching April Baker Elizabeth Hudson Mathew Taylor Valerie Holroyd Stephen Funnell Dianne Burrows Angela Wilson Dorothy Pinner Jeff Fieldsend Ken Herrick Mary Moore Ruby Munnings Cheryl Hughes
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LIST OF OPERATING CHURCHES IN THE CIRCUIT

Healing Methodist Church
Immingham Methodist Church
Keelby Methodist Church
Newstone Methodist Church
North Thoresby Methodist Church
Scartho Methodist Church
Side Door Youth Church
St. Andrews Methodist Church
St. Christopher's Methodist Church
Tetney Methodist Church
The Haven Methodist Church
Waltham Methodist Church

OTHER PROPERTIES IN USE

Flottergate Homes, Haycroft Street, Grimsby
Central Hall – no longer used as a Church but let to outside organisation
Lacey Cottage, 40A High Street Laceby

CLOSED CHURCHES AWAITING SALE BY CIRCUIT

Beacontorpe Methodist Church
Humberston Methodist Church

Financial Statements

It is the responsibility of the Managing Trustees of every Methodist Circuit to provide a Financial Statement to ensure that the Circuit within The Methodist Church is financially sound. The details provided on the official forms indicate the financial structures, strengths or weakness of the Circuit.

The documents which follow include SOFA (Statement of Financial Activities) and Balance Sheet for both the reported year and prior year (supplied for comparison purposes). These are followed by the 'Notes to the Accounts' which contain further analysis of account headings, which are cross referenced to the respective SOFA and Balance Sheet Reports.

The Accounts follow the layout stipulated by The Methodist Church and are designed to meet both informational and legal requirements. Funds are required to be split to separately identify General Funds, Circuit Model Trust Funds, Designated Funds, Restricted Funds and Endowment Funds.

General Funds are those used for daily operations and include the Current Accounts with HSBC and related investment accounts invested with the Central Finance Board and TMCP of The Methodist Church.

Circuit Model Trust Fund represents funds required to be segregated and regulated in accordance with our legal Trust. These are held in accounts with The Trustees for Methodist Church Purposes at Manchester. These are funds that are owned by The Circuit, but can only be withdrawn and used by mutual agreement for specific agreed purposes.

We do not currently have any Funds which fit the Designated Funds heading.

Restricted Funds. We use this heading to separately report the activities of Flottergate Homes. This was transferred to become a Circuit responsibility at the start of the financial year in September 2021. All receipts and payments are now handled through our General Funds Bank accounts and any shortfall or surplus is covered by a transfer of funds from other Fund headings. There is a cumulative deficit currently on the Circuit management of the Homes and it may be appropriate in future to recreate separate Bank facilities if and when a cumulative surplus is eventually achieved.

Endowment Funds. This relates to the J Short Endowment Fund which became the responsibility of the Circuit following the closure of South Killingholme Church. We are investigating the legal specified details of the Covenant to determine our ability to use these capital and interest funds for future general use.

The following table is a summary of the total Funds as at 31 August 2023 identifying where balances are held

Balances end August 2023	General £	CMTF £	Endowment £	Total £
Current Act HSBC	26779			26779
Central Finance Board	218946			218946
TMCP	35890	73927		109817
				0
Total Liquid Funds	281616	73927	0	355542
TMCP Investments		6436	20974	27410
Total Liquid Funds & Investments	281616	80362	20974	382952
Debtors & Prepayments at y/e	10176			10176
Loan by Circuit to Side Door	18000			18000
Creditors at y/e	-39604			-39604
Total Funds at Year End	270189	80362	20974	371525

The Current Account is held at HSBC at its Grimsby branch, having moved there after the closure of the more convenient Cleethorpes branch. Full use is made of internet banking facilities. This has been used for all payments during the year with no cheques needing to be raised.

The branch closed its counter service on the 7th October 2021 and now operates on a machine only basis. Money/cheques can be paid into the circuit account through the machines in the branch. The treasurer has made alternative arrangements to pay in at the Post Office in Cleethorpes. HSBC no longer offers free banking for Charities and bank charges are now being applied to the Circuit accounts. Consideration is being given to finding alternative banking facilities but this is difficult in the current climate.

Central Finance Board accounts receive most of the money paid by the churches in assessments and is used to pay items of expenditure such as Ministers' stipends and District assessment. CFB accounts pay interest on the balances held.

The TMCP accounts mainly cover Model Trust Fund items and specific investments.

The General Fund expenditure of £270,197 exceeded income of £203,810 by £66,386. Major income items are Assessments from churches £188,505, rents received from Central Hall £2,250 and the Laceby Cottage £3,616 and interest received on Bank accounts £7,652. Major Expenditure items include Salaries and related costs of £125,833 for the ministerial team and Circuit admin staff, Property Maintenance costs of £81,670, District levy £48,555, office expenses £8,527. This overall deficit was partly funded by the transfer in of £43,820 from our CMTF balances and a surplus generated by Flottergate Homes for the year of £9,550. Loan repayment of £4,000 was received against the Side Door Loan. Additionally funds of £7251 previously belonging to the now closed Humberston Methodist Church and also a bequest to the now closed Beacontorpe Methodist Church of £5,745 were both received by the Circuit.

Circuit Model Trust Fund increased during the year from its value last year of £67,258 to this year's value of £80,362. Within this is an income of £1,191 for interest etc on funds held plus proceeds following the sale of South Killingholme premises of £57,892. Expenditure totals £1,873 being District Connexion levy of £1,681 and other costs of £192. There has also been a loss on valuation of £285 on investments held. The most significant reduction however is £43,820 transferred to meet the shortfall on General Funds.

Restricted Funds (Flottergate Homes). This was transferred to become Circuit responsibility at the start of the financial year in September 2021. At that time their Bank and Central Finance Board funds were transferred in together totalling £14,618. During that year Income (mainly rents) totalled £15,134 and expenditure being necessary property improvements totalled £55,610. The resulting deficit of £25,858 was met out of General Funds. In this year's accounts higher rental income and lower costs generated a surplus of £9550. This reduces the cumulative deficit (the degree to which Flottergate Homes is subsidised by General Circuit Funds) to £16,308. The Management Committee continue to work hard to find ways to professionally manage this operation and create a situation whereby these properties cease to be a drain on overall Circuit funds.

The J Short Trust Fund (Endowment) has decreased in value from the £21,300 value last year to £20,974 this year. There has been an income of £608 from dividends received offset by costs of £59 and a loss of £875 in the valuation of investments. It is likely that there are restrictions in the way that these funds can be used and this is currently being investigated.

The Circuit Balance Sheet incorporates the actual fund values shown in the table above plus estimated values of other fixed assets/ properties held. This includes three ministers' manses and a plot of Land at Keelby together estimated at £762,493 and other properties classed as Investment properties estimated at £500,000.

Investment properties includes a cottage at Laceby (previously part of Laceby Methodist Church) which remains as Circuit property, also the Grimsby Central Hall where the property was passed to the Circuit when it closed for worship purposes. Both of these generate rental income for the Circuit. Also included are estimated values of closed Churches pending sale of the properties. This currently includes Beaconthorpe and Humberston Methodist Churches and the previous year also included South Killingholme Methodist Church which now excluded in the current year as its sale and proceeds now form part of the 2023 accounts.

The values of Church property are usually held in the accounts of the individual churches and are only brought into Circuit accounts once the Church closes when it is transferred to the Circuit for sale. The Circuit becomes responsible for ongoing costs of maintaining, repairing and insuring the empty properties pending sale and once a sale is completed is entitled to the net sale proceeds less a levy charged by Methodism. The Churches for sale are required to be included at estimated proceeds value on the Circuit Balance Sheet and classed as Investment assets until the sale is completed and proceeds received. Although this is an accounting requirement it is difficult to be very precise given the variation and differences in condition and costs of maintaining empty buildings pending sale,

As commented on in last year's accounts no valuation is currently included in the accounts for the Flottergate Homes property until full details of the trust and legal ownership are properly established.

The net result of all the above means that the overall Circuit Balance Sheet valuation has reduced slightly from £1,651,210 to £1,634,018.

Further detailed analysis to support this general overview is available in the Notes to the Accounts which follow the SOFA reports and Balance Sheets below.

With regard to Church Assessments of £188,505 this is in line with the budget. It is noted that a number of churches are struggling financially to meet their assessments and it is the intention to meet with all church

treasurers before the March 2024 Circuit Meeting to discuss individual church finances and any problems in paying their future assessments.

Manse expenses – Maintaining three circuit manses remains expensive if the houses are to maintain their value on the open market and provide suitable living accommodation for our Ministers. This year costs of £30,105 includes replacement of the roof at Mill Road at a cost of £23,000, There will be further maintenance/ improvements made at our manses during the coming year

Grimsby Central Hall Trust – The Trust continues to be a concern to the Leadership Team. The Trust Committee chose to ignore any communication from the Circuit or our solicitors, in the belief that the problems would disappear. As they refuse to make any insurance arrangements in respect to the building and contents, along with public liability, the Circuit have arranged insurance cover with Methodist Insurance in joint names. The Trust is in breach of the lease. A letter has been sent via the Circuit's solicitor proposing a new lease with a rent increase from £3,000 to £12,000 per year with the Circuit Trustees being responsible for paying the insurance costs. A further letter has been sent via the Circuit solicitor asking for a response within seven days.

Reporting- The Circuit is currently reviewing how it meets the challenge of ever-changing reporting requirements. This new Circuit combined Annual Report and Accounts is an important step in meeting the requirements imposed under Charity Act legislation and Methodist guidelines. In addition, each year new forms seeking information from the District, Circuit and Churches is required by the Connexion. The Circuit and those Churches using the accounting forms prepared by Michael May have the Standard Form of Accounts automatically generated on their computers. This year the Circuit and Churches are required to prepare a Circuit and/or a Church report and submit it to the connexion. We believe the Circuit is not yet complying with SO903 in that a register of documents kept in the circuit safe has never been prepared. The Circuit Stewards will attend to this matter as soon as possible.

Name of Circuit	Grimsby & Cleethorpes			Circuit No	17/5
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Statement of Financial Activities (SOFA) for the year ended 31 August 2023

	Notes to the accounts	General Fund (Unrestricted)	Circuit Model Trust (Unrestricted)	Designated Funds (Unrestricted)	Flottergate Homes Restricted Funds	J Short Trust Endowment Funds	Total 2022-23
		£	£	£	£	£	£
Income							
1 Donations and legacies	4	95	0	0	0	0	95
2 Income from monetary investments	5	7,652	1,191	0	0	608	9,452
3 Income from investment properties		5,866	0	0	0	0	5,866
4 Assessments on Churches		188,505	0	0	0	0	188,505
5 Capital Receipts	6	0	57,892	0	0	0	57,892
6 Grants received		0	0	0	0	0	0
7 Other charitable income	7	1,692	0	0	23,806	0	25,499
8 Total income		203,810	59,083	0	23,806	608	287,307
Expenditure							
9 Grants and donations		0	0	0	0	0	0
10 Salaries and associated costs	10	125,833	0	0	0	0	125,833
11 Property maintenance		81,670	0	0	14,256	0	95,926
12 Connexional assessment & levy on sales		0	0	0	0	0	0
13 District Assessment & Model Trust levy		48,555	1,681	0	0	0	50,236
14 Depreciation		0	0	0	0	0	0
15 Office expenses		8,527	0	0	0	0	8,527
16 Other outgoings		5,612	192	0	0	59	5,862
17 Total charitable expenditure		270,197	1,873	0	14,256	59	286,385
18 Gains/(losses) on monetary investments		0	(285)	0	0	0	(285)
19 Gains/(losses) on investment properties		(30,000)	0	0	0	0	(30,000)
20 Net income/(expenditure)		(96,386)	56,924	0	9,550	549	(29,363)
21 Transfers between funds		53,420	(43,820)	0	(9,550)	0	50
22 Other gains/(losses)		12,996	0	0	0	(875)	12,121
23 Net movement in funds		(29,970)	13,104	0	0	(326)	(17,192)
24 Total funds brought forward		1,562,652	67,258	0	0	21,300	1,651,210
25 Total funds carried forward		1,532,682	80,362	0	0	20,974	1,634,018

Name of Circuit	Grimsby & Cleethorpes			Circuit No	17/5
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Statement of Financial Activities (SOFA) for the year ended 31 August 2022

	Notes to the accounts	General Fund (Unrestricted)	Circuit Model Trust (Unrestricted)	Designated Funds (Unrestricted)	Flottergate Homes Restricted Funds	J Short Trust Endowment Funds	Total 2021-22
		£	£	£	£	£	£
Income							
1 Donations and legacies	4	0	0	0	0	0	0
2 Income from monetary investments	5	987	530	0	0	534	2,051
3 Income from investment properties		8,490	0	0	0	0	8,490
4 Assessments on Churches		184,206	0	0	0	0	184,206
5 Capital Receipts	6	0	0	0	14,618	0	14,618
6 Grants received		0	0	0	0	0	0
7 Other charitable income	7	2,837	0	0	15,134	0	17,971
8 Total income		196,520	530	0	29,752	534	227,335
Expenditure							
9 Grants and donations		2,500	0	0	0	0	2,500
10 Salaries and associated costs	10	130,137	0	0	0	0	130,137
11 Property maintenance		48,137	0	0	55,610	0	103,747
12 Connexional assessment & levy on sales		0	0	0	0	0	0
13 District Assessment & Model Trust levy		44,704	4,385	0	0	0	49,089
14 Depreciation		0	0	0	0	0	0
15 Office expenses		8,045	0	0	0	0	8,045
16 Other outgoings		10,528	392	0	0	63	10,983
17 Total charitable expenditure		244,051	4,777	0	55,610	63	304,501
18 Gains/(losses) on monetary investments		0	(451)	0	0	0	(451)
19 Gains/(losses) on investment properties		0	0	0	0	0	0
20 Net income/(expenditure)		(47,531)	(4,698)	0	(25,858)	471	(77,616)
21 Transfers between funds		39,882	(65,740)	0	25,858	0	0
22 Other gains/(losses)		410,000	0	0	0	(1,382)	408,618
23 Net movement in funds		402,351	(70,438)	0	0	(910)	331,002
24 Total funds brought forward		1,160,301	137,696	0	0	22,210	1,320,207
25 Total funds carried forward		1,562,652	67,258	0	0	21,300	1,651,210

Balance Sheet as at 31 August 2023

Notes to the Accounts	General Fund incl FI Homes(Unrestricted) £	Circuit Model Trusts (Unrestricted) £	Designated Funds (Unrestricted) £	Restricted Funds £	Endowment Funds £	Totals 2023 £
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Fixed Assets

Tangible Fixed Assets	11a	762,493				762,493
Investment properties	11b	500,000				500,000
Investments	12	0	6,436	0	20,974	27,410
Total fixed assets		1,262,493	6,436	0	20,974	1,289,903

Current Assets

Debtors	13	10,176	0	0	0	10,176
Loans by the Circuit	16	18,000	0	0	0	18,000
Trustee Investment Fund at TMCP		35,890	73,927	0	0	109,817
Central Finance Board Deposits		218,946	0	0	0	218,946
Cash at Bank and in hand	13	26,779	0	0	0	26,779
Total current assets		309,792	73,927	0	0	383,719

Current liabilities

Creditors (due in under 1 year)	14	39,604	0	0	0	39,604
Grants payable within 2021-22						0
Total current liabilities		39,604	0	0	0	39,604
Net current assets/liabilities		270,188	73,927	0	0	344,115

Total assets less current liabilities		1,532,682	80,362	0	20,974	1,634,018
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Long term liabilities (due after more than one year)						
Grants payable after 2021-22						0
Loans to the Circuit						0
						0
Net assets		1,532,682	80,362	0	20,974	1,634,018

Funds of the Circuit

General Fund (Unrestricted)		1,532,682				1,532,682
Circuit Model Trust Fund (Unrestricted)			80,362			80,362
Total Unrestricted Funds				0		1,613,044
Restricted Funds				0		0
Endowment Funds					20,974	20,974
Total Funds		1,532,682	80,362	0	20,974	1,634,018

Balance Sheet as at 31 August 2022

Notes to the Accounts	General Fund incl FI Homes(Unrestricted) £	Circuit Model Trusts (Unrestricted) £	Designated Funds (Unrestricted) £	Restricted Funds £	Endowment Funds £	Totals 2022 £
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Fixed Assets

Tangible Fixed Assets	11a	762,493				762,493
Investment properties	11b	530,000				530,000
Investments	12	0	6,721	0	21,300	28,021
Total fixed assets		1,292,493	6,721	0	21,300	1,320,514

Current Assets

Debtors	13	9,472	0	0	0	9,472
Loans by the Circuit	16	22,000	0	0	0	22,000
Trustee Investment Fund at TMCP		16,839	60,537	0	0	77,376
Central Finance Board Deposits		238,598	0	0	0	238,598
Cash at Bank and in hand	13	30,780	0	0	0	30,780
Total current assets		317,690	60,537	0	0	378,227

Current liabilities

Creditors (due in under 1 year)	14	47,532	0	0	0	47,532
Grants payable within 2021-22						0
Total current liabilities		47,532	0	0	0	47,532
Net current assets/liabilities		270,159	60,537	0	0	330,696

Total assets less current liabilities		1,562,652	67,258	0	21,300	1,651,210
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Long term liabilities

(due after more than one year)

Grants payable after 2021-22						0
Loans to the Circuit						0
Net assets		1,562,652	67,258	0	21,300	1,651,210

Funds of the Circuit

General Fund (Unrestricted)		1,562,652				1,562,652
Circuit Model Trust Fund (Unrestricted)			67,258			67,258
Total Unrestricted Funds				0		1,629,910
Restricted Funds				0		0
Endowment Funds					21,300	21,300
Total Funds		1,562,652	67,258	0	21,300	1,651,210

1 Basis of accounting

The financial statements have been prepared under the Charities Act 2011 in accordance with the 2019 version of Accounting and Reporting by Charities: Statement of Recommended Practice (SORP) applicable to charities preparing their accounts in accordance with the Financial Reporting Standard for Smaller Entities applicable in the UK, and in line with guidelines issued by the Methodist Church. The Circuit is classified as a small entity and Revenues in most years fall below the £250,000 criteria for producing accrual accounts. However as sales of assets in other years then take income above the threshold for the sake of consistency accrual accounting has been adopted in spite of the increased workload involved.

2 Funds

The funds held include General Funds held for any purpose of the Circuit which are Unrestricted, the Circuit Model Trust Fund which has wide purposes defined in Standing Orders and is categorised as Unrestricted, Restricted funds which are held for a narrower purpose and are listed in the final Note below and Endowment funds which are also listed in that Note. Any funds may be represented by more than just cash.

3 Accounting policies

Basis

These accounts have been prepared on the basis of historical cost, except that investments are shown at their market value at the end of the year, on the accruals basis to show a true and fair view of the Circuit's financial position and activities.

Income Recognition

Income is included in the Statement of Financial Activities (SOFA) when the Circuit becomes entitled to the resources, and the trustees are reasonably certain they will receive the resources; and the monetary value can be measured with sufficient reliability.

Resources Expended

This is recognised when a liability is incurred, or a constructive obligation arises, that results in the payment being unavoidable. Liabilities are recognised as soon as an outflow of economic benefit is considered more likely than not under the legal or constructive obligation committing the Circuit to pay out resources.

Grants

Grants made by the Circuit from its own funds are recognised in full at the time of agreement or when the Circuit accepts that there is a legal or operational obligation to make the payment. When the grant is recurrent 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.

VAT

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

Tangible fixed assets for use by the Circuit

These are capitalised if their anticipated reliable life is more than one year, and individually cost at least £5,000.

The tangible fixed assets figure is made up of three manse together valued at £753,250 plus a plot of land adjoining Keelby Methodist Church purchased by the Circuit for £9243. The manses are valued at cost or 2019 deemed values, of which the land component in the opinion of the Trustees is £370,000. No depreciation is provided on any of the buildings because the trustees consider their current residual fair value (on the assumption that they had reached the end of their useful economic lives by the year-end) to be not less than its current value. Any depreciation would not be material. The properties have been reviewed for impairment.

Investment Properties

This includes several items. The first, a Cottage which formed part of the Laceby Methodist Church site. This redundant church was sold a few years ago but the Cottage was retained by the Circuit and held for investment purposes as it had a sitting tenant. The second relates to the Grimsby Central Hall property, retained by the Circuit a number of years ago after it ceased to operate as a Church. It has concert hall facilities and is rented out to a third party. There are three redundant Churches passed to The Circuit for sale. The first South Killingholme was included in last year's accounts at an estimated valuation of £90,000. This has been sold in the year but the net proceeds after costs and CPF levy were £57,892 and the resulting loss is recorded in these accounts. The second being Beacontrophe was included in last year's accounts at a valuation of £180,000. The sale of this is currently being processed with an expected income after costs and levy of £120,000. This will appear within next year's accounts when the sale is completed. However the £60,000 anticipated loss in value is reflected in this year's accounts by reducing the property valuation. The third is Humberston Methodist Church which now has merged with New Waltham Church meeting at the former New Waltham premises. The redundant property is now for sale with an estimated income after costs and levy of £120,000. This valuation is included in these accounts. Pending sale these are included as Investment Properties in line with guidelines issued by the Methodist Church. Rental income arises from the first two rented properties and is included in the SOFA as "Income from Investment Properties" as a means of highlighting the materiality of the income.

Investments

Investments are valued in the balance sheet at market value at the year end. Investment income is included in the accounts when receivable and any gains or losses on revaluation at the year end are shown in the SOFA.

Debtors and Prepayments

Debtors relate to the payment of the September stipends in August, which is a cost paid in advance of the service to be received.

Creditors

Creditors relate to Assessments received from Churches in advance.

Impact of Accounting / other changes

In Sept 2021 responsibility for the day to day operations of Methodist Flattergate Homes (prev Charity Reg. 219533) was transferred into the main Circuit Accounts (Charity Reg. 1133104). This has been included within these Circuit Accounts from that date and is included under Restricted Funds. The loss of £25,858 in the prior year's accounts was covered by a transfer from Circuit General Funds. In this year's accounts a surplus of £9,550 has been generated which has been transferred back to the General Fund. This process will continue at least until accumulated losses have been repaid. The value of the Building, continues to be excluded from these accounts until legal ownership is fully established following a review of Trust documentation.

Also highlighted under Investment Properties anticipated net sales proceeds from Beacontrophe and Humberston Methodist Church have been included as investment assets and their valuations reflect current anticipated revenues for the Circuit after costs and levy charges.

Upon closure of Humberston Methodist Church and the redundant building being passed to the Circuit for sale, HSBC account balances totalling £7251 have been transferred to the Circuit. Additionally a Bequest of £5745 was received originally attributable to the now closed Beacontrophe Church. These items appear in the accounts under the Other gains/(losses) heading in the General Fund column on the SOFA Report.

	Grimsby & Cleethorpes					Circuit
	Unrestricted	Circuit Model Trust Fund	Designated	Restricted	Endowment	Total
	£	£	£	£	£	£
4. Donations and Legacies						
Year to 31st August 2023						
Donations	95	-	-	-	-	95
Legacies	-	-	-	-	-	-
	95	-	-	-	-	95
Year to 31st August 2022						
Donations	-	-	-	-	-	-
Legacies	-	-	-	-	-	-
	-	-	-	-	-	-
5. Income from monetary investments						
Year to 31st August 2023						
Central Finance Board	7,616					7,616
TMCP	37	1,191			608	1,836
Other						-
Total	7,652	1,191	-	-	608	9,452
Year to 31st August 2022						
Central Finance Board	906					906
TMCP	81	530			534	1,145
Other						-
Total	987	530	-	-	534	2,051
6. Capital Receipts				This year	Last year	
				£	£	
Sale of closed Church - South Killingholme				57,892	0	
Bank balances introduced from Flottergate Homes				0	14,618	
				57,892	14,618	
7. Other Charitable Income						
Balances from Closed Churches				0	0	
Transfer from Closed Churches				0	0	
Various				1,692	2,837	
Flottergate Homes Income (mainly Rents)				23,806	15,134	
				25,498	17,971	
8. Payment to Trustees						
With the exception of Stipends paid to ministers, no payments were made to trustees for additional services provided to the Circuit by agreement with the Circuit Meeting						
				This year	Last year	
Number of trustees who were paid expenses				3	3	
Nature of the expenses						
Expense payments primarily relate to reimbursement for travel costs						
				£	£	
Total Amount Paid				3,527	1,518	
9. Fees for examination or audit of the accounts				£	£	
Independent examiner's or auditors' fees for reporting on the accounts				250	250	
Other fees (eg: advice, accountancy services) paid to the independent examiner or auditor				nil	nil	
10 Paid employees (including Ministers)						
Staff costs paid during the year were:				£	£	
Gross wages, salaries and benefits in kind				95,687	86,668	
Employer's National Insurance Costs				8,120	8,745	
Pension Costs				22,025	34,724	
Total Staff Costs				125,833	130,137	
Average number of staff employed during the year were				5	4	

**11a. Tangible Fixed Assets
(excluding Investment
Properties)**

Cost or valuation

Year to 31st August 2023

	Residential Land £	Other Land £	Manse £	Other buildings £	Total £
Balance brought forward	370,000	9,243	383,250	0	762,493
Additions					0
Flottergate Homes	0			0	0
					0
Revaluations (+/-)		0	0	0	0
Disposals (-)					0
Transfers* (x/-)					0
Balance carried forward	370,000	9,243	383,250	0	762,493

Accumulated depreciation

**Basis			SL or RB	SL or RB
** Rate				

Balance brought forward					0
Depreciation charge for year(-)					0
Revaluations (x/-)					0
Disposals (-)					0
Transfers* (x/-)					0
Balance carried forwards	0	0	0	0	0

Net book value

Brought forward	370,000	9,243	383,250	-	762,493
Carried forward	370,000	9,243	383,250	-	762,493

Cost or valuation

Year to 31st August 2022

	Residential Land £	Other Land £	Manse £	Other buildings £	Total £
Balance brought forward	370,000	9,243	383,250	0	762,493
Additions					0
					0
					0
Revaluations (+/-)					0
Disposals (-)					0
Transfers* (x/-)					0
Balance carried forward	370,000	9,243	383,250	0	762,493

Accumulated depreciation

**Basis			SL or RB	SL or RB
** Rate				

Balance brought forward					0
Depreciation charge for year(-)					0
Revaluations (x/-)					0
Disposals (-)					0
Transfers* (x/-)					0
Balance carried forwards	0	0	0	0	0

Net book value

Brought forward	370,000	9,243	383,250	-	762,493
Carried forward	370,000	9,243	383,250	-	762,493

**11b. Tangible Fixed Assets
(Investment Properties)**

Cost or valuation

Year to 31st August 2023

	Residential Land £	Other Land £	Manse £	Other buildings £	Total £
Balance brought forward	210,000	0	0	320,000	530,000
Additions					0
Humberston	50,000			70,000	120,000
					0
					0
Revaluations (+/-)		0	0	-60,000	-60,000
Disposals (-)	-30,000			-60,000	-90,000
Transfers*(x/-)					0
Balance carried forward	230,000	0	0	270,000	500,000

Accumulated depreciation

** Basis

** Rate

		SL or RB	SL or RB

Balance brought forward					0
Depreciation charge for year(-)					0
Revaluations (x/-)					0
Disposals (-)					0
Transfers* (x/-)					0
Balance carried forwards	0	0	0	0	0

Net book value

Brought forward	210,000	-	-	320,000	530,000
Carried forward	230,000	-	-	270,000	500,000

Cost or valuation

Year to 31st August 2022

	Residential Land £	Other Land £	Manse £	Other buildings £	Total £
Balance brought forward	30,000			90,000	120,000
Additions					0
Central Hall	70,000			70,000	140,000
Beacontorpe	80,000			100,000	180,000
South Killingholme	30,000			60,000	90,000
Revaluations (+/-)					0
Disposals (-)					0
Transfers*(x/-)					0
Balance carried forward	210,000	0	0	320,000	530,000

Accumulated depreciation

** Basis

** Rate

		SL or RB	SL or RB

Balance brought forward					0
Depreciation charge for year(-)					0
Revaluations (x/-)					0
Disposals (-)					0
Transfers* (x/-)					0
Balance carried forwards	0	0	0	0	0

Net book value

Brought forward	30,000	-	-	90,000	120,000
Carried forward	210,000	-	-	320,000	530,000

12. Investments

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

TMCP is the legal owner and Custodian Trustee of all Methodist Trust Property, including Legacies, Endowments and Accumulated Funds. Trust property is held for and on behalf of local Managing Trustees who are responsible for the day to day management of trust property. TMCP ensure that, through providing guidance and acting under their direction, the Managing Trustees comply with charity law and Methodist law and policy as determined by the Methodist Conference.

	This year £	Last Year £
Investments listed on a recognised Stock Exchange		
Investments held in common investment funds,	27,410	28,021
Securities not listed on a recognised Stock Exchange		
Other investments		
Total	27,410	28,021

Change in investment values	£	£
Carrying (market) value at beginning of year	28,021	29,382
Add: additions to investments at cost		
Less: disposals at carrying value		
Net gain/(loss) on revaluation	(611)	(1,361)
Carrying (market) value at end of year	27,410	28,021

13. Analysis of current assets

Debtors and prepayments

	£	£
Pre paid Stipends	10,176	9,472
Accrued income		
Other debtors		0
Total debtors and prepayments	10,176	9,472

Analysis of cash at bank

Bank balance held at HSBC	26,779	30,780
Total Cash and Bank	26,779	30,780

14. Analysis of current liabilities and long term creditors

Trade Creditors		
Other Creditors being prepaid Assessments	39,604	47,532
Total Current Liabilities	39,604	47,532

15. Capital Commitments and Contingent Liabilities

At 31st August 2023 the Circuit has no capital commitments (2022: Nil).

No Contingent liabilities were identified at 31st August 2023 (2022: None).

16. Loans

A loan was made from the Circuit Model Trust Fund to Side Door.	18000	22000
Repayment of £4000 in the year,		
No predetermined term,		

17. Detailed analysis of individual fund movements Year ended 31st August 2023

Unrestricted Funds

Unrestricted Fund Name	Opening Balance	Income	Expenditure	Transfers	Gain/loss on investment	Closing Balance	Purpose of the fund
	£	£	£	£		£	
General	1,562,652	203,810	270,197	53,420	-17,004	1,532,682	Day to day income and expenditure
Model Trust	67,258	59,083	1,873	-43,820	-285	80,362	To serve the needs of the Circuit in Mission & Outreach
Designated	0					0	
Totals	1,629,910	262,893	272,070	9,600	-17,289	1,613,044	

Designated and Restricted Funds

Fund Name	Opening Balance	Income	Expenditure	Transfers	Gain/loss on investment	Closing Balance	Purpose of the fund
	£	£	£	£		£	
Designated Funds							
	0	0	0	0		0	
	0					0	
	0					0	
	0					0	
Totals	0	0	0	0	0	0	
Restricted Funds							
Flottergate Homes	0	23,806	14,256	(9,550)	0	0	To manage the assets, income and expenditure of
	0					0	Flottergate Homes newly transferred to the Circuit.
Totals	0	23,806	14,256	(9,550)	0	0	

Endowment Name	How the capital is invested	Current value of capital	Annual income	What the income was used for
		£	£	
James Short Trust Fund	In CFB Managed Mix Fund with TMCP	20,974	608	Retained in Fund
Totals		20,974	608	

The reasons for the transfers between funds were as follows:

Transfers of £45,740 and £20,000 from CMTF to cover heavy expenditure on Flottergate Homes properties and to support churches in connection with the assessment agreed.

Flottergate Homes losses funded from General Fund

17. Detailed analysis of individual fund movements Year ended 31st August 2022

Unrestricted Funds

Unrestricted Fund Name	Opening Balance	Income	Expenditure	Transfers	Gain/loss on investment	Closing Balance	Purpose of the fund
	£	£	£	£		£	
General	1,160,301	196,520	244,051	39,882	410,000	1,562,652	Day to day income and expenditure
Model Trust	137,696	530	4,777	-65,740	-451	67,258	To serve the needs of the Circuit in Mission & Outreach
Designated						0	(See Below)
Totals	1,297,997	197,050	248,829	-25,858	409,549	1,629,910	

Designated and Restricted Funds

Fund Name	Opening Balance	Income	Expenditure	Transfers		Closing Balance	Purpose of the fund
	£	£	£	£		£	
Designated Funds							
						0	
						0	
						0	
						0	
Totals	0	0	0	0		0	
Restricted Funds							
Flottergate Homes	0	29,752	55,610	25,858		0	To manage the assets, income and expenditure of
						0	Flottergate Homes transferred to the Circuit in y/e 2022
Totals	0	29,752	55,610	25,858		0	

Endowment Name	How the capital is invested	Current value of capital	Annual income	What the income was used for
		£	£	
James Short Trust Fund	In CFB Managed Mix Fund with TMCP	21,300	534	Retained in Fund
Totals		21,300	534	

Approved by the Circuit Trustees at their meeting on 19th Sept 2023

N Vickers

.....(signed)

Rev Neil Vickers
Superintendent Minister

.....J Bishop.....(signed)

Jackie Bishop
Circuit Meeting Secretary

RESERVES POLICY

Report on behalf of

THE METHODIST CHURCH –GRIMSBY & CLEETHORPES CIRCUIT
17/5

To

CIRCUIT MEETING

We submit our annual report in accordance with the requirements of the Methodist Conference and the Charity Commission guidance in CC19.

- (i) The trustees have established their mission aims taking into account all of the resources available in terms of people, property and money
- (ii) Mission initiatives/projects have been costed or estimates made of projected future costs which take into account the needs of the buildings and the requirements of the Quinquennial Inspection Report/s
- (iii) We have agreed a Reserves Policy which is set out overleaf and is recorded in the trustees' minutes and our Annual Report
- (iv) We recognise the need to be accountable as charity trustees for all the money which comes into our hands and will provide further information as required by the Circuit/District/Connexion
- (v) Our Report is attached overleaf →

* please delete as appropriate

To be completed by Receiving Body

The

THE METHODIST CHURCH – GRIMSBY & CLEETHORES CIRCUIT 17/5

received the RESERVES POLICY of

CIRCUIT MEETING

Policy accepted and acknowledgement sent to the trustees


YES

Policy noted and the following enquiries made of the trustees

Responses received and any further action taken

*Circuit/District

Signatures



Neil Vickers

Date

19/09/23

* Please delete as appropriate

1.	General Funds held at Y/E 31/08/2023	£258,292.12
2.	Restricted Funds held "	£nil
3.	Endowment Funds held "	£nil

4. Reserves policy for General Funds

The Reserves in the General Fund are in the HSBC Bank, Central Finance Board and TMCP – Manchester. The Trustees aim to hold a minimum of six months expenditure (year ending 2023 is £266,989.41 – 50% £133,495) – a surplus over this year's expenditure.

The Circuit holds funds in the TMCP accounts in Manchester - £119,348 – The income in this fund arises from the sale of assets i.e. sale of church buildings and manses. The fund is available for Christian Mission – making Disciples for Jesus Christ – and supporting church buildings where mission continues – grants are available from this fund to improve the buildings to ensure that mission can enable the church to grow in the community. In addition the fund helps to maintain three circuit manses and a rented cottage.

Additional funds are held in the current account – HSBC £21,006.48 and Central Finance Board £218,945.98.

The Circuit Reserves i.e. TMCP account have reduced in this year of accounting due to withdrawal of £25,000.00 to cover the costs of assisting churches to meet their assessments to the circuit budget due to lack of income following the reduction in membership during the last 2 years. In addition amount of £23,000 was withdrawn to finance the replacement roof 175 Mill Road. Following the closure of three church buildings the Circuit paid the ongoing costs on maintaining the building until the sales are complete amounting to £25,743.52. The sale of South Killingholme was completed in August 2023 and Beacontorpe will be sold in the near future.

Whilst the reserves are substantial within the Circuit there are additional expenses which will arise during the financial year 2020/21:-

1. **CENTRAL HALL** –The old Methodist Central Hall is rented out on lease to the Central Hall Trust and despite endeavouring to increase available use the Trust appear to be in financial difficulties once again as set out in the Financial Statement. However there is always a possibility that the property may be returned to the Methodist Church which could cost a large amount to maintain while endeavouring to dispose of the property. A reserve of £250,000 is noted.
2. **REDUCTION IN THE NUMBER OF CHURCHES** – The Circuit has 12 buildings under its care. Two church buildings remain unsold at the close of this financial years involving costs to the circuit of say £15000.00.
3. **MANSE MAINTENANCE** - Whilst contained within the budget each year there is an estimate for maintaining the three manses and a rented cottage, which are the responsibility of the Circuit, there is the unknown major item which affects every householder and no less than the Circuit. Estimate £20,000.
4. **BENEVOLENT RESERVE** – There are times when members and friends fall on hard times and require temporary help as well as those not connected to the church. In addition there are those who work hard on behalf the church at considerable person expense funded from their own purse. In these times the Circuit has a responsibility to help cover the

costs. A reserve is included here of £5,000.

5. **THE FUTURE INCOME** of the Circuit is under review and with the continuous reduction in the membership each year churches are finding it difficult to maintain their circuit assessment with an ever increasing circuit budget. The membership stands at 1st September 2023 at 360. Churches will continue to need financial support to meet their Circuit Assessment – a reserve of £25,000 is noted.
6. **FLOTTERGATE METHODIST HOMES:-**The members of the Circuit Meeting are the Managing Trustees of the homes. A decision was made to install gas central heating into the nine homes. The Circuit funded as a loan of £45,000 to complete the installation. The homes will be a financial liability to the circuit in the foreseeable future although the committee intend to increase the resident's contribution substantially in January 2023. Major issues in the future are re-roofing the properties at £50,000 and replacement bath roofs at £45,000.
7. **MISSION WITHIN THE CIRCUIT:-** Following completion of the sale of the three church building it is the intention of the Leadership Team to discuss with the members of the Circuit Meeting a policy of mission within the area by moving into areas where the members of the public congregate. Within this in mind the Circuit will be looking to appoint a full person to be responsible to lead the mission event. In addition the Circuit Stewards are preparing a documents as to the future of the Methodist church in the area. The cost over a five year period could be in the region of £350,000.

5. Policy for Restricted Funds

N/A

6. Terms relating to Endowment Funds held

A small inheritance over a number of years with no activity recently.

This Reserves Policy has been approved by

Circuit Meeting

Treasurer	Trustee
Full name John Derek Holroyd	Full Name Pauline Elizabeth Kershaw

Signature *John Derek Holroyd*

Signature *Pauline Elizabeth Kershaw*

THE METHODIST CHURCH – GRIMSBY & CLEETHORPES CIRCUIT

FINANCIAL STATEMENT

1ST SEPTEMBER 2022 TO 31ST AUGUST 2023

It is the responsibility of the Managing Trustees of every Methodist Circuit to provide a Financial Statement to ensure that the Circuit within The Methodist Church is financially sound. The details provided on the official form indicate the financial strengths or weakness of the Circuit.

The Circuit continues with computer accounting and internet banking. The income and expenditure is available on a day to day basis and is reconciled with the accounts held at HSBC bank in Grimsby & CFB bank in London each day. Thus no cheques have been issued during the year and all payments have been paid on the internet banking system.

HSBC Grimsby branch closed its counter service on the 7th October 2021 and operate on machines only. I took the opportunity to bank at the local post office in Cleethorpes - thus do not have to travel into Grimsby and have continued during the last financial year. Free banking for charities has ended and bank charges now apply to our HSBC account.

There are three banking accounts held under the current system with balances of:-

HSBC Grimsby	£21,006.48
Central Finance Board	£218,945.98
TMCP Manchester	73,860.11
Surplus Funds Account	16,839.26
Investment Fund	6,580.48
SK TMCP Fund	34,667.73

The HSBC account is used on a daily basis to pay the general running costs of the Circuit.

Central Finance Board receives most of the money paid by the churches in assessments and pays large items of expenditure such as Minister's stipends and the District assessment. In addition the CFB account pays interest on the money held. I have closed four dormant CFB accounts and incorporated them into the main CFB account as I previously advised the Circuit Meeting who approved the move.

The TMCP account is an investment account.

The Receipts and Payments account in the HSBC account for the year ending 31st August 2023 show an overall deficit of £65,286.4 which excludes the CFB accounts and the Model

Trust Fund. The deficit is not surprising as the cost of maintaining surplus properties during the current year was £33,955.70 – the details are set out below.

The balance in the CFB account shown on the Financial Statement is correct at £132,100.87, Flottergate Homes £11,477.62 and the property account at £75,367.49 – Total £218,945.98.

The accounts items are listed each day on a receipts and payments basis although the final accounts audited will be on an accrual basis hence the items shown as debtors & creditors.

Members must be aware that the deficit shown on the accounts is not a true cost of running the circuit figure which included the finances for:- Beacontorpe, South Killingholme, Central Hall and Humberston which are redundant churches – the updated payment figures are:-

Beacontorpe	17330.50
South Killingholme	5947.44
Central Hall	8812.18
Humberston	1242.00
Wellinton Street	23.58

To meet much of the expenditure money has been withdrawn from the TMPC account to meet most of this account, including £25,000 into the general account to reduce the church assessments for 2022/23.

The sale of South Killingholme Methodist Church was completed on 29th August 2023 and the Circuit received a net amount of £57,891.84. The money has been transferred by TMCP Manchester into our TMPC account.

HUMBERSTON METHODIST CHURCH:- The society ceased to meet in April 2023 and responsibility for the building passed to the circuit. Interest in purchasing the property have been received from an alternative church faith, a community centre and a developer. The latter would be interested in turning the property into a private house. As it is in a conservation area the front of the church building would remain and the alterations would be behind. The only offer in line with the valuation is from the developer. As the property has not yet been advertised on the open market steps have been taken by our estate agents to place the property on the open market with immediate effect.

BUDGET, BUDGETS & MORE BUDGETS are the worst nightmares to any Treasurer and bearing in mind that the Circuit Budget is set 18 months in advance of the financial year commencing, there is no wonder there are anomalies when the final accounts are presented. When the budget was prepared I had no information regarding Circuit Office and that would have to include their finances in this year's accounts.

WITHIN THE RECEIPTS - With regard to Church Assessments of £188,504.50 this is in line with the budget. It is noted that a number of churches are struggling financially to meet

their assessments and it is the intention to meet with all church treasurers before the March Circuit Meeting to discuss individual church finances and any problems in paying their future assessments.

WITHIN THE PAYMENTS – This year the majority of the payments are within the budget.

Manse expenses are above budget due to the replacement of new roof at Mill Road.

Included in the Budget is an amount of £4,400 to meet the costs of Quinquennial Church inspections which cost £3,264.00 which concludes the church inspections until 2025.

THE Circuit PROPERTY ACCOUNT - rent is received from the Laceby Cottage. From this account any expenses such as maintenance & insurance costs will be paid. The amount held at CFB is £75,367.49. Due to changes being introduced by HSBC I have closed the HSBC account and transferred the balance into the CFB account. Any payments due in respect of the cottage will be paid from the general account and the total amount paid during the year will be transferred from the CFB account.

MANSE EXPENSES – Maintaining three circuit manses remains expensive if the houses are to maintain their value on the open market and provide suitable living accommodation for our Ministers. This year costs of £30,105 includes replacement roof at Mill Road £23,000. There will be further maintenance/ improvements made at our manses during the forthcoming year.

HSBC ACCOUNT:- I do not intend to change banks at the present time as I am informed that all 57 Trustees of the circuit will have to produce personal details to the bank and visit the local bank to complete an application form. HSBC have introduced bank charges on community accounts in this financial year.

CENTRAL FINANCE BOARD ACCOUNTS – The Circuit Finances contained five accounts of which two accounts are used on a daily basis, the main account for assessments from the churches and payments including payment of Stipends and District costs, and the Property Account. Three of the accounts have been closed and incorporated into to the main account.

CIRCUIT MODEL TRUST FUND – The statement has been received from TMCP Manchester as at 31st July 2022. The details are set out below:-

Opening Balance	£60,536.79
Interest	926.35
Dividends	198.27
Sale of Property SK	67,364.80
District Assessment	1,681.45

TMCP Levy SK	9,472.96
TMPC Admin Charges	191.69
Paid to General Account	43,820.00
Closing Balance	73,860.11
Surplus Funds	16,839.26
Special Investments/SK	34,667.63
Closing Balance	£131,947.58

As the circuit accounts are on an accrual basis it is important that as many items as possible are listed in the year of accounts i.e. September to August, within the budget set for the year. Please ensure that the quarterly circuit assessments are sent to the Treasurer on the date due i.e. 14th of the month (particularly August).

FLOTTERGATE METHODIST HOMES:-The Management committee have completed last year the installation of gas central heating into the nine bungalows. The final installations cost was met by a circuit loan of £45,740 from the circuit TMCP general fund. Taking into account the money held in the CFB account the current amount due to the circuit stands at £16,150.13. You will hear in the secretary's report that we have dispensed with the position of the warden which cost £2,736 per year. However we had to make a redundancy payment of £3347.20 including legal cost – this together with the increase contributions from the residents should clear the debt owing to the circuit within the next two years. The residents have not been affected in the main financially by the rent increase as their contributions are covered by housing benefit claimed from the local council.

Looking ahead to the future of the homes the Trustees should be aware that the roofs of the homes will have to be replaced at a cost of £50,000 and new bathrooms installed at a sum of £45,000. The Trustees – the members of the Circuit Meeting - will have to consider the future of the homes.

GRIMSBY CENTRAL HALL TRUST:- The Trust continues to be a concern to the Leadership Team. The Trust committee lead by Angela Burnett choose to ignore any communication from us or our solicitors in the belief that problems will just disappear. As they refused to make any insurance arrangements in respect of the building and contents along with public liability the Leadership arranged cover with Methodist Insurance in the joint names. The Trust is in breach of the lease. A letter has been sent by our solicitors proposing a new lease with a rent increase from £3000.00 to £6000.00 per year and Circuit Trustees will be responsible for arranging and paying the insurance costs and this has been ignored. On 6th September 2023 the solicitors were instructed to send a further letter asking for a response and confirmation of the acceptance of a new lease within 7 days or the lease will be withdrawn and the Circuit will take repossession of the building and contents.

DOCUMENTS:- Despite the use of computers and modern technology human input is still required and each year new forms seeking information from the District, Circuit and Churches is required by the Connexion. The Circuit and those Churches using the accounting forms prepared by Michael May will have the Standard Form of Accounts automatically generated on their computers. This year the Circuit and Churches have to continue to prepare a Circuit and/or a Church report and submit it to the connexion.

The Circuit Accounts have been audited by the Circuit Auditor.

The Standard Form of Accounts & Property Report from each church Treasurer are required by 31st October each year. Please ensure when submitting the form for the Church Membership is shown up-to 1st November 2023 as the number stated will be used in calculating the Church Assessment per Church for 2023/24. If not submitted the number shown on the September Plan 2023 will be used,

PROPERTY REPORT – Finance and property are associated in that repairs and maintenance have to be paid from Circuit funds:-

107 Welholme Avenue

1. Installation of a new kitchen.
2. Reducing the height of the trees in the back garden

175 Mill Road – work outstanding

1. Replacement of PVC windows

25 Bolingbroke Road – work required:-

1. Removal of a large tree in the rear garden.
2. Replacement of window in rear bedroom.
3. Electrical test report required.

The Cottage Laceby – work required:-

- 1 Replacement of drive from road to the cottage.

BEACONTHORPE CHURCH:- The buyer has received planning permission with the exception of one final document regarding the sale. Our agent Jackson, Green and Preston have responded to the local council by letter which should enable the sale to be concluded.

HUMBERSTON METHODIST CHURCH:- The responsibility for the building has recently passed to the Circuit Trustees. The property is on the sale market with Jackson, Green Preston. Interest in purchasing the property has been received.

Derek Holroyd – Circuit Treasurer & Property Steward September 2023

Please reply to 19 Bolingbroke Road Cleethorpes North East Lincolnshire DN35 0HF

Telephone 01472 580755 –e-mail j-holroyd sky.com

