

The Methodist Church



Trustees Annual Report & Accounts

East Staffordshire & South Derbyshire Methodist Circuit

Charity Registration Number 1133721

Circuit Reference 22/16



September 2021 – August 2022

Table of Contents

Welcome from the Superintendent.....	2
Introduction	2
Objectives and Activities.....	2
Circuit Representatives	3
Circuit Church Representatives	4
Review of the Year.....	6
Property	8
Plans for Future Years	8
Basis of Preparation and Legal Framework.....	8
Financial Review	10
Investments.....	10
Reserves Level and Policy.....	11
Structure, Governance and Management.....	11
Trustee Training, Related Parties.....	12
Risk Management, Safeguarding	13
Summary	14
Approvals	14
Annual Accounts.....	15
Declarations and Scrutiny	41
Auditor's Certificate / Report.....	42



Welcome from the Superintendent

After the formation of this Methodist Circuit early in the covid crisis, no one could have predicted that the lockdown would last as long as it did. Throughout that time the staff produced weekly worship sheets and still do so, for those unable to get to a Church service. In some places Zoom services have become the 'norm' and people have begun to see the benefits of modern technology and how it can enable worship to take place.

As was predicted in last year's report, more Churches have indeed closed with the inevitable knock-on effect on circuit finances. However, the leadership team have managed the finances well and are still looking for growth in 2022/23. Inevitably hard decisions will have to be taken, but will be taken in accordance with a stated desire to see the purpose of the church fulfilled.

Mike Redshaw

Superintendent Minister of East Staffordshire and South Derbyshire Methodist Circuit

Introduction

The Circuit was formed in September 2020 following a merger of the Trent and Dove and South Derbyshire Methodist Circuits. At the beginning of the year 2021-22 there were 22 churches in the Circuit, covering an area from the Leicestershire Border at Acresford, through Swadlincote, Burton-upon-Trent and Etwall, to Uttoxeter and Stubwood. There is also a multipurpose drop-in centre and shop, 'Oasis', in Swadlincote Town Centre.

However, during the course of the year, four churches ceased to worship and closed their buildings: Hatton and Stubwood (October 2021), Winhill (January 2022), and Blackfordby (June 2022). The remaining churches have all reopened after the Pandemic, some on a fortnightly basis, though Woodville remained online for the connexional year.

Objectives and Activities

In setting our objectives and planning our activities the Circuit Trustees meet at least twice a year. These meetings plan and agree the activities of the Circuit and ensure it complies with Charity Commission guidance. A list of Trustees, the Churches they represent, and the positions held is given below:

Circuit Representatives

Ministers
Rev'd Moira Biggins
Rev'd David Bonny
Rev'd Helen Harrell
Rev'd Stella Mills
Rev'd Manoa Ratubalavu
Rev'd Mike Redshaw

Deacon
Deacon Janice Hacon
Circuit Meeting Secretary
Celia Ryan
Circuit Local Preachers & Worship Leaders Representative:
Susan Laws

Supernumerary Ministers
Rev'd Doug Allen
Rev'd Ann Bolas
Rev'd Lynda Coates
Rev'd Derek Morton
Rev'd Susan Rolls
Rev'd Maurice Whittaker
Rev'd David Palmer
Lay Workers
Caroline Green
Jordon Lambert
Miss Susan Laws
Circuit Stewards
Steve Dobson
Denise Hancock
Andrew Hawkins
Heather Simm
Miss Wendy Smith
Andrew Wooding
Action For Children
Rosemary Hancock

Family Action Team
Sue Shakespeare
Circuit Missions
Julie Green (MWB)
Jenny Illsley (MHA)
John Jay
Sue Palmer (MWB & World Church)
Shirley Wagstaff
Bryan Wild (MHA)
Sue Williams (Fijian Liaison)
Gwen Wortley
Circuit Safeguarding Coordinator
Caroline Green
Circuit Safeguarding Advisor
Richard House
LP Elected Rep
Joyce Greenwood
Synod Reps
Denis Barratt
Sue Nickson

Circuit Church Representatives

Acresford Methodist Church	
Treasurer	Dorothy Twigg
Rep	Michael Green

Barton under Needwood Methodist Church	
Treasurer	David Moore
Rep	Ian Gilby
Rep	Fiona Panter
Reserve	John Wright

Blackfordby Methodist Church Closed June 2022	
Treasurer	Denis Mansfield
Rep	Lorna Armson
Rep	Anne Harrison
Rep	Jean Mason

Boylestone Methodist Church	
Treasurer	Oliver Ball
Rep	Oliver Ball
Reserve	

Church Gresley Methodist Church	
Treasurer	Ann Metcalf
Rep	Terry Chandler
Rep	Eila Baugh
Reserve	Denis Barratt

Draycott Methodist Church	
Treasurer	Lynn Wragg
Rep	Marion Rowe
Rep	Stephen Ryan

Etwall Methodist Church	
Treasurer	Herman Bonardt
Rep	Vic Appleby
Rep	Wendy Smith

Hatton Methodist Church Closed October 2021	
Treasurer	
Rep	Eunice Watson

Hilton Methodist Church	
Treasurer	Karen Evans
Rep	Brian Hill
Rep	

Newhall Methodist Church	
Treasurer	Steve Smith
Rep	Rosemary Hancock
Rep	Nigel Sharpe

Overseal CofE/Methodist Church	
Treasurer	-
Rep	Ian Coles
Rep	Dilys Harper

Short Street Methodist Church	
Treasurer	Graham Meers
Rep	Wendy Knight
Reserve	

Stanton Methodist Church	
Treasurer	Miss Rita Street
Rep	Julie Hackett
Rep	Jean Hollins
Reserve	Elaine Tagg

Stretton Methodist Church	
Treasurer	Shirley Toon
Rep	Christine Dunsby
Reserve	Rita Hartshorn

St Thomas's Methodist Church	
Treasurer	Liz Merrick
Rep	John Jones
Rep	Sue McLoughlin

Stubwood Methodist Church Closed October 2021	
Treasurer	Teresa Hawkins
Rep	Susanne Smith
Rep	Shirley Wagstaff

Ticknall Methodist Church	
Treasurer	
Rep	Kathy Bates
Rep	Angela Bird
Rep	Jennifer Illsley

Trinity (Linton) Methodist Church	
Treasurer	Betty Naylor
Rep	Martin Kesterton
Rep	Rita Walton
Reserve	Mick Bell

Uttoxeter Methodist Church	
Treasurer	Roger Rooke
Rep	John Darby
Rep	Anne Dobson
Rep	Julie Green

Winshill Methodist Church Closed January 2022	
Treasurer	Graham Meers
Rep	Linda Latham
Rep	Jenny Meers
Rep	Moya Middleton

Woodmill (St Paul's) Methodist Church Closed August 2022	
Treasurer	Roy Ward
Rep	Les Fellows
Rep	Alan Richardson

Woodville Methodist Church Worshipping On-line	
Treasurer	Brian Parker
Rep	Joan Barnett
Rep	

The Circuit is governed by the Methodist Church Act 1976, the Deed of Union and the Model Trust Deeds of 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:

- 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

The organisation and resourcing of regular acts of worship 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 ill and bereaved. Taking religious assemblies in local schools. Chaplaincy is offered at East Midlands Airport, and the Agricultural community, as well as chaplaincy support at Queens Hospital.

We are seeking to be a visionary Circuit glorifying God, sharing the mission and ministry of Jesus. This Circuit is called into being by the grace of God, led by Jesus Christ and is given the gifts for its work by and through the renewing power of the Holy Spirit to facilitate mission through worship, witness and service of the congregations and circuit along with ecumenical co-operation and community engagement encouraging shared ministry with all parts of the Christian family.

Review of the Year

The year saw many of the Circuit's churches reopen after lockdowns came to an end. This was a piecemeal process managed by the local trustees as they deemed it safe to do so. Four churches found that they could not sustain their mission and ministry, whether because of too few personnel, too little finance or problems with property. Each closed with a service of thanksgiving for all that each community had achieved across the years. Some of the members attached themselves to new fellowships quickly, while others are still seeking a new spiritual home.

The value of online services and meetings had been proved during lockdown, and both continue and have the Circuit's commitment to do so in the future. A number of Bible Studies and events have also taken place online, and business meetings have varied in style, including in person, digital or

hybrid platforms. The original section-based range of digital Sunday worship was curtailed by the reopening of services on site, until there were just a few regular opportunities to gather digitally each week.

The required governance for the circuit is continually being reviewed, monitored and modified as required. Though not without difficulty in the earlier parts of the year, Safeguarding continues to be managed by the Superintendent and the Circuit Administrator, and training offered by the Circuit and District Training teams, all of whom have attended the appropriate training. Communications across the Circuit has been maintained through the Circuit website and weekly notices. And in planning for the future, the circuit was successful in seeking two ministers to join the team for September 2022, as three of the existing ministers moved on or retired, and the remaining staff were involved in decisions about future oversight in the light of changing needs. After a period of illness, our circuit Administrator resigned at the end of August 2022, and the Summer Circuit Meeting instructed the Leadership Team to seek a replacement as soon as practicable.

While it became possible to restart Messy Church within the Circuit, the continuing issues with Covid in schools have meant that "Open the Book" in schools, in and around Uttoxeter and Hilton, has not been able to recommence its mission.

The Uttoxeter Schools worker continued his work, being jointly supported by The Renew Church in Uttoxeter, the United Reformed Church in Uttoxeter and the Methodist Church. Although he was not able to go into schools during the period they were closed, he was able to take on line assemblies and produced some excellent video work for use in the schools' work with the children of key workers and their on-line teaching programmes. Many of the Uttoxeter School Pyramid took part in these and because of that there was a significant impact in those schools. Towards the end of the year he was able to begin a number of programmes in some of the schools in the hope of being fully operational across the pyramid in 2022-23.

The Family Worker sustained the work with toddlers and their carers and some Messy Church groups across the year. The work is such that in some places it was almost a fresh beginning, as families had moved beyond the age range for the activities on offer, but some of the groups continued to flourish. Taizé evenings and Julian Meetings on zoom took place for the whole of the year. At the beginning of August 2022 the Family Worker resigned her role, and the Circuit is reviewing its staffing needs for the future.

The Oasis Centre in Swadlincote is a Town Centre Work, a place for meeting people as well as an outlet for the sale of Fair Trade Goods, gradually reopened when it was safe for staff and volunteers to enable it to do so.

Despite difficult times, we pray that God will continue to bless in the East Staffordshire and South Derbyshire Methodist Circuit, as it faces the challenges of diminished resources whilst looking at new opportunities for its mission in the communities where it is set.



Property

We have provision for six manses in the Circuit and five presbyters plus one Deacon occupying those properties. Towards the end of the Connexional Year the Circuit completed the sale of Church Broughton Methodist Church after a very lengthy process. The successful bidder was Church Broughton Parish Council with whom we had worked very closely. The Circuit also has responsibility for both the Oasis Centre (Unit 6) and Rowland Memorial Church, Midway now renamed as 'The Well'. The Oasis Centre is on a 5-year lease from South Derbyshire District Council which expires in December 2023. Four churches, Stubwood, Hatton, Winhill and Blackfordby made the difficult decision to cease to meet during the year. These properties are now identified as Investment Properties and are under the stewardship of the Circuit. The CLT has delegated authority from the Circuit Meeting to decide on the future of these properties.

Plans for Future Years

In the light of the number of congregations that did not reopen after Covid lockdown, we are in the process of restructuring in terms of finance and personnel to provide stability for any potential future growth. The expected changes in staffing at the end of August 2022 will allow us to restructure our digital ministry of worship, study and fellowship and to put renewed energy into the more rural churches to the North West of the Circuit.

Beyond that, we are planning to develop a plan for development and innovation so that our mission will progress and the remaining churches grow for the future. We are investing in new projects, such as the Arts Church, as well as continuing the work of OASIS, and we are committed to helping local communities in as many ways as we can.

Of course we have issues of declining membership, reducing income and ageing property to deal with. But we move forward in hope and faith.

Basis of Preparation and Legal Framework

The Charity's Annual Report and Accounts have been prepared under the Charities Act 2011 and the Accounting and Reporting by Charities: Statement of Recommended Practice (SORP) applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (effective 2019) – the Charities SORP (FRS 102)).

The members of the East Staffordshire and South Derbyshire Methodist Circuit meeting are the Charity Trustees, membership being made up of Circuit Office Holders, Ministers and Representatives appointed by the local churches. Full membership is shown under Objectives & Activities on page 2 of this Report.



ESSD Methodist Circuit Trustees' Annual Report & Accounts

The Charity's full name is:	East Staffordshire and South Derbyshire Methodist Circuit
Charity Registration Number:	1133721
Date of Registration:	1st September 2020
Main Point of Contact:	Circuit Office,
Main Point of Contact Address:	Winhill Methodist Church, High Bank Road, Winhill, Burton on Trent, Staffordshire, DE15 0NL
Telephone Number:	01283 337649
Email Address:	caroline.essd.mc@gmail.com /office.essd.mc@gmail.com

<u>Circuit Ministers and Officers</u>		
Active Circuit Ministers:	Rev'd Mike Redshaw (<i>Superintendent</i>)	
	Rev'd Moira Biggins	
	Rev'd Dave Bonny	
	Rev'd Helen Harrell	
	Rev'd Stella Mills	
	Rev'd Manoa Ratubalavu	
Deacon:	Deacon Janice Hacon	
Circuit Lay Workers:	Mrs Caroline Green (until end of August 2022)	
	Mr Jordan Lambert	
	Miss Susan Laws(until end of August 2022)	
Circuit Stewards:	Mr Steve Dobson	
	Mrs Denise Hancock	
	Mr Andrew Hawkins	
	Mrs Heather Simms	
	Miss Wendy Smith	
	* Mr Andrew Wooding	
Circuit Meetings Secretary:	Mrs Celia Ryan	
* Financial Steward		
<u>Bankers:</u> HSBC 18 High Street, Burton on Trent Staffordshire, DE14 1JD	<u>Investment Managers:</u> Central Finance Board of the Methodist Church 9 Bonhill Street, London, EC2A 9PE	<u>Custodian Trustees:</u> Trustees for Methodist Church Purposes, Central Buildings Oldham Street Manchester, M1 1JQ
<u>Auditors:</u> Dains Audit Limited 15 Colmore Row, Birmingham, B3 2BH		

Financial Review

During the year, the Circuit has accounted for total income of £1,094,612 (2020/21 £323,239) and expenditure of £505,268 (2020/21 £476,060). Contained within the income figure is notional income of £775,000 which was received when a further four churches, which have closed to worship, became the management responsibility of the Circuit. These are now shown on the balance sheet as investment properties. Excluding this notional income, the underlying, recurrent operating deficit of c£185,700 was higher than that planned for of £125,300. In the main, the increase was due to reduced income from shares (£61,000) which was primarily the result of COVID 19 continuing to have a significant impact on individual Churches income and therefore their ability to pay the full share requirement. Ultimately, this led to the closure of the four churches referred to above.

The underlying deficit is due to planned funding from balances of the following; Family Worker (£23,490), Circuit Administrator (£11,600), Uttoxeter Schools Worker (£2,914), support for continued Ministry (£26,000), planned shortfall in shares (£15,700) and payments to the Methodist Church (£44,400).

The Circuit continues to actively manage its manses to minimise cost and provide a good standard of living accommodation for Ministers. Investment properties are planned to be sold. During 2021/22 the Circuit sold one investment property, Church Broughton Chapel, and made a gain of c£52,000 from the sale proceeds.

The Circuit considers itself to be a going concern. This is based on the levels of income (mainly share payments from Churches) promised for the financial year 2022/23. Although the pandemic has impacted on the income of Churches within the Circuit, the Circuit is confident it has sufficient reserves to meet any shortfall in income.

There are no subsidiary undertakings.

The Circuits main source of income continues to be shares received from the Churches within the Circuit, which in 2021/22 accounted for 68% of its operational income (2020/21, 76%).

Circuit income is used, in the main, to fund the stipends and associated costs of Ministers (6.0 full time equivalents during the year) and salaries and associated costs of lay staff (2.0 full time equivalents). In 2021/22 this accounted for 59% of total expenditure (2020/21, 58%). The balance of expenditure, in the main, is used to support the wider Methodist Church 24% (2020/21, 25%) and the running of the property within the Circuit, 11% (2020/21, 11%).

Investments

To comply with Methodist Standing Orders, monies for long term investment are lodged with the Trustees for Methodist Church Purposes (TMCP). TMCP acts as custodian trustee for all real estate held by Circuits and for all large (over £20,000) bequests. These sums are invested in unitised investments or held on deposit.

Short term deposits are lodged with the Central Finance Board (CFB) where they attract interest.



Reserves Level and Policy

The Circuit currently holds significant free reserves. At the end of the year (31 August 2022) these were as follows;

		£
<i>Unrestricted:</i>	Circuit Model Trust Fund	602,478
	General	130,007
	Sub-total Unrestricted	732,485
<i>Restricted</i>	General	27,786
Total Reserves		760,271

The Circuit no longer holds any designated funds as the items previously included under this category now form part of day to day budgets.

Restricted funds are held and used for the purposes for which they are given. It is the policy of the Circuit to use such funds for the purposes intended as soon as is practically possible. The balance held for restricted funds is allocated as follows;

Fund	£	Each of the following Restricted funds are used for the purpose described;
Uttoxeter Schools Worker	6,374	To continue to jointly fund the School's Worker at Uttoxeter with the objective of bringing the good news of Jesus into schools within the Uttoxeter Pyramid of schools.
Benevolent Fund	190	Primarily held for the relief of poverty and distress in the congregations and neighbourhood of the Circuit.
Hanbury Burial Ground	2,002	To fund maintenance of the Burial Ground at Hanbury.
Internal Organisations	14,159	Funds held by a variety of organisations within Individual Churches.
World Church Grant	2,155	To fund 50% of the costs of the Presbyter provided to minister to the Fijian community if the UK.
Shoe Box Appeal	2,906	To provide funds for the annual shoe box appeal.

It is not the policy to hold significant reserves. However, sufficient reserves are held to continue funding those items of expenditure agreed by the Circuit.

The Circuit will, in the light of known and developing plans, continue to review the reserves held to ensure they are used in the best interest of the Circuit.

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 along with the Local Preachers meeting.

Trustee Training

A range of guidance produced by Methodist Connexion to support the effective running of the Circuit, specifically the leaflet 'The Role of a Trustee in The Methodist Church' is made available to all new Circuit meeting members as an induction to their role as trustees.

Related Parties

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

The Circuit is comprised of the following Methodist Churches:

Acresford Methodist Church
Barton under Needwood Methodist Church
Blackfordby Methodist Church (Closed June 2022)
Boylestone Methodist Church
Church Gresley Methodist Church
Draycott in the Clay Methodist Church
Etwall Methodist Church
Hatton Methodist Church (Closed October 2021)
Hilton Methodist Church
Newhall Methodist Church
Oasis Centre, Swadlincote
Overseal C of E/Methodist Church
Short Street Methodist Church
Stanton Methodist Church
Stretton Methodist Church
St Thomas's Methodist Church
Stubwood Methodist Church
Ticknall Methodist Church
Trinity (Linton) Methodist Church
Uttoxeter Methodist Church
Winhill Methodist Church (Closed January 2022)
Woodmill (St Paul's) Methodist Church
Woodville Methodist Church

Churches currently Closed:

Church Broughton Methodist Church
Rowland Memorial Methodist Church

Risk Management

The major risk to the circuit and its churches remains one of an ageing congregation, reducing membership leading to reduced income, coupled with rising costs and increased property expenditure. Some churches are still deciding on their future, bearing in mind the above facts. It remains therefore that finding new ways to increase membership, coupled with excellent stewardship of finances and resources continues to be of paramount importance not only at circuit level but also in the churches themselves.

Income and Expenditure is being monitored in total and is compared with the approved annual budget on a quarterly basis 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:

- 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

ESSD Methodist Circuit Trustees' Annual Report & Accounts

The East Staffordshire and South Derbyshire Methodist 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 East Staffordshire and South Derbyshire Methodist Circuit also 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.

Summary

The mission of the circuit has continued through the leadership of our dedicated ministers, lay employees and those appointed, on a voluntary basis, to the many and varied offices. Challenging times lie ahead as we realign our churches and congregations as we emerge from a period of closure. We pray that the Holy Spirit will guide and direct us in our thoughts, words and deeds.

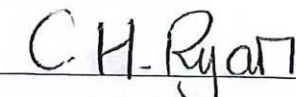
Approvals

The Trustees' Report was approved by the Circuit Meeting, held on

Date: 22/3/2023

at ROWLAND
MEMORIAL Methodist Church


Chair of Circuit Meeting


Secretary to the Circuit Meeting



Annual Accounts

for the year ended 31 August 2022




ESSD Methodist Circuit Trustees' Annual Report & Accounts

Statement of Financial Activities (SOFA) for the year ended 31 August 2022

		Unrestricted Funds		Designated Funds		Restricted Funds	Totals	Totals
	Notes	General Fund	Circuit Model Trust	Circuit Model Trust	General		2021-22	2020-21
		£	£	£	£		£	£
Income and Endowments								
1	Donations and legacies	3,880				18,655	22,535	25,644
2	Income from monetary investments	323	3,243			9	3,575	2,522
3	Income from investment properties	1,054					1,054	893
4	Assessments on Churches	217,777					217,777	247,306
5	Grants received					49,145	49,145	36,375
6	Other charitable activities						0	0
7	Total from charitable activities	223,034	3,243	-	-	67,809	294,086	312,740
8	Other income	794,503				6,023	800,526	10,499
9	Total income and endowments	1,017,537	3,243	-	-	73,832	1,094,612	323,239
Expenditure								
11	Grants and donations					2,576	2,576	11,457
12	Stipends, Salaries and associated costs	229,557				68,422	297,979	275,186
13	Property	56,104				1,860	57,964	54,222
14	District Assessment & Levy	80,420	42,639				123,059	118,205
15	Depreciation	0					0	0
16	Office and administration	11,434	1,953			6	13,393	10,921
17	Other outgoings	5,485				4,812	10,297	6,069
18	Total charitable expenditure	383,000	44,592	0	0	77,676	505,268	476,060
19	Gains/(losses) on monetary investments						0	3,454
20	Gains on Revaluation of Fixed Assets		-1,399				-1,399	0
21	Gains/(losses) on investment properties		52,328				52,328	0
22	Net income/(expenditure)	634,537	9,580	0	0	-3,844	640,273	-149,367
23	Transfers between funds	117,022	-10,061	-87,229	-22,644	2,912	0	0
24	Net movement in funds	751,559	-481	-87,229	-22,644	-932	640,273	-149,367
25	Total funds brought forward	1,920,948	602,959	87,229	22,644	28,718	2,662,498	2,811,865
26	Total funds carried forward	2,672,507	602,478	0	0	27,786	3,302,771	2,662,498

Balance Sheet as at 31 August 2022

		Unrestricted Funds		Restricted Funds	Designated Funds	Totals 2022	Totals 2021
		General Fund £	Circuit Model Trusts £	£	£	£	£
Fixed Assets	Notes						
Circuit Manses & Equipment	15	1,467,500				1,467,500	1,467,500
Investment properties	15	1,075,000				1,075,000	352,200
Investments	16		20,873			20,873	22,272
Total fixed assets		2,542,500	20,873	0		2,563,373	1,841,972
Current Assets							
Debtors & Prepayments	17	23,007				23,007	19,511
Loans	18		5,000			5,000	10,000
Investments with TMCP	16	3,922	576,605	2,002		582,529	668,831
Central Finance Board Deposits	19	100,132		8,719		108,851	92,273
Cash at Bank and in hand	19	11,991		15,089		27,080	54,419
Stock	20			2,071		2,071	2,460
Total current assets		139,052	581,605	27,881		748,538	847,494
Current liabilities							
Creditors (due in under 1 year)	21	9,045		95		9,140	26,968
Total current liabilities		9,045	0	95		9,140	26,968
Net current assets/liabilities		130,007	581,605	27,786		739,398	820,526
Total assets less current liabilities		2,672,507	602,478	27,786		3,302,771	2,662,498
Long term liabilities (due after more than one year)		0	0	0		0	0
Net assets		2,672,507	602,478	27,786		3,302,771	2,662,498
Funds of the Circuit							
General Fund		2,672,507				2,672,507	1,920,948
Circuit Model Trust Fund			602,478			602,478	602,959
Designated Funds					0	0	109,873
Total Unrestricted Funds		2,672,507	602,478			3,274,985	2,633,780
Restricted Funds				27,786		27,786	28,718
Total Funds		2,672,507	602,478	27,786		3,302,771	2,662,498

Signed  Circuit Treasurer
1 August 2023

Cash Flow Statement

	31.8.2022	31.8.2021
	£	£
Cash Generated from Operations	<u>-206,565</u>	<u>-132,381</u>
Cashflows from investing activities:		
Disposal of tangible fixed assets	<u>104,528</u>	<u>0</u>
Net cash provided by (used in) investing activities	<u>104,528</u>	<u>0</u>
Cash flows from financing activities:		
Interest received	<u>3,575</u>	<u>2,522</u>
Net cash provided by (used in) financing activities	<u>3,575</u>	<u>2,522</u>
Change in cash and cash equivalents in the reporting period	-98,462	-129,859
Cash and cash equivalents at the beginning of the reporting period	837,795	967,654
Cash and cash equivalents at the end of the reporting period	<u>739,333</u>	<u>837,795</u>

Note to Cash Flow Statement	31.8.2022	31.8.2021
	£	£
Net income/(expenditure) for the reporting period (as per the Statement of Financial Activities)	640,273	-149,367
<i>Adjustments for;</i>		
Additions of tangible fixed assets	-775,000	
Disposals of tangible fixed assets	-52,328	
Stock movement	389	
Interest Received	-3,575	-2,522
Decrease/(increase -) in debtors	-3,496	324
Decrease/(increase -) in loans outstanding	5,000	-5,000
(Decrease -)/increase in creditors	-17,828	24,184
Net cash provided by (used in) operating activities	<u>-206,565</u>	<u>-132,381</u>



1 Accounting Framework and Accounting Policies

1.1 Accounting Standard

The Charity constitutes a public benefit entity as defined by FRS102. The financial statements have been prepared in accordance with Accounting and Reporting by Charities, the Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland issued in October 2019 and effective from 01 January 2019, the Financial Reporting Standard applicable in the United Kingdom and Republic of Ireland (FRS 102), the Charities Act 2011 and UK General Accepted Accounting Practice.

Assets and liabilities are initially recognised at historical cost or transaction value unless otherwise stated in the relevant accounting policy note(s) below.

1.2 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. The accruals basis has been used and Trustees present accounts that show a true and fair view of the Circuit's financial position and activities.

1.3 Content

The financial information presented is relevant, reliable, comparable and complete. Where estimates are used these are based on experience, research and judgement. The accounts are expressed in £sterling, rounded to the nearest pound.

1.4 Basis of Accounting

The accounts have been prepared in accordance with applicable charity law in England. This being the Charities Act 2011 and SI 2008/629 (Charities Accounting and Reporting Regulations) and, pending the making of replacement regulations specific to SORP 2015 in accordance with Reg. 8(4)(d) of SI 2008/629, the charity trustees have departed from the requirement of Reg.8(5) by following SORP(FRS102) instead of SORP 2005 to the extent necessary to give a true and fair view in the circumstances.

1.5 Consolidation

The Circuit has denominational regulatory oversight in respect of the work of the Churches within the Circuit but has no legal or operational control of those churches and their governing bodies except in extreme circumstances. For this reason, the financial statements of the Churches within the Circuit are not consolidated into these financial statements.

1.6 Income Recognition

Income is brought into account when there is entitlement and the amount is reliably measurable once it is more likely than not that the economic benefit of the income will be forthcoming

Individual amounts categorised as *Other income* in the SOFA will be shown separately if they are considered material.

The Circuit acts as agent in one matter:

- The collection from Churches and payment over of their contributions to various funds controlled and administered by the Methodist Church – "Connexional Funds"

In accordance with the Charities SORP (FRS 102), the time of volunteers is not recognised. If goods are donated, a value will be shown in the SOFA or Notes where the value is considered material.

1.7 Expenditure

This is recognised when a liability is incurred, or a constructive obligation arises, where the amount is reliably measurable and it is considered more likely than not that there will be an outflow of economic benefit.

1.8 Grants

Grants made by the Circuit from its own funds are recognised in full at the time of agreement to make a grant without performance conditions or as and when the Circuit accepts that there is a legal or operational obligation to make the payment if it is subject to performance conditions.

1.9 VAT

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



1.10 Tangible fixed assets

These are capitalised if they can be used for more than one year, and individually cost at least £1,000.

Property that is used as originally intended, i.e. for the continuation of ordinary Circuit business, is shown in the accounts at deemed cost, being the valuation on transition to FRS102 or at cost on date of purchase. Deemed cost and cost are split between land and buildings. Depreciation is provided on buildings at a rate of 4% per annum on a straight-line basis after deducting their estimated residual value. The Trustees consider the current residual value of the manse buildings to be the same as their deemed cost or actual cost.

Investment property is included in the financial statements at fair value, such value being obtained at the time of re-categorisation or every 5 years where the property remains unsold at that time

1.11a Monetary Investments

The Circuit's investments are in monetary assets classified as basic financial instruments under FRS102 and are held by the Trustees for Methodist Church Purposes (TMCP) as custodian trustees. The valuations, at market value, are those provided by TMCP.

1.11b Investment Property

From time to time the Circuit may hold property (formerly manses and/or chapels) which is surplus to requirements. Where this is the case and it is anticipated that the property is unlikely to be used again for its prime purpose (residential property or place of worship), the property is classified as Investment Property (whether let or not) and any lets are at market rates unless there is a compelling reason not to do so in furtherance of the Circuit's charitable objectives.

1.12 Receivables and Payables; Bank and Cash (Basic financial Instruments)

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

1.13 Methodist Connexional Funds

The Methodist Church Connexion raises assessments against Circuits and these are paid quarterly to their Districts. The Circuits raise assessments

against Churches in the Circuit. The District quarterly remits to the Methodist Church Fund most of the sum received from Circuits. A small sum is retained by the District to meet its own costs. The Circuit may act as agent for ad hoc collections of various funds controlled and administered by The Methodist Church. These are detailed in Note 24 below.

1.14 Pensions

All Methodist Ministers in the Circuit are members of the Methodist Ministers' Pension Scheme, which is a defined benefit scheme. The Charity is unable to identify its share of the underlying assets and liabilities of the scheme and therefore contributions are accounted for as if it were a defined contribution scheme. Contributions are therefore charged in the accounts as they become payable in accordance with the rules of the scheme.

1.15 Fund Accounting

The Charity operates three types of fund – Unrestricted, Restricted and Designated.

Unrestricted funds can be used in accordance with the charitable objectives at the discretion of the Trustees.

Restricted funds can only be used for particular restricted purposes within the objects of the Charity. Restrictions arise when specified by the donor or when funds are raised for particular restricted purposes.

Designated funds are general funds which the Trustees, have at their discretion allocated for specific purposes, these may be added to or reduced at the discretion of the Trustees.

Further explanation of the nature and purpose of each fund is included in the notes to the financial statements.

2 Glossary of Terms

CFB: Central Finance Board of the Methodist Church manages a Common Deposit Fund and a series of pooled investment funds for Methodist entities in Great Britain and provides investment advice to those entities

Church: a group of members from fewer than 10 to more than 50.

Circuit: a group of Methodist Churches near each other, typically between 10 and 30

Circuit Meeting: the Trustees of the Circuit, most of whom are appointed by their local Churches and others by virtue of a role they undertake for the Circuit and/or their local Churches.

CLT (Circuit Leadership Team): a group (comprising mostly but not, necessarily, exclusively) of Circuit Trustees responsible for the day to day administration and policy formulation of the Circuit. Generally, the CLT comprises the Presbyters stationed within the Circuit and Circuit Stewards.

CMTF: Circuit Model Trust Fund

Connexion: The Methodist Church in GB which includes the Head Office at Methodist Church House, all Methodist Districts, Circuits and Churches in Great Britain.

District: a group of contiguous Circuits, usually between 15 and 30.

DAF: District Advance Fund.

Lay Employees: personnel employed by the Circuit on generally accepted commercial employment terms

FRS: Financial Reporting Standard

MMPS: Methodist Ministers' Pension Scheme

Pensions Trust: the organisation through which the Circuit arranges pension schemes for its Lay employees.

Presbyters (including Superintendent): Probationer or Ordained Methodist Ministers and/or Deacons who have pastoral and administrative responsibility for the Churches within the Circuit.

SOFA: Statement of Financial Activities

SORP: Statement of Recommended Practice



ESSD Methodist Circuit Trustees' Annual Report & Accounts

TMCP: Trustees for Methodist Church Purposes, the legal owner and Custodian Trustee of all Methodist Model Trust property, including Legacies, Endowments and Accumulated Funds.

3 Notes to the Accounts

Note 1 Donations Received

Table 1 Donations Received

Received From	General	CMTF	Designated	Restricted	Total	2021
	£	£	£	£	£	£
Various	3,038				3,038	3,142
Uttoxeter Churches for UY&SW				14,800	14,800	13,788
Trent and Dove Churches				3,020	3,020	3,870
Connexional Funds				835	835	4,119
Gift Aid	842				842	725
Totals	3,880	0	0	18,655	22,535	25,644

Note 2 Income from Monetary Investments

Table 2 Income from Monetary Investments

Investment	General	CMTF	Designated	Restricted	Total	2021
	£	£	£	£	£	£
Interest Fund		3,243			3,243	2,312
Burial Ground				9	9	7
Various Bequests	18				18	13
CFB Account	305				305	190
Totals	323	3,243	0	9	3,575	2,522

Note 3 Income from Investment Property

Table 3 Income from Investment Property

Property	General	CMTF	Designated	Restricted	Total	2021
	£	£	£	£	£	£
Church Broughton Chapel	600				600	893
Rowland Memorial	229				229	0
Blackfordby Chapel	225				225	0
Totals	1,054	0	0	0	1,054	893

The Trustees have determined that these churches will not be returned to use as a place of worship. They have therefore been classified as Investment

ESSD Methodist Circuit Trustees' Annual Report & Accounts

Property. There is some rental income as they continue to be used for other purposes.

Note 4 Assessments on Churches

The Circuit is currently comprised of 22 Churches and each is assessed for a contribution to meet the overall running costs of the Circuit. In making this assessment, the Circuit considers income it may receive from other sources. The pandemic continues to have an adverse effect on the income of Churches. Consequently, not all Churches were able to meet the full assessment required from them. This explains, in the main, why the overall amount recovered this way is less than the previous year.

Table 4 Assessments on Churches

Church	General	CMTF	Designated	Restricted	Total	2021
	£	£	£	£	£	£
Acresford	5,000				5,000	6,250
Barton	13,260				13,260	12,668
Blackfordby	3,375				3,375	4,875
Boylestone	5,340				5,340	5,104
Church Gresley	12,000				12,000	10,000
Draycott-in-the-Clay	8,000				8,000	8,621
Etwall	17,864				17,864	17,064
Hatton	5,940				5,940	7,566
Hilton	16,937				16,937	16,362
Newhall	12,000				12,000	20,774
Overseal (St. Mathews)	1,178				1,178	1,500
Short St.	4,788				4,788	4,576
St Paul's Woodmill	4,800				4,800	4,572
St Thomas'	32,468				32,468	31,464
Stanton	8,656				8,656	8,268
Stretton	18,416				18,416	17,596
Stubwood	4,424				4,424	5,900
Ticknall	4,000				4,000	5,600
Trinity	8,000				8,000	8,000
Uttoxeter	13,200				13,200	23,052
Winhill	8,631				8,631	16,494
Woodville	9,500				9,500	11,000
Totals	217,777				217,777	247,306

Note 5 Grants Received

Table 5 Grants Received

	General £	CMTF £	Designated £	Restricted £	Total £	2021 £
District Advance Fund Grant for UY&SW				4,145	4,145	4,039
Covid Re Start Grant					0	2,667
Hunt's Charity Grant towards Diaconal Post				25,000	25,000	0
Closed For Business Grant					0	9,669
World Church Grant for Fijian Minister				20,000	20,000	20,000
Totals	0	0	0	49,145	49,145	36,375

This is the third year of a 3 year contribution from the District Advance Fund towards the Uttoxeter Youth & Schools Worker. The Circuit is also grateful for the grants received from Hunt's Charity and the World Church

Note 6 Other Income

Table 6 Other Income

	General £	CMTF £	Designated £	Restricted £	Total £	2021 £
Hatton Manse Insurance Refund					0	334
Received from Rowland Memorial on Closure					0	7,525
Ashby Road Manse Water Refund					0	277
Other	1,184				1,184	450
Internal Organisations				6,023	6,023	1,913
Stubwood Chapel	110,000				110,000	0
Prince Memorial Chapel	225,000				225,000	0
Blackfordby Chapel	280,000				280,000	0
Closing Balance from Stubwood Chapel	123				123	0
Reimbursement of QSR on Church Broughton	1,210				1,210	0
Winshill Chapel	160,000				160,000	0
Winshill Chapel closing money transferred	15,424				15,424	0
Sale of Stubwood Pews	600				600	0
Leaving Collection	962				962	0
Totals	794,503	0	0	6,023	800,526	10,499

During the year four churches closed to worship and are now accounted for as investment properties. These were Stubwood, Prince Memorial, Winshill and Blackfordby. They are now valued on the balance sheet at an 'open market' valuation and placing them on the balance sheet was accompanied by notional income as shown in the table.

Note 7 Grants and Donations

Grants and donations as listed on the next page were made during the year. The support costs for grant funding are insignificant and are not separately disclosed.

Table 7 Grants and Donations Paid

Grants and Donations Paid to;	General £	CMTF £	Designated £	Restricted £	Total £	2021 £
Connexional Funds				835	835	4,119
To Barton Church for Building Alterations					0	5,000
Tearfund for Cyclone Yasa in Fiji					0	240
Shoe Boxes				1,105	1,105	300
Grants to Churches for Technology					0	1,640
Education and Youth Fund				339	339	0
Methodist Women in Britain				297	297	0
Man to Man					0	158
	0	0	0	2,576	2,576	11,457

Note 8 Salaries and Associated Costs

8.1 Stipends

Stipends were paid to 6 full time Ministers and were as shown in the following table;

Table 8 Stipends and Associated Staff Costs

	Full Time £	Part Time £	General £	Unrest. £	CMTF Designated £	Other Designated £	Restricted £	Total £	2021 £
Ministerial Staff									
National Insurance	14,917		12,111				2,806	14,917	13,456
Pension Fund Contributions	41,680		33,580				8,100	41,680	39,479
Stipends	158,552		126,859				31,693	158,552	149,315
Relocation Expenses	7,299		7,299					7,299	0
Sundry Expenses	5,943		4,771				1,173	5,943	4,636
Telephone and Broadband	4,410		4,140				270	4,410	3,639
Travelling	8,461		8,461					8,461	3,872
	241,262	0	197,221	0	0	0	44,042	241,262	214,397

8.2 Lay Staff

The Circuit employs Lay staff involved in both Mission and Administrative work. The costs of these staff are shown in the following 2 tables.

8.2a Mission Staff

Table 9 Salaries and Associated Staff Costs – Other Mission Staff

	Full Time £	Part Time £	General £	Unrest. £	CMTF Designated £	Other Designated £	Restricted £	Total £	2021 £
Mission Staff									
National Insurance		2,340	959				1,381	2,340	2,778
Pension Fund Contributions		2,055	847				1,208	2,055	2,266
Salary		34,250	14,286				19,964	34,250	37,755
Travel		1,701	615				1,086	1,701	404
Other		901	160				741	901	405
	0	41,247	16,867	0	0	0	24,380	41,247	43,608

8.2b Administrative Staff

Table 10 Salaries and Associated Staff Costs – Administrative Staff

	Full Time £	Part Time £	General £	Unrest. £	CMTF Designated £	Other Designated £	Restricted £	Total £	2021 £
Administrative Staff									
National Insurance		659	659					659	592
Pension Fund Contributions		865	865					865	655
Salary		13,785	13,785					13,785	15,775
Other		160	160					160	160
	0	15,469	15,469	0	0	0	0	15,469	17,182

8.3 Total Stipends and Salary Costs

Table 11 Total Salaries and Associated Staff Costs

	Full Time £	Part Time £	General £	CMTF Designated £	Other Designated £	Restricted £	Total £	2021 £
Stipends, Salaries and Associated Costs	241,262	56,716	229,557	0	0	68,422	297,979	275,186

No employees received employee benefits of more than £60,000. There is no accrual for holiday pay as it is immaterial; the holiday year ends on August 31. All staff are paid at or above the living wage.

8.4 Pensions

Most ordained presbyters and deacons are members of the Methodist Ministers' Pension Scheme (MMPS). This is a defined benefit scheme. The Supreme Court held in 2014 that Methodist ministers (which term includes presbyters and deacons) are not employees of the Church. For simplicity, however, when dealing with National Insurance Contributions and pension contributions, the terms 'employer' and 'employee' are used as they would be in an employing body.

On the other hand, lay employees are contractually employees and have the option of joining a pensions scheme which the circuit has arranged with TPT Retirement Solutions (previously known as The Pensions Trust). This is a defined benefit scheme and the Circuit contributes as employer to this scheme.

The Connexion accounts for both pension schemes and shows the figures in the annual Methodist Church in Great Britain accounts. The MMPS is in deficit but a plan for removal of the deficit has been proposed and is being implemented.

8.5a Cost of Superintendent, Ministers and Trustees.

The Superintendent of the Circuit, the other Ministers and the remaining members of CLT are considered as key management personnel. The Superintendent chairs meetings of the CLT and Circuit Meetings. The

ESSD Methodist Circuit Trustees' Annual Report & Accounts

members of the Circuit Meeting are the Trustees of the Circuit. The stipends, employer's NIC and employer's pension contributions and other expenses of the Ministers of the Circuit are paid by the Circuit.

The manses are provided by the Circuit and the Circuit maintains the property. The value of the Council Tax and water charges paid by the Circuit is not disclosed here as HMRC does not regard this as a benefit in kind in the hands of the Minister.

Table 12 Cost of Ministerial Staff

	Total	2021
	£	£
Stipends of Ministers	158,552	149,315
Employer's Pension Fund Contributions	41,680	39,479
Employer's National Insurance Contributions	14,917	13,456
Totals	215,149	202,250

It is generally Circuit policy to reimburse non Ministerial members of the CLT, Circuit Meeting and others involved in Administration of the Circuit for expenditure properly incurred in carrying out their duties. The Ministers carry out the primary executive roles within the Circuit. Apart from the Ministers and Lay staff, no member of the CLT or Circuit Meeting was in receipt of any payment for work undertaken on behalf of the Circuit.

No Trustee has received any expenses in relation to their work as a Trustee.

8.5b Employed Trustees

The following Trustees are also employees of the Circuit;

Mrs Caroline Green, employed as the Circuit Administrator and member of the CLT.

Miss Susan Laws, employed as the Circuit Family Worker and member of the CLT.

Mr Jordan Lambert, employed as the Circuit Youth and Schools Worker.

Members of the CLT are considered key management personnel and the total remuneration cost of the 2 CLT members named above was £34,581. (2020/21 £39,194)

Note 9 Property Expenses

During the year the Circuit was Managing Trustee for 6 manses, all of which were occupied by Ministers stationed in the Circuit.

For manses which are occupied by Ministers or are vacant, the Circuit is responsible for the payment of council tax, water charges and buildings insurance.

ESSD Methodist Circuit Trustees' Annual Report & Accounts

During the year the Circuit was also Managing Trustee for a Burial Ground and the following chapels; Rowland Memorial, Winhill, Blackfordby, Prince Memorial, Stubwood and Church Broughton for either all or part of the year. As Managing Trustee the Circuit is responsible for all the costs relating to these buildings.

The Circuit also rents a property known as Unit 6.

The following table outlines the expenditure on property.

Table 13 Property Expenses

	Council									
	Tax	Ins.	Maint.	Water	Energy	Other	General	Restricted	Total	2021
	£	£	£	£	£	£	£	£	£	£
Manses										
Elwyn Close	1,797	602	677	245			3,321		3,321	2,450
Ashby Road	2,373	652	622	216			3,863		3,863	18,075
Heathlands Drive	2,408	488	2,640	538			6,074		6,074	5,138
Tennyson Avenue	1,900	611	5,465	419			6,535	1,860	8,395	2,913
Wyedale	1,422	678	258	292			2,650		2,650	2,825
Lincote Way	1,454	655	3,111	259			5,479		5,479	2,691
	11,354	3,686	12,773	1,969	0	0	27,922	1,860	29,782	34,092
	Council									
	Tax	Ins.	Maint.	Water	Energy	Other	General	Restricted	Total	2021
	£	£	£	£	£	£	£	£	£	£
Other Property Expenses										
Unit 6	566	328	481	299	1,137	12,900	15,711		15,711	14,483
Hanbury Burial Ground			475	0			475		475	610
	566	328	956	299	1,137	12,900	16,186	0	16,186	15,093
	Council									
	Tax	Ins.	Maint.	Water	Energy	Other	General	Restricted	Total	2021
	£	£	£	£	£	£	£	£	£	£
Investment Properties										
<i>Chapels</i>										
Church Broughton		613			1,331	834	2,778		2,778	1,994
Rowland Memorial		1,422			1,812	366	3,600		3,600	3,043
Blackfordby		145			76	600	821		821	0
Prince Memorial Hatton		340	1,046		410		1,796		1,796	0
Stubwood		513	266	109	734		1,622		1,622	0
Winhill		429		64	286	600	1,379		1,379	0
	0	3,462	1,312	173	4,649	2,400	11,996	0	11,996	5,037
Property Totals	11,920	7,476	15,041	2,441	5,786	15,300	56,104	1,860	57,964	54,222

Note 10 District Assessment and Levy

The District Assessment is calculated relative to the number of Churches, Presbyterian and Mission staff of all the Circuits in the Nottingham and Derby District.

The levy is calculated on a sliding scale percentage of the Circuit's CMTF account balance as the 31st August the previous accounting year.

ESSD Methodist Circuit Trustees' Annual Report & Accounts

Table 14 District Assessment and Levy

	General	CMTF	Designated	Restricted	Total	2021
	£	£	£	£	£	£
District Assessment	11,836				11,836	11,086
Methodist Church Fund	68,584				68,584	63,394
Levy on CMTF		42,639			42,639	43,725
	80,420	42,639	0	0	123,059	118,205

Note 11 Office and Administration Costs

Table 15 Office and Administration Costs

	General	CMTF	Other	Restricted	Total	2021
	£	Unrest. £	Designated £	Designated £	£	£
Telephone and Internet	1,722				1,722	1,590
Computing	323				323	310
Stationery	4				4	883
Postage	19				19	356
Circuit Insurances	478				478	478
Independent Examination of Accounts	5,000				5,000	1,048
TMCP Admin/Investment Management Fee	11	1,953			1,970	1,524
Photocopier	3,345				3,345	4,498
Ledger	180				180	0
Bank Charges	104				104	0
Other	248				248	234
Totals	11,434	1,953	0	0	13,393	10,921

Note 12 Other Outgoings

Items included in 'Other Outgoings' and individually costing more than £100 are listed in the following table (Table 16). Items costing less than £100 are considered less material and shown combined under 'Other'.

Table 16 Other Outgoings

	General	CMTF	Designated	Restricted	Total	2021
	£	£	£	£	£	£
Preaching fees and travel	1,103				1,103	0
Other	2,443				2,443	158
Bible Month Booklets					0	150
Apprenticeship Levy	1,030				1,030	1,014
Hatton Manse					0	385
Blackfordby Legal					0	486
Website	173				173	242
Internal Organisations				4,812	4,812	2,841
Roots Subscription for Churches	736				736	793
Totals	5,485	0	0	4,812	10,297	6,069

Note 13 Investment Management

During the year the Circuit paid TMCP, the custodians of the Circuit's investments, management charges based on 0.2% of the value of the individual funds at the beginning of the year.

Note 14 Reclassification of Funds

No restricted funds have been reclassified during the year. Some funds previously considered as designated have had the designated status removed and the funds reclassified as unrestricted (see note 21.4)

Note 15 Circuit Manses, Investment Properties & Equipment

During the year property managed by the Circuit comprised of 6 manses, Church Broughton and Rowland Memorial Chapels which had both closed to worship in a prior year. The following chapels also closed to worship during the year and their management transferred to the Circuit; Rowland Memorial, Winhill, Blackfordby, Prince Memorial, Stubwood and Church Broughton.

The Chapel at Church Broughton was sold in August 2022. See table 18a on the following page.

No equipment has been capitalised.



Table 18a Sale of Church Broughton Chapel

Church Broughton Sale		£	£
<i>Income</i>			
	Sale Price		<u>140,000</u>
<i>Cost of Sales;</i>			
	Auction Costs	-1,920	
	Survey Fees	-360	
	Legal Fees	<u>-3,507</u>	-5,787
<i>Balance Sheet Value Brought Forward</i>			-52,200
<i>Paid to TMCP</i>			<u>-29,685</u>
<i>Profit on Sale (line 21 on SOFA)</i>			<u><u>52,328</u></u>
Cash Retained by Circuit			
	Sale Proceeds received by TMCP		<u>134,214</u>
	Retained by TMCP		29,685
	Retained by Circuit		<u>104,528</u>
			<u>134,214</u>



Table 18b Property Valuation

Properties	Investment Property £	Land £	Buildings £	Equipment £	Total £
Balance Brought Forward;	352,200	290,900	1,176,600	0	1,819,700
Additions in the Year;					
Winshill Church	160,000				160,000
Stubwood Church	110,000				110,000
Prince Memorial Church	225,000				225,000
Blackfordby Church	280,000				280,000
Less Disposals;					
Church Broughton Chapel	-52,200				-52,200
Balance Carried Forward	<u>1,075,000</u>	<u>290,900</u>	<u>1,176,600</u>	<u>0</u>	<u>2,542,500</u>

As property is transferred to Investment property it is revalued.

The following table provides a schedule of manse and investment property held by the circuit.

Table 19 Schedule of Property

Properties	Investment Property £	Land £	Buildings £	Equipment £	Total £
<i>Manse at;</i>					
Tennyson Avenue		50,400	189,600		240,000
Lincote Drive		42,500	172,000		214,500
Wye Dale		45,000	180,000		225,000
Stretton		35,000	205,000		240,000
Heathlands Dr.		78,000	210,000		288,000
Ashby Road		40,000	220,000		260,000
<i>Chapels;</i>					
Rowland Memorial	300,000				300,000
Winshill Chapel	160,000				160,000
Stubwood Chapel	110,000				110,000
Prince Memorial Church	225,000				225,000
Blackfordby Chapel	280,000				280,000
	<u>1,075,000</u>	<u>290,900</u>	<u>1,176,600</u>	<u>0</u>	<u>2,542,500</u>

Note 16 Investment Assets (and TMCP)

The funds that support the circuit Model Trust Fund and the Circuit's other funds (as listed below) are held by TMCP in Trustees Interest and /or Managed Equity Funds on which interest and dividends are credited to the accounts each month. These are regarded as medium and long-term investments.

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

Table 20 Schedule of Investments

	CMTF Trust 6842 General £	Dove Valley Burial Ground Trust 15473 Restricted £	Various Bequests Trust 16439 General £	Grand Total £	2021 £
CFB Managed Mixed Fund 2C100	20,873			20,873	22,272
Trustees Interest Fund 2C110	576,605	2,002	3,922	582,529	668,831
	597,478	2,002	3,922	603,402	691,103

Note 17 Debtors and Prepayments

All sums due as debtors as at 1 September 2021 were received during the following year. All sums paid in advance at 1 September 2021 were for activities that have been held during 2021/22. Similarly, it is expected that payments in advance at 1 September 2022 will be expended in 2022/23.

Table 21 Debtors and Prepayments

	General £	CMTF £	Designated £	Restricted £	Total £	2021 £
<i>Prepayments</i>						
Stipends, Pension & NI	18,687				18,687	17,802
Circuit Website	314				314	24
Various Building Insurances	2,249				2,249	44
Apprenticeship Levy Recharge	68				68	66
Unit 6 Rent	1,075				1,075	1,075
Other	164				164	0
<i>Debtors</i>						0
Hire of Rowland Memorial	30				30	0
Gift Aid	420				420	500
	23,007	0	0	0	23,007	19,511

Note 18 Loans

The Circuit has one loan outstanding. This was made to Ticknall Church for £5,000. The terms of the loan are zero interest and was initially for 12 months. However, the impact of the pandemic has made repayment impossible in that time period. The Circuit will review the loan annually.

Note 19 Central Finance Board and Bank Balances

Monetary balances held at the Central Finance Board of the Methodist Church and at the HSBC bank plc are all available on demand without loss of interest. The split of these balances is shown below.

Table 22 CFB and Bank Balances

	General £	Restricted £	Total £	2021 £
Central Finance Board	100,132	8,719	108,851	92,273
HSBC Bank	11,991	2,906	14,897	43,619
Cash in Hand		12,183	12,183	10,800
<i>Sub-total</i>	<i>11,991</i>	<i>15,089</i>	<i>27,080</i>	<i>54,419</i>
Totals	112,123	23,808	135,931	146,692

Note 20 Creditors, Accruals and Income in Advance.

It is expected that all sums accrued at 31 August 2022 will be paid during the year to 31 August 2023.

Table 23 Creditors, Accruals and Income in Advance

	General £	CMTF £	Designated £	Restricted £	Total £	2021 £
<i>Income Received in Advance</i>						
Hunt's Charity For J Hacon Salary					0	25,000
<i>Creditors</i>						
For External Organisations					0	14
Audit of Accounts	5,000				5,000	1000
Lay Staff Expenses					0	6
Presbyteral & Lay Expenses	2,707				2,707	948
Property Valuations	1,200				1,200	0
Other	138			95	233	0
Totals	9,045	0	0	95	9,140	26,968

Note 21 Unrestricted Funds

Note 21.1 General Fund

Table 24 General Fund Balance

	31 August 2022	31 August 2021
	£	£
Balance	2,672,507	1,920,948

The purpose of this fund is for use at the discretion of the trustees in the furtherance of the general objectives of the Circuit and which have not been designated for other purposes. About 95% of this fund is held as freehold property, being manses for Ministers and investment property.

Note 21.2 Circuit Model Trust Fund (Not Designated)

Table 25 CMTF Balance (Not Designated)

	31 August 2022	31 August 2021
	£	£
Balance	602,478	602,959

The purpose of the fund is for use at the discretion of the trustees in the furtherance of the general objectives of the Circuit.

Although this is technically an Unrestricted Fund under the control of the Circuit Meeting, prior approval is still required from the District to utilise these funds. Methodist Standing orders 930, 931 and 917(2) are applicable.

Note 21.3 Circuit Model Trust Fund (Designated)

Designated funds are to serve specific purposes but are not restricted by any document or deed to that purpose alone.

Table 26 CMTF Balance (Designated)

	31 August 2022	31 August 2021
	£	£
Balance	0	87,229



Note 21.4 Other Designated Funds

Table 27 Other Designated Funds

	31 August 2022	31 August 2021
	£	£
Balance	0	22,644

As all funds previously held as designated have now been included in operational budgets, Trustees have agreed to transfer any remaining designated funds to general funds.

Note 21.5 Restricted Funds

Restricted funds exist to support specific expenditure. The circuit has no endowment funds.

Table 28 Restricted Funds

	31 August 2022	31 August 2021
	£	£
Balance	27,786	28,718

This balance is income received to fund future expenditure on items shown in the following table.

Table 29 Restricted Funds

Fund	£	Each of the following Restricted funds are used for the purpose described;
Uttoxeter Schools Worker	6,374	To continue to jointly fund the School's Worker at Uttoxeter with the objective of bringing the good news of Jesus into schools within the Uttoxeter Pyramid of schools.
Benevolent Fund	190	Primarily held for the relief of poverty and distress in the congregations and neighbourhood of the C
Hanbury Burial Ground	2,002	To fund maintenance of the Burial Ground at Hanbury.
Internal Organisations	14,159	Funds held by a variety of organisations within individual Churches.
World Church Grant	2,155	To fund 50% of the costs of the Presbyter provided to minister to the Fijian community if the UK.
Shoe Box Appeal	2,906	To provide funds for the annual shoe box appeal.

Note 22 Summary of Fund Movements

Table 30 Fund Movements

Fund	Balance at 31 August 2021	Income	Expenditure	Transfers	Gains/ Losses	Balance at 31 August 2022
	£	£	£	£	£	£
General	1,920,948	1,017,537	-382,999	117,021		2,672,507
Designated	22,644	0	0	-22,644		0
CMTF Unrestricted	602,959	3,243	-44,592	-10,061	50,929	602,478
Designated	87,229	0	0	-87,229		0
Totals Unrestricted	2,633,780	1,020,780	-427,591	-2,913	50,929	3,274,985
Family Worker	0	3,020	-3,020			0
Utttoxeter Schools Worker	5,874	18,945	-21,360	2,914		6,373
Hanbury Burial Ground	2,000	9	-6	-1		2,002
Education & Youth	339	0	-339			0
Benevolent	690	0	-500			190
Connexional	0	835	-835			0
Internal Organisations	10,788	6,023	-5,110	389		12,090
World Church	2,553	20,000	-20,399			2,154
Shoe Boxes	4,011	0	-1,105			2,906
Hunt's Charity	3	25,000	-25,003			0
Stock	2,460	0	0	-389		2,071
Totals Restricted	28,718	73,832	-77,677	2,913	0	27,786
Totals of All Funds	2,662,498	1,094,612	-505,268	0	50,929	3,302,771

Note 23 Analysis of Net Assets Between Funds

Fund balances at 31 August are represented as shown in the following table.

Table 31 Analysis of Net Assets

	General	CMTF	Restricted	Total	2021
	£	£	£	£	£
Tangible Fixed Assets	1,467,500	20,873	0	1,488,373	1,467,500
Fixed Asset Investments	1,075,000			1,075,000	352,200
Investments	3,922	576,605	2,002	582,529	22,272
Current Assets	135,130	5,000	25,879	166,009	847,494
Current Liabilities	-9,045	0	-95	-9,140	-26,968
Totals	2,672,507	602,478	27,786	3,302,771	2,662,498

Note 24 Related Parties

Table 32 Payments to Related Parties

Name of related party	Party	Payments £
District Assessment	Connexion	11,836
Methodist Church Fund	Connexion	68,584
Methodist Church Fund for Support of Presbyters & Deacons	Connexion	380
Methodist Church Fund for Property	Connexion	455
District Advance Fund	Connexion	42,639
Total		123,894

Note 25 Capital Commitments and Contingent liabilities

There were no contingent liabilities at the year end.

Note 26 Going Concern

The Circuit considers itself to be a going concern. This is based on the levels of income (mainly share payments from Churches) promised for the financial year 2022/23. Although the pandemic has impacted on the income of Churches within the Circuit (and this is expected to continue into the next financial year) the Circuit is confident it has sufficient reserves to meet any shortfall in income. To date, the Circuit has not received any formal requests for financial support from any of its Churches.

Note 27 Audit of Accounts

An accrual has been made for the Auditor and this is shown in Table 23 under Note 20.

Name of Circuit East Staffordshire and South Derbyshire

No 22/16

Declarations and Scrutiny

I confirm that these accruals-based accounts for the year to 31 August 2022 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

A G Wooding

Date

1/8/2023

Name and address of treasurer Andrew Wooding

35 Church Road

Rolleston on Dove

Burton on Trent

DE13 9BG

Presentation to the Circuit meeting

I confirm that the annual report and accounts for the year ended 31 August 2022 were/will*be presented to the Circuit meeting held on: *22/03/2023*

Signature of the Chair of the meeting:

D H Bonny

Name of the Chair of the meeting: *DAVID H. BONNY*

Date *1/8/2023*

Independent Auditors' Report to the Members of East Staffordshire and South Derbyshire Methodist Circuit

Opinion

We have audited the financial statements of East Staffordshire and South Derbyshire Methodist Circuit (the 'charity') for the year ended 31 August 2022 which comprise the statement of financial activities, the balance sheet, the statement of cash flows and the related notes, 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 2022 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 opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditors' 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 United Kingdom, including the Financial Reporting Council'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 charity'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 other information comprises the information included in the annual report other than the financial statements and our auditors' report thereon. The Trustees are responsible for the other information contained within the annual report. 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. 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 course of 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 this gives rise to a material misstatement in the financial statements themselves. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

Matters on which we are required to report by exception

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

- the information given in the Trustees' report is inconsistent in any material respect with the financial statements; or
- sufficient accounting records have not been kept; 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 (who are also the directors of the charity for the purposes of charity law) 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.

Auditors' 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 the Act and relevant regulations made or having effect thereunder.

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 auditors' 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:

Our approach to identifying and assessing the risks of material misstatement in respect of irregularities, including fraud and non-compliance with laws and regulations, was as follows:

- the senior statutory auditor ensured that the engagement team collectively had the appropriate competence, capabilities and skills to identify or recognise non-compliance with applicable laws and regulations;
- we identified the laws and regulations applicable to the charity through discussions with directors and other management, and from our commercial knowledge and experience of the charity sector;
- we focused on specific laws and regulations which we considered may have a direct material effect on the financial statements or the operations of the charity, including the financial reporting legislation, Charities Act 2011, taxation legislation, anti-bribery, employment, and environmental and health and safety legislation;
- we assessed the extent of compliance with the laws and regulations identified above through making enquiries of management and inspecting legal correspondence; and
- identified laws and regulations were communicated within the audit team regularly and the team remained alert to instances of non-compliance throughout the audit.

We assessed the susceptibility of the charity's financial statements to material misstatement, including obtaining an understanding of how fraud might occur, by:

- making enquiries of management as to where they considered there was susceptibility to fraud, their knowledge of actual, suspected and alleged fraud; and
- considering the internal controls in place to mitigate risks of fraud and non-compliance with laws and regulations.

To address the risk of fraud through management bias and override of controls, we:

- performed analytical procedures to identify any unusual or unexpected relationships;
- tested journal entries to identify unusual transactions;
- assessed whether judgements and assumptions made in determining the accounting estimates were indicative of potential bias; and
- investigated the rationale behind significant or unusual transactions.

In response to the risk of irregularities and non-compliance with laws and regulations, we designed procedures which included, but were not limited to:

- agreeing financial statement disclosures to underlying supporting documentation;
- reading the minutes of meetings of those charged with governance;
- enquiring of management as to actual and potential litigation and claims; and
- reviewing correspondence with HMRC, relevant regulators and the charity's legal advisors

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: www.frc.org.uk/auditorsresponsibilities. This description forms part of our auditors' report.

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 auditors' 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 its members, as a body, for our audit work, for this report, or for the opinions we have formed.

Dains Audit Limited

Dains Audit Limited

Statutory Auditor
Chartered Accountants

Birmingham

Date: *1 August 2023*

Dains Audit Limited are eligible to act as auditors in terms of section 1212 of the Companies Act 2006.

