

# Epworth Scunthorpe and Gainsborough Methodist Circuit

England & Wales · Charity number 1133752

## Details

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Other names	EPWORTH AND SCUNTHORPE METHODIST CIRCUIT, SCUNTHORPE METHODIST CIRCUIT
Status	Registered
Legal form	Previously excepted
Registered	2010-01-26
Register	<a href="#">View on the Charity Commission register</a>

## Contact

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Address	Ashby Wesleyan Methodist Church Ashby High Street Scunthorpe DN16 2JT
Phone	01427872319
Email	<a href="mailto:angela.long@methodist.org.uk">angela.long@methodist.org.uk</a>
Website	<a href="http://www.methodist.org.uk">www.methodist.org.uk</a>

## Activities

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**Objects:** 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 the 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.

**Activities:** Other charitable activities

## Classification

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- **How:** Other Charitable Activities
- **What:** Religious Activities
- **Who:** The General Public/mankind

## Geography

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- **Area of benefit:** UNDEFINED. IN PRACTICE, LOCAL
- Lincolnshire
- North Lincolnshire

## Finances

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Period end	Income	Expenditure	Assets	Employees
2024-08-31	£479,307	£300,189	-	-
2023-08-31	£196,149	£321,119	-	-
2022-08-31	£608,330	£271,363	£1,802,508	6
2021-08-31	£340,937	£276,944	-	-
2020-08-31	£205,598	£243,108	-	-

## Trustees

Name	Role	Appointed
<b>Rev Victoria Atkinson</b>	Chair	2021-09-01
AUBREY LINDLEY		2022-09-06
Andrew Lockwood		2012-09-01
Arthur Wilkinson Dawson		2014-03-11
BETTY OLDRIDGE		2011-08-09
Bronwen Braidell BA BA		2021-06-06
Catheryn Holmes		2021-09-06
Christine Allison		2021-06-06
Dr John Lambert		2021-06-06
HAZEL JACKSON		2021-06-06
KEITH BOARDMAN		2022-09-06
Kevin Wilbur		2014-09-01
Lillian Pollard		2021-06-06
Louise Howard		2021-06-06
MARILYN DENISE HALL		2011-08-09
MR JH CREDLAND		
MR M WHITE		
MR WA MAW		
MRS CM WOOD		
MRS PA KIRK		
MRS SUZANNE LYNAUGH FCA		
PATRICIA DIANE BRIGGS		2011-08-09
Pamela Layton		2012-09-01
Peter Jackson		2021-06-06
REV PAUL WILLIAM BRAISDELL		2015-09-01
ROBERT SHEARD		2022-06-06
Rev STUART GUNSON		2012-09-01

Name	Role	Appointed
Timothy John Smith		2023-09-01
Valerie Eileen Cochrane		2012-09-01
Valerie Hackney		2022-06-06
Virginia Isitt		2021-06-06

**Epworth Scunthorpe and Gainsborough Methodist Circuit**

England & Wales - Charity number 1133752

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# Accounts

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**EPWORTH, SCUNTHORPE AND GAINSBOROUGH METHODIST CIRCUIT – Registered number  
1133752  
TRUSTEES ANNUAL REPORT FOR THE YEAR ENDED 31<sup>ST</sup> AUGUST 2024**

**OBJECTIVES AND ACTIVITIES**

The Trustees are pleased to present the Annual Report of the Trustees of the Epworth Scunthorpe and Gainsborough Methodist Circuit (hereinafter referred to as “The Circuit”) for the year ended 31<sup>st</sup> August 2024.

The charity’s objective is to act as a resource provider within the area around Epworth Scunthorpe and Gainsborough for the Methodist Church:

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

- 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 Circuit seeks to enable:

- a) The organisation and resourcing of regular public acts of worship open to members of the church and non members alike.
- b) The teaching of Christianity through sermons, courses and small groups. The resourcing of pastoral work including visiting the sick and bereaved.
- c) Taking religious assemblies in local schools.
- d) Promotion of Christianity through the staging of events and services.

**Public Benefit Test**

When reviewing aims and objectives, the Trustees have had due regard for the public benefit guidance as published by the Charity Commission.

**ACHIEVEMENTS AND PERFORMANCE**

September 2023 saw the beginning of the newly merged Epworth, Scunthorpe and Gainsborough Methodist Circuit. During the year every effort has been made to promote cross circuit links and foster circuit cohesion. In Advent we shared a Circuit ‘Travelling Nativity’ and have shared occasions of food & fellowship.

We exercise our calling as Methodists through organising worship opportunities led by ordained staff and local preachers, offering pastoral care (including a circuit member who is recognised as a BRF Anna Chaplain), serving our neighbourhoods (e.g. supporting charities like the Forge, Lindsey Lodge Hospice and so on) and being engaged in outreach.

## **FINANCIAL REVIEW**

### **Review of the financial results for the year**

The Circuit has the following principal sources of funds:

- Assessments on churches within the Circuit
- The Circuit Model Trust Fund
- Investment income
- Funds transferred from related institutions

All monies received are used to further the work of the Circuit.

Income for the year was £479,307 (2023 - £196,149) and the increase in the year of approximately £283,000 was due to transfer of assets from a neighbouring Circuit of £200,000, refund of a grant previously made to a related institution of £30,000, increase in assessments on churches of £36,000 due to the geographically enlarged Circuit and £17,000 due to increased monies on deposit.

Total expenditure for the year was £300,189 (2023 - £321,119) being a reduction year on year of approximately £21,000. This was largely attributed to a reduction in property disposal levies of £29,000 (dependent on property sales), along with a reduction of £24,000 in salary costs (reduction of employees in the year) but also an increase in property maintenance of £16,000 (irregular pattern of expenditure) and District Assessment increase of £24,000 (increase in churches) in the year. Other small expenditure movements in the year resulted in reductions of £8,000.

Gains on investments of £132,199 (2023 – losses £146,855) were largely due to property revaluations by the trustees during the year.

As a result of these activities there was a net increase in funds during the year of £311,317 (2023 – deficit £271,825).

Total reserves held by the charity on 31 August 2024 were therefore £1,842,000 (2023 - ££1,530,683) and this includes free reserves at the yearend of £1,416,015 (2023 - £1,209,060). However, this does include property assets of £1,282,606 (2023 - £1,041,414), therefore revealing free relatively liquid assets of £133,409 (2023 - £167,646).

### **Reserves level and policy**

The reserves policy of the Circuit is to hold a minimum of 8 months average expenditure as free reserves, and from 2026/27 onwards this is anticipated to be approximately £165,000 (additional funding is available to cover the higher availability which will be required on a temporary basis until then and this is held separate in the Circuit Model Trust Fund).

Free reserves are defined as unrestricted net assets, excluding fixed assets and Circuit Model Trust Funds as none of these assets are easily convertible into 'on demand cash'. These free reserves are required to enable the Circuit to employ ministers and administrators, for the

required contributions to District and Connexion and to ensure financial stability amongst the churches within the Circuit.

At the yearend such reserves were £133,409 and the trustees are mindful that this means that reserves held are approximately £30,000 below the required level. However, the Circuit is due further funds because of the inclusion of further churches from a now defunct neighbouring Circuit, as noted elsewhere and negotiations are ongoing to determine the amount and then obtain a transfer of these required monies. Also, it should be noted that the final transfer amount is unknown and therefore may not fully replenish reserves to the required level.

The trustees are mindful of this and are monitoring the situation closely but are confident that it is appropriate to continue to adopt the going concern basis of preparation of these financial statements.

### **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). Management of the circuit is undertaken by the Circuit Meeting advised by the Staff and Circuit Stewards Meeting, Circuit Leadership Team, along with the Local Preachers meeting and the Circuit Finance and Property Committees. Managing Trustees of local church property are the Church Councils of those buildings, Managing Trustees of Circuit property are the Circuit Meeting, Trustees for Methodist Church Purposed act as Custodian Trustees overall.

From September 2023-August 2024 the circuit had 2 full-time presbyters- the Superintendent taking pastoral charge of 11 churches and another ordained colleague having pastoral charge of 8. The circuit also benefitted from the presence of URC student training for ordained ministry in 3 of its churches. There were 5 Supernumerary Presbyters, 4 of whom were particularly involved in both local church and circuit life, a retired deacon, similarly involved and associate minister status was given by Conference to a retired minister from another denomination. Sadly, one of the supernumerary ministers died in June 2024. Including an employee from the former Wolds & Trent Circuit, our circuit organisation was enhanced by 4 part-time administrative assistants. There continue to be numerous other volunteer lay office holders. We were especially grateful to all our lay volunteers this year for working together as a team to ensure tasks were handled when other volunteers were not available/indisposed.

### **Related Parties**

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

The following Methodist Churches are linked to the Circuit --- See Appendix B



Circuit Administrator: Mrs Mai Lin Grimbleby

PA to the Superintendent – Mrs Louise Howard

PA to the Rev P Braisdell – Mrs Bronwen Braisdell

Circuit Admin & Support Worker – Joan Smithson

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

Independent examiner:	Glover and Co. Chartered Accountants
Investment Bankers:	Central Finance Board of the Methodist Church Trustees for Methodist Church Purposes
Bankers:	HSBC, 84 High Street, Scunthorpe, North Lincolnshire, DN15 6HQ

#### **EXEMPTIONS FROM DISCLOSURE**

None

#### **FUNDS HELD AS CUSTODIAN TRUSTEE ON BEHALF OF OTHERS**

None

**Approved by the members of the Circuit Meeting and signed on their behalf by:**

Revd. V. Atkinson

## Appendix A

### Names of the charity trustees who manage the charity (including those appointed/resigned from September 2024)

Trustee name	Office (if any)	Dates acted	Note
Mrs C Allison			
Mrs J. Atkins - Snow	Supernumerary		
Rev Vicki Atkinson	Superintendent Minister	From September 2023	
Mrs R Barratt			
Mr S Bilton	Misterton	From Sept 2023	From W & T
Mr K Boardman			
Mrs B Braisdell	Local Preachers Secretary		
Rev P Braisdell	Minister		
Mrs P Briggs			
Mrs S Brown		From Sept 2023	From W&T
Mrs R Brumby	Haxey	From Sept 2023	
Mrs P Chennells			
Rev Liz Childs	Supernumerary	From Sep 2023 - June 2024	From W & T
Mr M. Childs		From Sept 2023	From W & T
Mrs A Craddock			
Mrs V Cochrane			
Mrs B Credland			
Mr J Credland			
Mrs C Cuthbertson			
Mr A Dawson			
Mrs J Dawson	Beltoft & Butterwick Methodists	From 04.11.2024	
Mrs D Edwards			
Mrs K Elvidge	Circuit Safeguarding Officer	From Sept 2023	From W&T
Mrs J Emery	Gainsborough	From Sept 2023	From W&T

Mr P Fotheringham	Upton	From Sept 2023	From W&T
Mrs P Gray	Lea	From Sept 2023	From W&T
Rev S Gunson	Supernumerary Minister		
Mrs M Hall			
Mrs V Hackney	Circuit Steward		
Mrs C. Holmes			
Mrs V Holmes	Old Brumby	From Sept 2023	To replace L Holtby
Mrs M Holmes	Lea	From Sept 2023	From W&T
Mrs L Howard	Circuit Meeting Secretary		
Mrs V Isitt			
Mrs H Jackson	Senior Circuit Steward		
Mr P Jackson	Local Preachers Meeting		
Mrs M Jones			
Mrs P Kirk			
Dr J Lambert			
Mrs P Layton			
Mrs J Levesley			
Mr A Lindley			
Mrs M Lindley	Owston Ferry	From Nov 2024	
Mr A Lockwood	Circuit Treasurer		
Mrs J Lockwood		Resigned 04.11.24	
Mrs S Lynaugh			
Mr W Maw			
Mrs J Marshall	Beltoft & Butterwick Methodists	From 04.11.24	
Deacon C May			
Miss B Oldridge	Circuit Steward		
Mrs J Pike		Until March 2024	
Mrs L Pollard			
Mr R Sheard			
Mrs S Simpkin			
Dr KG Simpkin			
Mr T Smith	Circuit Steward	From Sept 2023	From W & T Circuit
Mrs J Talbot		From Sept 2023	From W&T

Mrs K Welch			
Mr M White	Circuit Steward		
Dr J Wilkinson			
Mr K Wilbur			
Mrs C Wood			

## Appendix B

### Churches in the Epworth, Scunthorpe & Gainsborough Circuit

Althorpe & Gunness Methodist Church
Ashby Wesley Methodist Church
Beltoft & Butterwick Methodists
Burton upon Stather Methodist Church
Crowle & Ealand Methodist Church
Ealand Methodist premises (Sold May 2023)
Epworth Wesley Memorial Methodist Church
Gainsborough Methodist Church with Marton Chapel as a class
Haxey Methodist Church
Laughton Methodist Church (as a class of Yaddleshorpe Methodist Church)
Lea Methodist Church
Messingham Methodist Church
Misterton Methodist Church
Old Brumby United Church
Owston Ferry Methodist Church
Roxby Methodist Church (sold 1 <sup>st</sup> September 2023)
Scotter Methodist Church
Upton Methodist Church
Winteringham Methodist Church
Winterton Methodist Church
Yaddleshorpe Methodist Church

**THE METHODIST CHURCH  
EPWORTH SCUNTHORPE AND GAINSBOROUGH  
CIRCUIT**

**Registered Charity – Registration Number 1133752**

**In the Lincolnshire District no 17/01**

**MINISTERS**

**Rev'd Victoria Atkinson**

**Rev'd Paul Braidell**

**CIRCUIT STEWARDS**

**Mrs Hazel Jackson (Snr Steward)**

**Miss Betty Oldridge**

**Mr Mervyn White**

**Mrs V Hackney**

**Mr M Childs**

**Mr T Smith**

**CIRCUIT TREASURER**

**Mr Andrew Lockwood**

**Name of Circuit: Epworth, Scunthorpe and Gainsborough Methodist Circuit**  
**Circuit No. 17/01**

**Statement of Financial Activities (SOFA) for the year ended 31 August 2024**

	Notes to the accounts	General Fund (Unrestricted) £	Circuit Model Trust (Unrestricted) £	Total 2023-24 £	Total 2022-23 £
<b>Income</b>					
1 Donations and legacies		638		638	0
2 Income from monetary investments		6,682	21,195	27,877	9,807
3 Income from investment properties		16,887		16,887	17,820
4 Assessments on Churches	17	203,407		203,407	166,733
5 Capital Receipts	2	200,000		200,000	0
6 Grants received				0	0
Unspent grant monies returned				0	1,689
Ministers' Pens. Contributions Rtd.		30,000		30,000	0
7 Other charitable income		498		498	100
<b>8 Total income</b>		<b>458,112</b>	<b>21,195</b>	<b>479,307</b>	<b>196,149</b>
<b>Expenditure</b>					
9 Grants and donations	3	13,933		13,933	14,500
10 Salaries and associated costs	4	105,848		105,848	130,115
11 Property maintenance	5	36,047		36,047	20,328
12 Connexional assessment & model trust levy	17		25,525	25,525	54,268
13 District Assessment & Levy	17	66,276	15,372	81,648	57,393
14 Depreciation	6	6,977		6,977	14,611
15 Office expenses (stationery, tel. etc.)		12,998		12,998	12,595
16 Other outgoings (travel & sundries)		11,715	917	12,632	9,166
Legal & Professional fees (quinquennials etc.)		3,468		3,468	7,120
Interest on finance leases		1,113		1,113	1,023
<b>17 Total charitable expenditure</b>		<b>258,375</b>	<b>41,814</b>	<b>300,189</b>	<b>321,119</b>
<b>Net income before investment gains/(losses)</b>		<b>199,737</b>	<b>-20,619</b>	<b>179,118</b>	<b>-124,970</b>
18 Gains/(losses) on monetary investments			1,167	1,167	-669
19 Gains/(losses) on investment properties	10	131,032		131,032	-146,186
<b>20 Net income/(expenditure)</b>		<b>330,769</b>	<b>-19,452</b>	<b>311,317</b>	<b>-271,825</b>
21 Transfers between funds	8	-123,814	123,814	0	0
22 Other gains/(losses)				0	0
<b>23 Net movement in funds</b>		<b>206,955</b>	<b>104,362</b>	<b>311,317</b>	<b>-271,825</b>
24 Total funds brought forward		1,209,060	321,623	1,530,683	1,802,508
<b>25 Total funds carried forward</b>	15/16	<b>1,416,015</b>	<b>425,985</b>	<b>1,842,000</b>	<b>1,530,683</b>

The statement of financial activities includes all gains and losses recognised in the year.

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

**Name of Circuit: Epworth, Scunthorpe and Gainsborough Methodist Circuit  
Circuit No. 17/01**

**Balance Sheet as at 31 August 2024**

	Notes to the Accounts	General Fund (Unrestricted) £	Circuit Model Trusts (Unrestricted) £	Totals 2023/24 £	Totals 2022/23 £
<b>Fixed Assets</b>					
Circuit Manses & Equipment	9	297,506		297,506	532,500
Investment properties	10	985,100		985,100	508,914
Investments	11		16,251	16,251	15,084
<b>Total fixed assets</b>		<b>1,282,606</b>	<b>16,251</b>	<b>1,298,857</b>	<b>1,056,498</b>
<b>Current Assets</b>					
Debtors	12	54,875		54,875	7,261
Loans by the Circuit				0	965
Investments with TMCP	11		409,734	409,734	306,539
Central Finance Board Deposits		80,191		80,191	116,648
Cash at Bank and in hand		52,716		52,716	91,594
<b>Total current assets</b>		<b>187,782</b>	<b>409,734</b>	<b>597,516</b>	<b>523,007</b>
<b>Current liabilities</b>					
Creditors (due in under 1 year)	13	-50,361		-50,361	-43,493
Grants payable within 2022-23				0	0
<b>Total current liabilities</b>		<b>-50,361</b>		<b>-50,361</b>	<b>-43,493</b>
<b>Net current assets/(liabilities)</b>		<b>137,421</b>	<b>409,734</b>	<b>547,155</b>	<b>479,514</b>
<b>Total assets less current liabilities</b>		<b>1,420,027</b>	<b>425,985</b>	<b>1,846,012</b>	<b>1,536,012</b>
<b>Long term liabilities (due after more than one year)</b>					
Grants payable after 2022-23				0	0
Loans to the Circuit				0	0
Creditors (due in over 1 year)	14	-4,012		-4,012	-5,329
<b>Net assets</b>		<b>1,416,015</b>	<b>425,985</b>	<b>1,842,000</b>	<b>1,530,683</b>
<b>Funds of the Circuit</b>					
General Fund (Unrestricted)		1,416,015		1,416,015	1,209,060
Circuit Model Trust Fund (Unrestricted)			425,985	425,985	321,623
Designated Funds (Unrestricted)				0	0
<b>Total Unrestricted Funds</b>				<b>1,842,000</b>	<b>1,530,683</b>
Restricted Funds				0	0
Endowment Funds				0	0
<b>Total Funds</b>	15/16	<b>1,416,015</b>	<b>425,985</b>	<b>1,842,000</b>	<b>1,530,683</b>

# **Epworth, Scunthorpe and Gainsborough Methodist Circuit**

## **Notes to the accounts for the year ended 31 August 2024**

### **1. Accounting and accounting policies**

#### **1.1 Basis of preparation of financial statements**

The financial statements have been prepared in accordance with the 'Accounting and Reporting by Charities: 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 (FRS 102) (effective 1 January 2019)' (**Charity SORP -FRS 102**).

In addition, they are prepared in accordance with 'FRS 102 The Financial Reporting Standard applicable in the UK and Republic of Ireland' (**FRS 102**), and under UK Generally Accepted Accounting Practice and the Charities Act.

These statements are also prepared on a going concern basis and under the historic cost convention as modified to include certain assets at fair value. Assets and liabilities are initially recognised at historic cost or transactional value unless otherwise stated. These statements are presented in sterling which is the functional currency of the charity.

#### **1.2 Consolidation**

The Circuit has denominational regulatory oversight in respect of the work of the Methodist Churches within the Circuit but has no legal or operational control of those churches or their governing body except in extreme circumstances. For this reason, the financial statements of individual churches within the Circuit, of which each are considered a separate charity, are not consolidated into these financial statements and therefore these accounts represent solely the activities of the Circuit.

#### **1.3 Income recognition**

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

#### **1.4 Expenditure/transfers**

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.

Where income is received or expenditure has been paid out of the general fund but that subsequently an application is made to apply the monies to the Circuit Model Trust Fund (CMTF) that is held for the Circuit's use, then funds may be transferred to/from this Trust Fund held by Trustees for Methodist Church Purposes (TMCP) for use by the Circuit. This transfer will be accounted for in the Statement of Financial Activities but sometimes the timing of the two transactions will lie in different accounting periods and the nature of any such transactions are disclosed in 'Transfers' see note 8.

TMCP is a body corporate established by the Methodist Church for the custody and administration of monetary/property assets and consequently is the Custodian Trustee for most of the land and buildings and some monetary investments of the Circuit.

#### **1.5 Grants**

Grants made by the Circuit from its own funds are recognised in full at the time of approval of the agreement unless there are performance conditions attached which are within the control of the Circuit and in which case it will normally be recognised when these have been fulfilled.

## **1.6 Pensions**

The Circuit makes payments to the Methodist Ministers' Pension Scheme which is a defined benefits scheme. The Scheme is effectively a multi-employer scheme operated by the Methodist Church and as insufficient information is available to use defined benefit accounting the Circuit accounts for it as a defined contributions scheme.

The Circuit also operates a defined contribution scheme for other employees.

Further details of pensions are disclosed in note 4.

## **1.7 Taxation**

As the Circuit is a registered charity it is potentially exempt from taxation on income and gains however it is not VAT registered and therefore all input VAT is charged with the expense to which it relates.

## **1.8 Tangible fixed assets**

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

Tangible fixed asset property consists of manses and other buildings used in the work of the Methodist Church. The majority have been owned for many years and where the cost of individual properties is unknown, they are disclosed in the accounts at deemed cost being 80% of insured value as of 1 September 2013. If the trustees consider that there is evidence of impairment then an impairment charge is made against the individual property, otherwise depreciation is provided on buildings at the rate of 2% per annum on deemed cost which is designed to write the properties down to zero over their estimated useful economic life. See also accounting policy note 1.4 regarding custodian arrangements of most property.

Land is not depreciated.

Purchased office equipment is depreciated at 33% per annum on cost from the month that the asset is acquired and equipment that is subject to a finance lease is depreciated at 20% per annum which is designed to write off the asset over the life of the primary agreement.

## **1.9 Investment property**

The Circuit may hold property which is surplus to its requirements. Where this is the case, and that the property is no longer held for Church Society use then it is transferred from tangible fixed assets to investment properties and valued at fair value. See also accounting policy 1.4 regarding Custodian trustee.

## **1.10 Financial instruments**

The Circuit holds assets and liabilities that qualify as basic financial instruments which are therefore initially recognised at their transactional value and subsequently measured at settlement value, other than investment properties, other investments and assets held on a finance lease which are then subsequently valued at fair value.

## **1.11 Monetary Investments**

The Circuit's monetary investments are held by TMCP as custodian trustees (see accounting policy 1.4) and the valuations, at market value, are provided by TMCP. The unrealised gains/losses arising on investments for the financial year are disclosed in the Statement of Financial Activities (SOFA).

## 1.12 Funds

All funds are unrestricted, and details of the funds are disclosed in the financial statements.

## 1.13 Critical Accounting Estimates and Judgements

The Trustees are required to adjust as necessary estimates and judgements regarding the carrying amount of assets and liabilities in the application of the accounting policies. These estimates and judgements are based on experience and other relevant factors however actual results may differ from these recorded estimates.

They are revisited on a regular basis and any revisions are recognised as they arise.

The only area where the trustees consider there could be a significant risk of material adjustment is in the valuation of Investment Properties which are based on fair value. However, even if these valuations proved to be materially lower than as stated in the financial statements the trustees are confident that the Circuit's ability as a going concern will not be compromised.

## 1.14 Finance leases

Assets held under finance leases are recognised as assets at the date of inception of the agreement at the lower of the asset fair value and the present value of the minimum lease payments. The related liability is included in the balance sheet as a finance lease obligation. Each lease payment is treated as consisting of a capital element and an interest charge and this interest element is applied to the Statement of Financial Activities to produce a constant periodic charge on the remaining balance of the liability.

## 2. Capital Receipts

This relates to the addition at fair value of redundant church buildings and other Methodist property transferred to the Circuit which are then either sold or held for further use. The relevant asset is shown net of all related selling fees. Sale of such property is also subject to a Connexional Priority Fund (CPF) levy by the Connexion calculated on a sliding scale and based on eventual selling price and this is disclosed in expenditure as 'Connexional assessment & model trust levy'. Any historic grants made by Connexion to the closed church are also reclaimed from the proceeds of sale.

Net current assets received from a closed, or transferred Society, would also be treated in the same manner.

Society assets transferred during the year were as follows:

	2023-24		2022-23	
	General	CMTF	General	CMTF
	£	£	£	£
Buildings	200,000	0	0	0
Cash received from closed Society	0	0	0	0
<b>Total</b>	<b>200,000</b>	<b>0</b>	<b>0</b>	<b>0</b>

### 3. Grants and donations made by the Circuit

Grants and donations as listed below have been agreed during the year and are recognised in accordance with the accounting policy as stated in note 1.5.

	2023-24		2022-23	
	General	CMTF	General	CMTF
	£	£	£	£
The Forge Project	9,900		9,900	
Grants to local churches	4,033		4,600	
Total	<b>13,933</b>	<b>0</b>	<b>14,500</b>	<b>0</b>

### 4. Salaries and associated costs

	2023-24		2022-23	
	General	CMTF	General	CMTF
	£	£	£	£
Stipends	60,984		83,477	
Ministers' fixed allowances	388		555	
Administrators' gross pay	22,554		15,950	
Social Security costs	5,959		7,982	
Pension costs – defined benefit	15,623		21,731	
Pension costs – defined contribution	33		0	
Apprenticeship Levy	307		420	
Total	<b>105,848</b>	<b>0</b>	<b>130,115</b>	<b>0</b>

#### Trustees' remuneration

Ministers of the Circuit being Reverend A. Long (Superintendent Minister, but resigned on 31 August 2023), Reverend P. Braisdell and Reverend V. Atkinson (Superintendent Minister from 1 September 2023) were also trustees of the Circuit. Their stipend and allowances are determined annually in advance by the Methodist Conference and the relevant Circuit is responsible for meeting these costs. They all received a stipend of £29,040 pa (2022/23 - £26,928) and the superintendent minister also received the Superintendent Allowance of £2,904 pa (2022/23 - £2,693). At the year-end salary of £8,014 (2022/23 - £5,082) had been paid in advance (one months' salary).

It should be noted that the superintendent minister in the previous year had also similar responsibilities in a neighbouring Circuit but with her full salary cost met by the Epworth & Scunthorpe Circuit. It is estimated that approximately 15%/20% of her time was taken with these additional duties and therefore the cost to the Circuit of this arrangement in the previous year is estimated at approximately £6,600. This practice ceased from the 31 August 2023 due to a major Circuit reorganisation.

It is normal practice for a minister to be awarded a three-month sabbatical after a period of service within the Methodist Church, but no cost is accrued for this as it is the custom during these times for the Circuit to operate without any additional assistance except for the availability of a neighbouring circuit minister to act in a consultancy role should such a situation be deemed necessary.

The remuneration and pension cost as stated above is largely connected to their role as minister rather than as a trustee and in view of this and the complexities involved in apportionment it is not considered necessary to identify costs between the two roles.

In addition, manses are provided for each minister and their respective family, and these properties are maintained by the Circuit who also make payments for buildings insurance, council tax and water charges. These costs are not regarded as a taxable benefit by HMRC and therefore have not been disclosed as remuneration in any of these notes.

Two lay trustees received remuneration for administrative tasks carried out during the year and they were Mrs L. Howard £5,448 (2022/23 - £4,915) and Mrs B. Braisdell £3,101 (2022/23 - £3,525). Otherwise no further lay trustees were remunerated in either year.

### **Key Management Personnel**

The Circuit Leadership Team, who are responsible for policy formulation and day to day administration of the activities are regarded as the Key Management Personnel and this team consisted of the Circuit Ministers noted previously and several non-remunerated lay trustees. The aggregate benefit during the year of this key management team (excluding employer National Insurance) was £76,995 (2022/23 - £105,763).

Average number of employees throughout the year were 2 full-time ministers (2022/23 -3) and 4 part-time administration staff (2022/23 -3).

No employee received remuneration of more than £60,000 during the year (2022/23 – nil).

### **Pensions**

Pension cost of £15,623 (2022/23 £21,731) relates to the Methodist Ministers' Pension Scheme, this is effectively a multi-employer defined benefit scheme as noted in accounting policies note 1.6, further details of this Pension Scheme can be accessed in the financial statements of the Methodist Church of Great Britain. At the year-end £1,551 (2022/23 -£1,302) had been paid in advance into the Scheme.

In 2021/22 because of an appeal to bolster the Ministers' Pension Reserve held at the Methodist Church of Great Britain, the Circuit donated a sum of £30,000 which because of improved funding within the pension scheme is now no longer considered necessary and therefore this has subsequently been refunded along with associated interest (see 'Ministers' Pension Contributions Rtd.' on SOFA).

A further pension cost of £33 (2022/23 £ nil) relates to contributions to a defined contribution pension scheme available to administrative staff.

### **Trustees' expenses**

Two ministers (2022/23 - 3) were reimbursed total expenses of £8,044 (2022/23 -£7,395) and whilst it is not possible to analyse the function of all these expenses it is considered that almost all these expenses relate to reimbursement whilst they were carrying out their role as ministers as opposed to as trustees. It is therefore considered that no further analysis would be useful.

In addition, 12 (2022/23 – 5) lay trustees were reimbursed a total of £8,122 (2022/23 -£6,250) during the year.

These reimbursements were largely for travel and stationery costs.

## 5. Property maintenance

	2023-24		2022-23	
	General	CMTF	General	CMTF
	£	£	£	£
Property costs - manses	12,480		14,045	
Property costs – other buildings	15,962		1,581	
Insurance	7,605		4,702	
<b>Total</b>	<b>36,047</b>	<b>0</b>	<b>20,328</b>	<b>0</b>

## 6. Depreciation

	2023-24		2022-23	
	General	CMTF	General	CMTF
	£	£	£	£
Depreciation on owned assets	5,535		9,323	
Depreciation on leased assets	1,440		960	
Loss on disposal of fixed assets	2		4,328	
<b>Total</b>	<b>6,977</b>	<b>0</b>	<b>14,611</b>	<b>0</b>

## 7. Independent Examiner

The fee for the independent examination of these accounts was £420 (2022/23 - £420) and the Independent Examiner provided no additional services during either of the two years.

## 8. Transfers between funds

Transfers out of CMTF are usually for the funding of specific projects, require further approval and are usually based upon anticipated costing of the related expenditure. During the year 23/24 no such transfers were received from CMTF funds and during the previous year transfers were received of £13,117 for property maintenance and repairs.

In addition, £123,814 was transferred to the CMTF during the year, £195,672 previous year, and this represented the proceeds of the sale of church buildings owned by the Circuit.

The net effect of the above is a transfer to CMTF of £123,814 from the general fund during the year (2022/23 - £182,555).

## 9. Fixed Assets – Circuit Manses and Equipment

	Land and Buildings	Office Equipt.	Total
	£	£	£
<b>At cost or valuation</b>			
Balance brought forward	619,179	8,354	627,533
Added in year		1,200	1,200
Disposals in year		(1,153)	(1,153)
Asset reclassified as investment property	(269,767)		(269,767)
<b>Balance carried forward</b>	<b>349,412</b>	<b>8,401</b>	<b>357,813</b>

<b>Accumulated depreciation</b>			
Balance brought forward	92,921	2,112	95,033
Depreciation charge for year	5,268	1,707	6,975
Depreciation on disposals in year		(1,151)	(1,151)
Depreciation on asset reclassified as investment property	(40,550)		(40,550)
<b>Balance carried forward</b>	<b>57,639</b>	<b>2,668</b>	<b>60,307</b>

<b>Net realisable value at 1 September 2023</b>	<b>526,258</b>	<b>6,242</b>	<b>532,500</b>
<b>Net realisable value at 31 August 2024</b>	<b>291,773</b>	<b>5,733</b>	<b>297,506</b>

Land and buildings consist of Circuit Manses.

Office equipment includes leased assets with a net realisable value at 31 August 2024 of £4,800 (2023 – £6,240).

### 10. Fixed Assets - Investment Properties

	<b>Land and Buildings</b>
	<b>£</b>
<b>At valuation</b>	
<b>As at 1 September 2023</b>	<b>508,914</b>
Added in year	239,751
Disposal in year	(123,814)
Assets reclassified from Circuit manses	229,217
Revaluation in year	131,032
<b>As at 31 August 2024</b>	<b>985,100</b>

The investment properties have been valued by the Circuit Leadership Team at fair value without any professional advice but where possible by assessment of similar property prices in the area and with any other relevant information that they have obtained.

### 11. Investment Assets (TMCP)

The funds that support the CMTF are held by TMCP in Trustee interest bearing bank accounts or as Managed Equity funds where interest and dividends are credited on a regular basis.

TMCP is the legal owner and custodian trustee of all Methodist model trust property (see accounting policy 1.4), and this is held on behalf of local managing trustees who are responsible for the day-to-day operational control. It is ensured by TMCP that through providing guidance and direction that the managing trustees comply with Charity Law and Methodist regulation and policy as determined by the Methodist Conference.

	<b>2023-24</b>	<b>2022-23</b>
	<b>£</b>	<b>£</b>
<b>Fixed assets</b> -Managed Equity funds	16,251	15,084
<b>Current assets</b> -Cash deposits	409,734	306,539
<b>Total</b>	<b>425,985</b>	<b>321,623</b>

## 12. Debtors

All debtors and prepayments are due within one year and are as follows:

	2023-24	2022-23
	£	£
Debtors	40,000	0
Prepayments and accrued income	14,875	7,261
Total	<b>54,875</b>	<b>7,261</b>

## 13. Creditors (due in under one year)

	2023-24	2022-23
	£	£
Creditors	492	286
Accruals and deferred income	48,552	42,177
Finance lease obligations	1,317	1,030
Total	<b>50,361</b>	<b>43,493</b>

Deferred income includes £47,243 (2022/23 - £39,388) for church assessments which are received quarterly in advance.

## 14. Creditors (due after more than one year)

	2023-24	2022-23
	£	£
Finance lease obligations	<b>4,012</b>	<b>5,329</b>

None of the finance lease obligations are due after more than five years.

All finance lease loans are secured on the assets to which they relate (see note 9).

## 15. Movements in Funds

All funds owned by the charity are unrestricted and consist of two funds with a summary of the movements being as follows:

### Current year

	Balance at 1/09/23	Income	Expend'ure	Inv'ment gain/(loss)	Transfer	Balance at 31/08/24
	£	£	£	£	£	£
General Fund	<b>1,209,060</b>	458,112	(258,375)	131,032	(123,814)	<b>1,416,015</b>
Circuit Model Trust Fund	<b>321,623</b>	21,195	(41,814)	1,167	123,814	<b>425,985</b>
Total	<b>1,530,683</b>	479,307	(300,189)	132,199	0	<b>1,842,000</b>

## Prior year

	Balance at 1/09/23	Income	Expend'ure	Inv'ment gain/(loss)	Transfer	Balance at 31/08/24
	£	£	£	£	£	£
General Fund	<b>1,607,468</b>	189,375	(259,043)	(146,186)	(182,555)	<b>1,209,059</b>
Circuit Model Trust Fund	<b>195,040</b>	6,774	(62,076)	(669)	182,555	<b>321,624</b>
Total	<b>1,802,508</b>	196,149	(321,119)	(146,855)	0	<b>1,530,683</b>

The purpose of these funds is described as follows:

### General Fund

The General Fund is for use at the discretion of the trustees in furtherance of the general objectives of the Circuit.

### Circuit Model Trust Fund

The Circuit Model Trust Fund is also for use in the general objectives of the Circuit. Its main source of income is formulaically determined contributions from the sale of manses and church buildings in the Circuit. Although this fund meets the definition of an unrestricted fund under the control of the Circuit Meeting, prior approval is still required from TMCP to access these funds.

## 16. Analysis of Net Assets between Funds

Fund balances at 31 August 2024 are represented by:

	General	CMTF	Total
	£	£	£
Tangible fixed assets	297,506		297,506
Fixed asset investments	985,100		985,100
Investments		16,251	16,251
Net current assets in less than one year	137,421	409,734	547,155
Liabilities due in more than one year	(4,012)		(4,012)
Total	<b>1,416,015</b>	<b>425,985</b>	<b>1,842,000</b>

Fund balances at 31 August 2023 are represented by:

	General	CMTF	Total
	£	£	£
Tangible fixed assets	532,500		532,500
Fixed asset investments	508,914		508,914
Investments		15,084	15,084
Net current assets in less than one year	172,975	306,539	479,514
Liabilities due in more than one year	(5,329)		(5,329)
Total	<b>1,209,060</b>	<b>321,623</b>	<b>1,530,683</b>

## 17. Transactions with Related Parties

Related parties include the Methodist Church, Connexion, the Lincolnshire District, other Methodist churches within the circuit, and TMCP.

None of the Circuit trustees made donations directly to the Circuit during the year or preceding year. All the Circuit trustees are members of a church within the Circuit and may be trustees in their churches.

Each church within the Circuit is required to contribute to the running costs of the Circuit and accordingly an annual assessment is made on all churches using a predetermined formula. Part of this Church Assessment is to reimburse the Circuit for monies required for both District and Connexion costs however, as these costs cannot be identified and as the contractual relationship is between the Circuit, District and Connexion (rather than individual Churches) then it is deemed appropriate to show income and costs in full rather than to net down as in a principal/agent relationship. During the year Assessments were receivable from churches within the Circuit of £203,407 (2022/23 - £166,733) and none of these monies were outstanding at either year end.

The Circuit paid, during the year £81,648 (2022/23 - £57,393) in assessments and levies to the Lincolnshire Methodist District. No amounts were outstanding at the year-end (2022/23 – nil)

Custodianship of most property remains with TMCP (see notes 9 and 10) and some investments and cash deposits (see note 11) are held with them. As noted previously assets held by TMCP will only be released subject to strict conditions.

The Circuit sold a redundant church building during the year and the net disposal proceeds of £123,814 (2022/23 - £195,672) was received by TMCP (who are the legal owner of most Methodist property). They deducted the Connexional Priority Fund Levy of £25,525 (2022/23 - £54,268) and remitted the balance of £98,289 (2022/23 - £141,404) to the appropriate CMTF held by the Circuit. No monies were outstanding at the year-end (2022/23 – nil).

Due to an internal re-organisation as at 1 September 2023 a manse from a now disbanded neighbouring Circuit has been donated to the Circuit at an estimated fair value of £200,000 (see note 2). There are also some monetary assets due to be received and further detail is provided in note 18 below.

## **18. Contingencies**

### **Re-organisational transfers**

Also, as part of the re-organisation structure as noted in the previous paragraph there are certain bank accounts and funds held within TMCP to be allocated to the Circuit. The precise amount of this allocation is still subject to negotiation, which is currently taking place, and is thought to be within the range of £10,000 to £30,000. However, as the trustees do not consider the monetary value of these donations can be reliably measured the value has not yet been recognised in these financial statements but will be so recorded once a clear definition of the amount is known.

### **Property**

A small parcel of land with an estimated value of £10,000 (included in investment property at this value) is held. This land is currently used by the local Parish Council as part of a children's playground and the Council pay a nominal rent for it although no legal agreement is held by the Circuit.

An additional small area of land is owned with a nominal value of £100 but currently is not income earning.

The Leadership Team will continue to review these arrangements and if considered appropriate will seek professional advice.

### **19. Prior Year Adjustment**

Some expenses have been reclassified within the SOFA for the current year and therefore comparative figures for the previous year have also been adjusted to allow a meaningful comparison to be made. These only amend comparative expense figures and therefore it has no effect on net income, balance sheet or funds movement in that year.

**DECLARATIONS**

**Treasurer**

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

Signature of Treasurer

*Wood*

Date

5/6/25

Name

Andrew Lockwood

Address

85 West Street, West Butterwick, DN173LG

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

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

10<sup>th</sup> June 2025

and were or will be approved on.

10<sup>th</sup> June 2025

Signature of the Chair of the meeting

*V. Atkinson*

Name of the Chair of the meeting

REV VICKI ATKINSON

Date

10/6/25.

# Independent examiner's report to the trustees of the Epworth Scunthorpe and Gainsborough Methodist Circuit.

(formally known as Epworth and Scunthorpe Methodist Circuit)

I report to the trustees on my examination of the accounts of the Epworth Scunthorpe and Gainsborough Methodist Circuit for the year ended 31<sup>st</sup> August 2024.

## Responsibilities and basis of report

As the charity trustees of the Trust you are responsible for the preparation of the accounts in accordance with the requirements of the Charities Act 2011 ('the Act').

I report in respect of my examination of the Trust's accounts carried out under section 145 of the 2011 Act and in carrying out my examination I have followed all the applicable Directions given by the Charity Commission under section 145(5)(b) of the Act.

## 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 giving me cause to believe that in any material respect:

1. accounting records were not kept in respect of the Trust as required by section 130 of the Act; or
2. the accounts do not accord with those records; or
3. 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.

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.

Signed:



Name:

BARRIE CAMPBELL FCA

Relevant professional qualification or membership of professional bodies (if any):

ICAEW

Address:

2 WESTCLIFF GARDENS, SCUNTHORPE, DN17 1DT

Date:

02/06/2025

# Independent examiner's report to the trustees of the Epworth Scunthorpe and Gainsborough Methodist Circuit.

(formally known as Epworth and Scunthorpe Methodist Circuit)

I report to the trustees on my examination of the accounts of the Epworth Scunthorpe and Gainsborough Methodist Circuit for the year ended 31<sup>st</sup> August 2024.

## Responsibilities and basis of report

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1. accounting records were not kept in respect of the Trust as required by section 130 of the Act; or
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3. 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.

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Signed:



Name:

BARRIE CAMPBELL FCA

Relevant professional qualification or membership of professional bodies (if any):

ICAEW

Address:

2 WESTCLIFF GARDENS, SCUNTHORPE, DN17 1DT

Date:

02/06/2025

**Epworth Scunthorpe and Gainsborough Methodist Circuit**

England & Wales - Charity number 1133752

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# Accounts

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## THE METHODIST CHURCH

### EPWORTH AND SCUNTHORPE CIRCUIT

(BECAME EPWORTH SCUNTHORPE AND GAINSBOROUGH CIRCUIT ON 01/09/23)

Registered Charity – Registration Number 1133752

In the Lincolnshire District no 17/01

#### MINISTERS

Rev'd Victoria Atkinson
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Rev'd Paul Braidell
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#### CIRCUIT STEWARDS

Mr David Sanderson (Snr Steward to Dec 22)
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Mrs Hazel Jackson (Snr Steward from Dec 22)
---

Miss Betty Oldridge
---------------------

Mr Mervyn White
-----------------

Mrs Valery Gravel
-------------------

#### CIRCUIT TREASURER

Mr Andrew Lockwood
--------------------

## **Contents of this report**

Finance report and balance sheet for the year 1<sup>st</sup> of September 2022 to 31<sup>st</sup> of August 2023.

A detailed explanation of the finances.

The circuit annual report prepared by the leadership team.

The circuit meeting acceptance signature sheet.

The independent examiner's report and signature sheet.

## Statement of Financial Activities (SOFA) for the year ended 31-Aug-23

	Notes to the accounts	General Fund (Unrestricted) £	Circuit Model Trust (Unrestricted) £	Total 2022-23 £	Total 2021-22 £
<b>Income</b>					
1				0	4,000
2					
		3,034	6,773	9,807	2,011
3					
	2	17,820		17,820	17,820
4	22	166,733		166,733	178,263
5	4			0	405,673
6				0	0
		1,689		1,689	0
7		100		100	563
<b>8 Total income</b>		<b>189,376</b>	<b>6,773</b>	<b>196,149</b>	<b>608,330</b>
<b>Expenditure</b>					
9	5	14,500		14,500	12,068
10					
	6	137,181		137,181	160,777
11	7	27,028		27,028	17,638
12					
	22		54,268	54,268	8,134
13	8	50,141	7,252	57,393	50,512
14	9	14,611		14,611	9,418
15		10,767		10,767	9,361
16	10	3,792	556	4,348	3,455
		1,023		1,023	0
<b>17 Total charitable expenditure</b>		<b>259,043</b>	<b>62,076</b>	<b>321,119</b>	<b>271,363</b>
<b>Net income before investment gains/(losses)</b>		<b>-69,667</b>	<b>-55,303</b>	<b>-124,970</b>	<b>336,967</b>
18					
			-669	-669	-1,056
19					
	14	-146,186		-146,186	25,000
<b>20 Net income/(expenditure)</b>		<b>-215,853</b>	<b>-55,972</b>	<b>-271,825</b>	<b>360,911</b>
21	12	-182,555	182,555	0	0
22				0	0
<b>23 Net movement in funds</b>		<b>-398,408</b>	<b>126,583</b>	<b>-271,825</b>	<b>360,911</b>
24		1,607,468	195,040	1,802,508	1,441,597
<b>25 Total funds carried forward</b>	20/21	<b>1,209,060</b>	<b>321,623</b>	<b>1,530,683</b>	<b>1,802,508</b>

The statement of financial activities includes all gains and losses recognised in the year.

**The notes on pages 05 to 17 form part of these financial statements.**

## Balance Sheet as at 31 August 2023

	Notes to the Accounts	General Fund (Unrestricted) £	Circuit Model Trusts (Unrestricted) £	Totals 2022/23 £	Totals 2021/22 £
<b>Fixed Assets</b>					
Circuit Manses & Equipment	13	532,500		532,500	535,583
Investment properties	14	508,914		508,914	855,000
Investments	15		15,084	15,084	15,753
<b>Total fixed assets</b>		<b>1,041,414</b>	<b>15,084</b>	<b>1,056,498</b>	<b>1,406,336</b>
<b>Current Assets</b>					
Debtors	16	7,261		7,261	23,996
Loans by the Circuit	17	965		965	1,085
Investments with TMCP	15		306,539	306,539	179,287
Central Finance Board Deposits		116,648		116,648	151,319
Cash at Bank and in hand		91,594		91,594	83,114
<b>Total current assets</b>		<b>216,468</b>	<b>306,539</b>	<b>523,007</b>	<b>438,801</b>
<b>Current liabilities</b>					
Creditors (due in under 1 year)	18	-43,493		-43,493	-42,629
Grants payable within 2022-23				0	0
<b>Total current liabilities</b>		<b>-43,493</b>	<b>0</b>	<b>-43,493</b>	<b>-42,629</b>
<b>Net current assets/(liabilities)</b>		<b>172,975</b>	<b>306,539</b>	<b>479,514</b>	<b>396,172</b>
<b>Total assets less current liabilities</b>		<b>1,214,389</b>	<b>321,623</b>	<b>1,536,012</b>	<b>1,802,508</b>
<b>Long term liabilities (due after more than one year)</b>					
Grants payable after 2022-23				0	0
Loans to the Circuit				0	0
Creditors (due in over 1 year)	19	-5,329		-5,329	0
<b>Net assets</b>		<b>1,209,060</b>	<b>321,623</b>	<b>1,530,683</b>	<b>1,802,508</b>
<b>Funds of the Circuit</b>					
General Fund (Unrestricted)	20/21	1,209,060		1,209,060	1,607,468
Circuit Model Trust Fund (Unrestricted)			321,623	321,623	195,040
Designated Funds (Unrestricted)				0	0
<b>Total Unrestricted Funds</b>				<b>1,530,683</b>	<b>1,802,508</b>
Restricted Funds				0	0
Endowment Funds				0	0
<b>Total Funds</b>		<b>1,209,060</b>	<b>321,623</b>	<b>1,530,683</b>	<b>1,802,508</b>

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

### 1. Accounting and accounting policies

#### 1.1 Basis of preparation of financial statements

The financial statements have been prepared in accordance with the 'Accounting and Reporting by Charities: 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 (FRS 102) (effective 1 January 2019)' (Charity SORP -FRS 102).

In addition, they are prepared in accordance with 'FRS 102 The Financial Reporting Standard applicable in the UK and Republic of Ireland' (FRS 102), and under UK Generally Accepted Accounting Practice as applicable from 1 January 2015 and the Charities Act.

These statements are also prepared on a going concern basis and under the historic cost convention as modified to include certain assets at fair value. Assets and liabilities are initially recognised at historic cost or transactional value unless otherwise stated. These statements are presented in sterling which is the functional currency of the charity.

The trustees confirm that the entity has met the definition of a public benefit entity as defined under FRS 102.

#### 1.2 Consolidation

The Circuit has denominational regulatory oversight in respect of the work of the Methodist Churches within the Circuit but has no legal or operational control of those churches or their governing body except in extreme circumstances. For this reason, the financial statements of individual churches within the Circuit, of which each are considered a separate charity, are not consolidated into these financial statements and therefore these accounts represent solely the activities of the Circuit.

#### 1.3 Income recognition

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

Capital receipts are the deemed residual fair value of transfers to the Circuit of redundant church assets (see note 4).

#### 1.4 Expenditure/transfers

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.

Where income is received or expenditure has been paid out of the general fund but that subsequently an application is made to apply the monies to the Circuit Model Trust Fund (CMTF) that is held for the Circuit's use, then funds may be transferred to/from this Trust Fund held by Trustees for Methodist Church Purposes (TMCP) for use by the Circuit. This transfer will be accounted for in the Statement of Financial Activities but sometimes the timing of the two transactions will lie in different accounting periods and the nature of any such transactions are disclosed in 'Transfers' see note 12.

TMCP is a body corporate established by the Methodist Church for the custody and administration of monetary/property assets and consequently is the Custodian Trustee for land and buildings and some monetary investments of the Charity.

### **1.5 Grants**

Grants made by the Circuit from its own funds are recognised in full at the time of approval of the agreement unless there are performance conditions attached which are within the control of the Circuit and in which case it will normally be recognised when these have been fulfilled.

### **1.6 Pensions**

The Circuit makes payments to the Methodist Ministers' Pension Scheme which is a defined benefits scheme. The Scheme is effectively a multi-employer scheme operated by the Methodist Church and as insufficient information is available to use defined benefit accounting the Circuit accounts for it as a defined contributions scheme. Further details are as disclosed in notes 6 and 23.

### **1.7 Taxation**

As the Circuit is a registered charity it is potentially exempt from taxation on income and gains however it is not VAT registered and therefore all input VAT is charged with the expense to which it relates.

### **1.8 Tangible fixed assets**

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

Tangible fixed asset property consists of manses and other buildings used in the work of the Methodist Church. They have been owned for many years and as the cost of individual properties is unknown, they continue to be disclosed in the accounts at deemed cost being 80% of insured value as of 1 September 2013. If the trustees consider that there is evidence of impairment then an impairment charge is made against the individual property, otherwise depreciation is provided on buildings at the rate of 2% per annum on deemed cost which is designed to write the properties down to zero over their estimated useful economic life.

Land is not depreciated.

If a Society, within a Circuit, were to close then usually the responsibility for safe-keeping and maintenance of the church building is passed to the relevant Circuit who will retain the asset pending disposal or alternatively bring it into use in some way as to benefit the local community. On Society closure any redundant Church building is recognised, at fair value, as effectively a donation (included in Capital Receipts) and as an asset within the Circuit accounts. If the building is held pending sale, then it is included in investment property until disposal. Upon final disposal any difference between fair value and disposal proceeds is treated as a profit/loss on disposal.

Purchased office equipment is depreciated at 33% per annum on cost from the month that the asset is acquired and such equipment that is subject to a finance lease is depreciated at 20% per annum which is designed to write off the asset over the life of the primary agreement.

Land and buildings are held by TMCP as custodian trustee as noted in accounting policy 1.4.

### **1.9 Investment property**

The Circuit may hold property which is surplus to its requirements. Where this is the case, and that the property is no longer held for Church Society use then it is transferred from tangible fixed assets to investment properties and valued at fair value. See also accounting policy 1.4 regarding Custodian trustee.

### **1.10 Financial instruments**

The charity holds assets and liabilities that qualify as basic financial instruments which are therefore initially recognised at their transactional value and subsequently measured at settlement value, other than investment properties, other investments and assets held on a finance lease which are then subsequently valued at fair value.

### **1.11 Monetary Investments**

The Circuit's monetary investments are held by TMCP as custodian trustees (see accounting policy 1.4) and the valuations, at market value, are provided by TMCP. The unrealised gains/losses arising on investments for the financial year are disclosed in the Statement of Financial Activities (SOFA).

### **1.12 Funds**

All funds are unrestricted, and details of the funds are disclosed in the financial statements.

### **1.13 Critical Accounting Estimates and Judgements**

The Trustees are required to adjust as necessary estimates and judgements regarding the carrying amount of assets and liabilities in the application of the Charity's accounting policies. These estimates and judgements are based on experience and other relevant factors however actual results may differ from these recorded estimates.

They are revisited on a regular basis and any revisions are recognised as they arise.

The only area where the trustees consider there could be a significant risk of material adjustment is in the valuation of Investment Properties which are based on fair value. However, even if these valuations proved to be materially lower than as stated in the financial statements the trustees are confident that the Circuit's ability as a going concern will not be compromised.

### **1.14 Finance leases**

Assets held under finance leases are recognised as assets at the date of inception of the agreement at the lower of the asset fair value and the present value of the minimum lease payments. The related liability is included in the balance sheet as a finance lease obligation. Each lease payment is treated as consisting of a capital element and an interest charge and this interest element is applied to the Statement of Financial Activities to produce a constant periodic charge on the remaining balance of the liability.

## **1. Income from investment properties**

A disused church building has been leased to a registered charity 'The Forge Project' which provides relief for the homeless in the local area. The rent is due annually on a lease with a current rent of £10,000 pa and this income is recognised at the point that it is due to be received. The amount recognised in the year was £10,000 (2021/22 - £10,000).

In addition, a small pocket of land is held by the Circuit at an annual rent of £20 (see also note 25). In relation to this asset £20 was credited to income during the current year (2021/22 - £20).

Furthermore, a manse currently surplus to requirements has been rented out during the year with a gross rent received of £7,800 (2021/22 - £7,800).

## 2. Assessment on Churches

At the year end, the Circuit comprised 17 Church Societies (last year 17), and each is assessed for a contribution to meet the overall net costs of the Circuit. Before making this assessment, the Circuit will prepare a budget to determine the amount of additional income required to provide a balanced budget and this will then form the basis of assessment on the local churches.

This apportionment of the assessment on individual churches is determined annually by the Circuit using a formula which considers the number of members in each Church, its anticipated income, and unrestricted funds at its disposal.

Part of this Church Assessment is to reimburse the Circuit for monies required from both District and Connexion to cover certain costs incurred on behalf of individual Churches that make up the Circuit. However, as these costs cannot be identified and as the contractual relationship is between the Circuit, District and Connexion (rather than individual Churches) then it is deemed appropriate to show income and costs in full rather than to net down as in a principal/agent relationship.

These Assessments are receivable quarterly in advance and are treated as deferred income if received in advance of the relevant period at the year end.

Transactions with individual churches, District and Connexion are regarded as related party transactions.

## 3. Capital Receipts

This relates primarily to the fair value of church buildings in relation to a closed society and these properties are then transferred to the Circuit pending sale or other use. The relevant asset is shown net of all related selling fees. Sales of Methodist property is also subject to a Connexional Priority Fund (CPF) levy by the Connexion calculated on a sliding scale based on eventual selling price and these are disclosed in expenditure as Connexional Levy fees. Any historic grants made by the connexion to the closed church are also reclaimed from the proceeds of sale.

Net current assets received from the closed Society would also be included under this heading.

Society assets transferred during the year were as follows:

	2022-23		2021-22	
	General	CMTF	General	CMTF
	£	£	£	£
Church Buildings	0	0	345,000	60,673
Cash received from closed Society	0	0	0	0
Total	0	0	345,000	60,673

### Property disposals

One church building was sold during the previous year and the net proceeds after the CPF levy, is credited to CMTF (£60,673). A further church building credited at fair value in 2021/22 at £200,000 was sold for £195,672 in the current year and proceeds, less the CPF Levy, have been received and transferred to CMT (see note 12).

#### 4. Grants and donations made by the Circuit

Grants and donations as listed below have been agreed during the year and are recognised in accordance with the accounting policy as stated in note 1.5.

	2022-23		2021-22	
	General	CMTF	General	CMTF
	£	£	£	£
The Forge Project	9,900		0	
Grants to local Churches	4,600		10,841	
Other donations			1,227	
<b>Total</b>	<b>14,500</b>	<b>0</b>	<b>12,068</b>	<b>0</b>

#### 5. Salaries and associated costs

	2022-23		2021-22	
	General	CMTF	General	CMTF
	£	£	£	£
Stipends	83,477		80,055	
Ministers' fixed allowances	555		1,068	
Administrators' Gross Pay	15,950		14,005	
Social Security costs	7,982		7,642	
Pension costs	21,731		20,840	
Pension deficit contribution (see note 21)	0		30,000	
Apprenticeship Levy	420		403	
Ministers' telephone	1,828		1,957	
Ministers' travel costs	5,238		4,807	
Minister's relocation costs	0		0	
<b>Total</b>	<b>137,181</b>	<b>0</b>	<b>160,777</b>	<b>0</b>

#### Trustees' remuneration

Ministers of the Circuit being Reverend A. Long (Superintendent Minister, but resigned on 31 August 2023), Reverend P. Braisdell and Reverend V. Atkinson were also trustees of the Circuit. Their stipend and allowances are determined annually in advance by the Methodist Conference and the relevant Circuit is responsible for meeting these costs. They all received a stipend of £26,928 pa (2021/22 - £25,824) and the superintendent minister also received the Superintendent Allowance of £2,693 pa (2021/22 - £2,582). At the year-end salary of £5,082 (2021/22 - £6,956) had been paid in advance (one months' salary).

It should be noted that the superintendent minister had also similar responsibilities in a neighbouring Circuit but with her full salary cost met by the Epworth & Scunthorpe Circuit. It is estimated that approximately 15%/20% of her time was taken with these additional duties and therefore the cost to the Circuit of this arrangement for the current year is estimated at approximately £6,600 (2021/22 - £6,600). This practice ceased from the 31 August 2023 due to a major Circuit reorganisation.

It is normal practice for a minister to be awarded a three-month sabbatical after a period of service within the Methodist Church, but no cost is accrued for this as it is the custom during these times for the Circuit to operate without any additional assistance except for the availability of a neighbouring circuit minister to act in a consultancy role should such a situation be deemed necessary.

An amount of £21,731 (2021/22 - £20,840) was payable into the defined benefit pension scheme to which all these ministers are members. At the year-end £1,302 (2021/22 -£1,811) had been paid in advance into the Scheme.

In addition, last year a £30,000 contribution was made as a one-off to the Methodist Church of Great Britain towards their appeal to increase the pension reserve held by them specifically for future funding of the pension deficits of their various Pension Schemes. Further details are given in note 23.

Their remuneration and pension cost as stated is largely connected to their role as minister rather than as a trustee and in view of this and the complexities involved in apportionment it is not considered necessary to identify costs between the two roles.

In addition, manses are provided for each minister and their respective family, and these properties are maintained by the Circuit who also make payments for buildings insurance, council tax and water charges. See note 7 for details. These costs are not regarded as a taxable benefit by HMRC and therefore have not been disclosed as remuneration in any of these notes.

Two lay trustees received remuneration for administrative tasks carried out during the year and they were Mrs L. Howard £4,915 (2021/22 - £4,302) and Mrs B. Braisdell £3,525 (2021/22 - £3,019). Otherwise no further lay trustees were remunerated in either year.

#### **Key Management Personnel**

The Circuit Leadership Team, who are responsible for policy formulation and day to day administration of the activities are regarded as the Key Management Personnel and this team consisted of the three Ministers noted previously and several non-remunerated lay trustees. The aggregate benefit during the year of this key management team (excluding Employer National Insurance) was £105,763 (2021/22 - £131,963).

Average number of employees throughout the year were 3 full-time ministers (2021/22 -3) and 3 part-time administration staff (2021/22 -3).

No employee received remuneration of more than £60,000 during the year (2021/22 – nil).

#### **Pensions.**

All pension costs relate to the Methodist Ministers' Pension Scheme, this is effectively a multi-employer defined benefit scheme as noted in Accounting Policies note 1.6, further details of the Pension Scheme deficit are reported in note 23.

Lay employees have the option to join a defined contributions pension scheme although none have done so to date.

#### **Trustees' expenses**

The three Ministers (2021/22 - 3) were reimbursed total expenses of £6,120 (2021/22 -£7,175) during their employment and whilst it is not possible to analyse the function of all these expenses it is considered that almost all these expenses relate to reimbursement whilst they were carrying out their role as ministers as opposed to as trustees. It is therefore considered that no further analysis would be useful.

In addition, 5 (2021/22 – 6) lay trustees were reimbursed a total of £5,635 (2021/22 -£4,249) during the year.

These reimbursements were largely for travel and stationery costs.

## 6. Property costs

The Circuit is Managing Trustee for three manses occupied by ministers stationed in the Circuit, reduced to two with effect from the year end, with a further one on a residential let contract and which is now classed as an investment property. There is also an additional building, former church, which is leased to 'The Forge Project', a registered charity, which works with and assists homeless people within the local area and this property is also regarded as an investment property.

	2022-23		2021-22	
	General	CMTF	General	CMTF
	£	£	£	£
Insurance	4,702		3,978	
Council Tax and Water for manses	10,028		8,215	
Manse repairs	4,017		2,942	
Costs of closed Church buildings	4,574		776	
Costs of property on residential let	827		827	
Quinquennial inspections	2,880		900	
<b>Total</b>	<b>27,028</b>	<b>0</b>	<b>17,638</b>	<b>0</b>

## 7. District Assessment and Levy

The District Assessment is calculated in proportion to church members and staffing within the various Circuits within the Lincolnshire District.

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

	2022-23		2021-22	
	General	CMTF	General	CMTF
	£	£	£	£
District Assessment	50,141		40,704	
District Levy		7,252		9,808
<b>Total</b>	<b>50,141</b>	<b>7,252</b>	<b>40,704</b>	<b>9,808</b>

These are regarded as related party transactions. See note 22.

## 8. Depreciation

	2022-23		2021-22	
	General	CMTF	General	CMTF
	£	£	£	£
Depreciation on owned assets	9,323		9,418	
Depreciation on leased assets	960		0	
Loss on disposal of fixed assets	4,328		0	
<b>Total</b>	<b>14,611</b>	<b>0</b>	<b>9,418</b>	<b>0</b>

## 9. Other Outgoings

Other Outgoings of £4,348 (2021/22 - £3,455) includes a charge of £556 (2021/22 - £702) by Trustees for Methodist Church Purposes (TMCP) and this is a charge against the CMTF. This is regarded as a related party transaction. See note 22.

## 10. Independent Examiner

The fee for the independent examination of these accounts was £300 (2021/22 - £300) and the Independent Examiner provided no additional services during either of the two years.

## 11. Transfers between funds

Transfers out of CMTF are usually for specific projects, require further approval and are usually based upon anticipated costing of the expenditure. During the year 22/23 transfers were received from TMCP of £13,117 for property maintenance and repairs and in the previous year £93,665 were received from CMTF to the General Fund and this consisted of monies for Circuit property repairs of £4,665, grants to local churches of £9,000 for specified costs, £50,000 to support local churches assessments and £30,000 to support Ministers' Pension Fund deficit.

In addition, £195,672 was transferred to the CMTF during the year, nil previous year, and this represented the proceeds of the sale of a church building owned by the Circuit.

The net effect of the above is a transfer to CMTF of £182,555 from the general fund during the year (from CMTF of £93,665 in 2021/22).

## 12. Fixed Assets – Circuit Manses and Equipment

	Land and Buildings	Office Equipt.	Total
	£	£	£
<b>At cost or valuation</b>			
Balance brought forward	619,179	1,154	620,333
Added in year		7,200	7,200
<b>Balance carried forward</b>	<b>619,179</b>	<b>8,354</b>	<b>627,533</b>

<b>Accumulated depreciation</b>			
Balance brought forward	83,598	1,152	84,750
Depreciation charge for year	9,323	960	10,283
<b>Balance carried forward</b>	<b>92,921</b>	<b>2,112</b>	<b>95,033</b>

<b>Net realisable value at 1 September 2022</b>	<b>535,581</b>	<b>2</b>	<b>535,583</b>
<b>Net realisable value at 31 August 2023</b>	<b>526,258</b>	<b>6,242</b>	<b>532,500</b>

Land and buildings consist of Circuit Manses.

Office equipment includes leased assets with a net realisable value at 31 August 2023 of £6,240 (2022 – nil).

## 13. Fixed Assets - Investment Properties

	Land and Buildings
	£
<b>At valuation</b>	

<b>As at 1 September 2022</b>	<b>855,000</b>
Added in year	100
Disposal in year	(200,000)
Revaluation in year	(146,186)
<b>As at 31 August 2023</b>	<b>508,914</b>

The investment properties have been valued by the Circuit Leadership Team at fair value without any professional advice but where possible by assessment of similar property prices in the area and with any other relevant information that they have obtained.

Custodian to most of the properties included in the financial statements is held by TMCP and individual properties will only be released under certain conditions. In addition, if property was released a levy, based on the disposal proceeds achieved, would also be payable.

However, see also, see note 22 as regards the structure of TMCP.

#### **14. Investment Assets (TMCP)**

The funds that support the CMTF are held by TMCP in Trustees interest bearing bank accounts or as Managed Equity funds where interest and dividends are credited on a regular basis.

TMCP is the legal owner and custodian trustee of all Methodist model trust property, and this is held on behalf of local managing trustees who are responsible for the day-to-day operational control. It is ensured by TMCP that through providing guidance and direction that the managing trustees comply with Charity Law and Methodist regulation and policy as determined by the Methodist Conference.

	<b>2022-23</b>	<b>2021-22</b>
	<b>£</b>	<b>£</b>
<b>Fixed assets</b> -Managed Equity funds	15,084	15,753
<b>Current assets</b> -Cash deposits	306,539	179,287
<b>Total</b>	<b>321,623</b>	<b>195,040</b>

#### **15. Debtors**

All debtors and prepayments are due within one year and are as follows:

	<b>2022-23</b>	<b>2021-22</b>
	<b>£</b>	<b>£</b>
Debtors	0	13,834
Prepayments	7,261	10,162
<b>Total</b>	<b>7,261</b>	<b>23,996</b>

#### **16. Loans made by the Circuit**

At the end of the year an interest free loan was owed to the Circuit from one of the local churches of £965 (2021/22 - £1,085) a part repayment of £120 having been repaid in the year. Repayment of the balance of this loan is anticipated within the near future.

### 17. Creditors (due in under one year)

	2022-23	2021-22
	£	£
Deferred income	39,408	36,122
Creditors	286	460
Finance lease obligations	1,030	0
	2,769	6,047
<b>Total</b>	<b>43,493</b>	<b>42,629</b>

Deferred income includes £39,388 (2021/22 - £36,082) for church assessments which are received quarterly in advance.

### 18. Creditors (due after more than one year)

	2022-23	2021-22
	£	£
Finance lease obligations	5,329	0

None of the finance lease obligations are due after more than five years.

All finance lease loans are secured on the assets to which they relate (see note 13).

### 19. Movements in Funds

All funds owned by the charity are unrestricted and consist of two funds with a summary of the movements being as follows:

#### Current year

	Balance at 1/09/22	Income	Expend'ure	Inv'ment gain/(loss)	Transfer	Balance at 31/08/23
	£	£	£	£	£	£
General Fund	1,607,468	189,376	(259,043)	(146,186)	(182,555)	1,209,060
Circuit Model Trust Fund	195,040	6,773	(62,076)	(669)	182,555	321,623
<b>Total</b>	<b>1,802,508</b>	196,149	(321,119)	(146,855)	0	<b>1,530,683</b>

#### Prior year

	Balance at 1/09/21	Income	Expend'ure	Inv'ment gain/(loss)	Transfer	Balance at 31/08/22
	£	£	£	£	£	£
General Fund	1,195,440	546,082	(252,719)	25,000	93,665	1,607,468
Circuit Model Trust Fund	246,157	62,248	(18,644)	(1,056)	(93,665)	195,040
<b>Total</b>	<b>1,441,597</b>	608,330	(271,363)	23,944	0	<b>1,802,508</b>

The purpose of these funds is described as follows:

## General Fund

The General Fund is for use at the discretion of the trustees in furtherance of the general objectives of the Circuit.

## Circuit Model Trust Fund

The Circuit Model Trust Fund is also for use in the general objectives of the Circuit. Its main source of income is formulaically determined contributions from the sale of manses and church buildings in the Circuit. Although this fund meets the definition of an unrestricted fund under the control of the Circuit Meeting, prior approval is still required from TMCP to access these funds.

### 20. Analysis of Net Assets between Funds

Fund balances at 31 August 2023 are represented by:

	General	CMTF	Total
	£	£	£
Tangible fixed assets	532,500		532,500
Fixed asset investments	508,914		508,914
Investments		15,084	15,084
Net current assets in less than one year	172,975	306,539	479,514
Liabilities due in more than one year	(5,329)		(5,329)
<b>Total</b>	<b>1,209,060</b>	<b>321,623</b>	<b>1,530,683</b>

Fund balances at 31 August 2022 are represented by:

	General	CMTF	Total
	£	£	£
Tangible fixed assets	535,583		535,583
Fixed asset investments	855,000		855,000
Investments		15,753	15,753
Net current assets in less than one year	216,885	179,287	396,172
<b>Total</b>	<b>1,607,468</b>	<b>195,040</b>	<b>1,802,508</b>

### 21. Transactions with Related Parties

Related parties include the Methodist Church, Connexion, the Lincolnshire District, other Methodist churches within the circuit, and TMCP.

None of the Circuit trustees made donations directly to the Circuit during the year or preceding year. All the Circuit trustees are members of a church within the Circuit and may be trustees in their churches.

During the year Assessments were receivable from churches within the Circuit of £166,733 (2021/22 - £178,263) and none of these monies were outstanding except for £3,834 at 31 August 2022 that was subsequently received at a later date. In addition, a donation of nil (2021/22 - £4,000) was received from a local church.

During the year grants and donations were made to churches and other related parties of £4,600 (2021/22 - £12,068) of which £1,689 was later returned as unspent grant monies. Also, a loan made in a previous year to a church within the Circuit has been partly repaid in the year and therefore the amount owing to the Circuit at 31 August 2023 is £965 (2022 - £1,085). At the 31 August 2022 the balance was £1,085 (2022 - £1,963).

The Circuit paid, during the year £57,393 (2021/22 - £50,512) in assessments and levies to the Lincolnshire Methodist District. No amounts were outstanding at the year-end (2021/22 – nil)

Also, during the year, the Circuit paid TMCP the custodians of the Circuit's investments (CMTF) management charges of £556 (2021/20 - £702). No amounts were outstanding at the end of either year.

Custodianship of property remain with TMCP (see notes 13 and 14) and some investments and cash deposits (see note 15) are held with them. As noted previously assets held by TMCP will only be released subject to strict conditions.

The Circuit sold a redundant church building during the year and the net disposal proceeds of £195,672 (2021/22 - £60,673) was received by TMCP (who are the legal owner of most Methodist property). They deducted the Connexional Priority Fund Levy of £54,268 (2021/22 - £8,134) and remitted the balance of £141,404 (2021/22 - £52,539) to the appropriate CMTF held by the Circuit. No monies were outstanding at the year-end (2021/22 – nil).

During the previous year the Circuit received donations from local churches of £11,950 because of an appeal by the Methodist Church of Great Britain for additional funding to cover the defined benefit pension scheme deficits and these monies were then remitted to the Methodist Church for that purpose during that year, and therefore nothing was outstanding at the year-end. As this transaction was regarded as a principal and agent relationship these transactions are not disclosed in the SOFA and further detail of the Pension Scheme deficit is given in note 23.

## **22. Pension Schemes**

The Methodist Church has several defined benefit pension schemes and the assets of these schemes are held separately from those of the Circuit in independently administered funds. They are structured in various ways, and most are considered unlikely to affect the Circuit other than the Minister's Pension Scheme and a similarly constructed lay employee defined benefit pension scheme, the latter of which is not accepting future accruals. Full details of all pension schemes can be seen in the Methodist Church of Great Britain financial statements which can be accessed on their website.

Negotiations have taken place between the trustees of these various pension schemes and representatives of the Methodist Church to ensure that satisfactory funding was available to cover these obligations. As a result of this, a request was made for additional funding during the 2021/22 financial year, as a one-off, to all Methodist Churches and Circuits. The Circuit contributed £30,000 to this appeal and sent a further £11,950 that it had received for this purpose from the local churches to the Methodist Church of Great Britain. This was all dealt with in the prior year, and it is not anticipated that any further monies will be donated in this respect.

## **23. Events after the reporting date**

### **Reorganisation**

With effect from 1 September 2023 the Circuit has been reorganised and as a result several churches and a manse and other assets have been transferred to the Circuit which as a result has been renamed 'Epworth, Scunthorpe and Gainsborough Methodist Circuit'. It is estimated that because of this reorganisation the Circuit will have additional fixed assets of approximately £350,000 and additional monetary assets of £30,000 of which around £17,000 of the latter will be restricted funding. Church Assessment income will also increase to cover the ongoing increased costs.

## **24. Contingencies**

### **Property**

A small parcel of land with an estimated value of £10,000 (included in investment property at this value) is held. This land is currently used by the local Parish Council as part of a children's playground and the Council pay a nominal rent for it although no legal agreement is held by the Circuit.

An additional small area of land is owned with a nominal value of £100 but currently is not income earning.

The Leadership Team will continue to review these arrangements and if considered appropriate will seek professional advice.

**EPWORTH AND SCUNTHORPE METHODIST CIRCUIT – Registered number 1133752**  
**TRUSTEES ANNUAL REPORT FOR THE YEAR ENDED 31<sup>ST</sup> AUGUST 2023**

## **OBJECTIVES AND ACTIVITIES**

The Trustees are pleased to present the Annual Report of the Trustees of the Epworth and Scunthorpe Methodist Circuit (hereinafter referred to as "The Circuit") for the year ended 31<sup>st</sup> August 2023.

The charity's objective is to act as a resource provider within the area around Epworth and Scunthorpe for the Methodist Church:

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

- 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 Circuit seeks to enable:

- a) The organisation and resourcing of regular public acts of worship open to members of the church and non members alike.
- b) The teaching of Christianity through sermons, courses and small groups. The resourcing of pastoral work including visiting the sick and bereaved.
- c) Taking religious assemblies in local schools.
- d) Promotion of Christianity through the staging of events and services.

### **Public Benefit Test**

When reviewing aims and objectives, the Trustees have had due regard for the public benefit guidance as published by the Charity Commission.

## **ACHIEVEMENTS AND PERFORMANCE**

In previous years we have been engaging in conversations with neighbouring circuits on things which are of mutual concern and interest for our future which has resulted in recognising the need to restructure the layout of the North Lincolnshire circuits. In the Spring of 2023 votes were taken to merge with parts of the neighbouring circuit – resulting in 5 churches from the Gainsborough area (Gainsborough, Lea, Upton, Misterton and Marton) becoming part of the new Epworth Scunthorpe & Gainsborough Circuit in September 2023.

Much time and energy has been spent by staff and volunteers to prepare for the merger. The changes were all the more significant as one ordained member of staff moved in July 2023 and we were unable to seek a replacement until the stationing round for September 2024.

As well as the usual involvement of local churches with various charities such as The Forge, Lindsey Lodge Hospice and foodbanks, the arrival of a number of Ukrainian families in February 2022 and a particular friendship with a local resident with links into Ukraine led to

considerable support both here in the North of Lincolnshire and with aid in the form of clothes and supplies.

Local Preachers and worship Leaders have continued to flourish and we anticipate welcoming a new group of local preachers and worship leaders as part of the merger. The Circuit continues to value their contributions to the life of the church communities. Similarly, the pastoral care of ordained staff and local lay people is welcomed.

## **FINANCIAL REVIEW**

### **Review of the financial results for the year**

The Circuit has the following principal sources of funds:

- Interest, dividends and rental income from investments
- The Circuit Model Trust Fund
- Assessments on Churches within the Circuit

These monies are used to administer the work of the Circuit.

Income for the year was £196,149 (2022 - £608,330) and whilst there was no exceptional income from Capital Receipts of Church assets transferred to the Circuit this year there was a total of £405,673 in 2022 which largely explains the variance between the two years.

Total expenditure for the year was £321,119 (2022 - £271,363). The reason for the substantial increase was expenditure included a levy on disposal of property of £54,268 whereas last year the charge was £8,134. This levy is by its nature unpredictable as it is dependent on sale values of any property disposals.

Losses on investments of £146,855 (2022 - £23,944 gain) were largely due to a valuation adjustment where a property is judged to have previously been overvalued by the trustees and is now returned to what is deemed to be a more realistic valuation.

As a result of these activities there is a deficit for the year of £271,825 (2022 - £360,911 surplus).

Total reserves held by the charity on 31 August 2023 were therefore £1,530,683 (2022 - ££1,802,508 and this includes free reserves at the 31 August 2023 of £1,209,060 (2022- £1,607,468). However, this does include property assets of £1,041,414 (2022 - £1,390,583), therefore giving free liquid net assets of £167,646 (2022 - £216,885).

### **Reserves level and policy**

The reserves policy of the Circuit is to hold a minimum of 8 months average expenditure as free reserves, and this is estimated to be approximately £180,000.

Free reserves are defined as unrestricted net assets, excluding fixed assets and Circuit Model Trust Funds as none of these assets are easily converted into 'on demand cash'.

These reserves are required to enable the Circuit to employ ministers and administrators, for the required contributions to District and Connexion and to ensure financial stability amongst the Churches within the Circuit.

At the year-end such reserves were £167,646 and the trustees are mindful that any further reduction is likely to breach this policy and are therefore monitoring the situation closely, particularly as the re-organisational changes on 1 September 2023, as mentioned elsewhere in the report, make these numbers a moving target.

However, being mindful of these changes, the trustees are confident that it is appropriate to continue to adopt the going concern basis of preparation of these financial statements.

## **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). Management of the circuit is undertaken by the Circuit Meeting advised by the Staff and Circuit Stewards Meeting, Circuit Leadership Team, along with the Local Preachers meeting and the Circuit Finance and Property Committees. Managing Trustees of local church property are the Church Councils of those buildings, Managing Trustees of Circuit property are the Circuit Meeting, Trustees for Methodist Church Purposed act as Custodian Trustees overall.

The Circuit had 3 full-time presbyters until July 2023. After the Superintendent's departure in July 2023 the Superintendency was taken on by an existing Circuit Minister. She shares ordained responsibilities in the circuit with one other ordained Presbyter. There are 5 Supernumerary Presbyters, 3 of whom are particularly involved in both local church and circuit life, a retired deacon, similarly involved and associate minister status was given by Conference to a retired minister from another denomination. We also continue to employ 3 part-time administrative assistants and there are numerous other lay volunteer office holders.

### **Related Parties**

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

The following Methodist Churches are linked to the Circuit --- See Appendix B

### **Trustee Training**

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

Safeguarding training and Equality Diversity and Inclusion updates were handled by the provision of training opportunities at a Circuit and District level. Some individuals also completed this training via the Methodist website online.

### **Risk Management**

We are developing our risk management strategies in response to the changing landscape post-Covid.

Income and Expenditure is being monitored in total and is compared with the approved annual budget on a half yearly basis to detect trends as part of the risk management process to avoid unforeseen calls on reserves.

## **REFERENCE AND ADMINISTRATIVE DETAILS;**

Full name of Charity: Epworth and Scunthorpe Methodist Circuit

Registration Charity Number: 1133752

Date of Registration: 2010

Main communication address: Circuit Office, Ashby Wesley Methodist Church, Ashby High Street, Scunthorpe. DN16 2JT

The members of the Epworth and Scunthorpe Methodist Circuit Meeting are the Charity Trustees, membership bring made up of circuit office holders, ministers and representatives appointed by the local churches.  
Full membership is shown as Appendix A to this report.

#### Circuit Ministers and Officers

Active Circuit Ministers: Rev Angela Long  
Rev Paul Braisdell  
Rev Victoria Atkinson

#### Circuit Stewards:

Mr David Sanderson (Until December 2022)  
Ms Hazel Jackson (Senior Circuit Steward from December 2022)  
Mr Andrew Lockwood  
Miss Betty Oldridge  
Mr Mervyn White  
Mrs Val Hackney (from Sept 2022)

Circuit Administrator: Mrs Mai Lin Grimbleby

PA to the Superintendent – Mrs Louise Howard

PA to the Rev P Braisdell – Mrs Bronwen Braisdell

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

Independent examiner: Glover and Co. Chartered Accountants

Investment Bankers: Central Finance Board of the Methodist  
Church Trustees for Methodist Church  
Purposes

Bankers: HSBC, Market Place, Epworth. DN9 1EU

#### **EXEMPTIONS FROM DISCLOSURE**

None

#### **FUNDS HELD AS CUSTODIAN TRUSTEE ON BEHALF OF OTHERS**

None

Approved by the members of the Circuit Meeting and signed on their behalf by:

Revd. V. Atkinson

10 September 2024

## Appendix A

### Names of the charity trustees who manage the charity

Trustee name	Office (if any)	Dates acted	Note
Mrs C Allison			
Mrs J. Atkins - Snow	Supernumerary		
Mrs M Atkinson		Until Dec 2022	
Rev Vicki Atkinson	Minister		
Mr A Bamford	Circuit Safeguarding Officer		
Mrs R Barratt			
Mrs I Bell	Missions committee secretary non voting	Until August 2022	
Mr K Boardman	From Sept 2022 Owston Ferry		Replaced E Brown
Mrs B Braisdell	Local Preachers Secretary		
Rev P Braisdell	Minister		
Mrs P Briggs			
Mrs P Chennells			
Mrs A Craddock			
Mrs V Cochrane			
Mrs B Credland			
Mr J Credland			
Mrs C Cuthbertson			
Mr A Dawson			
Mrs J Dawson		Until Oct 31 2022	
Mrs M Dick			

Mrs M Drummond		Until August 2022	
Mrs D Edwards	Rep for Crowle from Sept 2022		
Rev S Gunson	Supernumerary Minister		
Mrs M Hall			
Mrs V Hackney	Circuit Steward	From September 2022	
Mrs C. Holmes			
Mr L Holtby			
Mrs L Howard	Circuit Meeting Secretary		
Mrs V Isitt			
Mrs H Jackson	Senior Circuit Steward from December 2022		Replaced David Sanderson
Mr P Jackson	Local Preachers Meeting		
Mrs M Jones			
Mrs P Kirk			
Dr J Lambert			
Mrs P Layton			
Mrs J Levesley			
Mr A Lindley	Owston Ferry from Sept 2022		Replaced Ron Sims
Mr A Lockwood	Circuit Treasurer		
Mrs J Lockwood			
Rev A Long	Superintendent minister		
Mrs S Lynaugh			
Mrs L Mansfield		Until Sept 2021	
Mr W Maw			
Deacon C May	Deacon		
Miss B Oldridge	Circuit Steward		
Mrs J Pike			
Mr D Sanderson	Senior Circuit Steward until November 2022		
Mr R Sheard			
Mrs S Simpkin			
Dr KG Simpkin			
Mrs L Smith			

Mrs J Stocks	MHA rep non voting	Until August 2022	
Mrs M Ward		Until June 2022	
Mrs K Welch			
Mr M White	Circuit Steward		
Dr J Wilkinson			
Mr K Wilbur			
Mrs C Wood			

**Appendix B**  
**Churches in the Epworth & Scunthorpe**

Althorpe & Gunness Methodist Church
Ashby Wesley Methodist Church
Beltoft & Butterwick Methodists
Burton upon Stather Methodist Church
Crowle & Ealand Methodist Church
Ealand Methodist premises (Sold May 2023)
Epworth Methodist Church
Haxey Methodist Church
Laughton Methodist Church
Messingham Methodist Church
Old Brumby United Church
Owston Ferry Methodist Church
Roxby Methodist Church (sold 1 <sup>st</sup> September 2023)
Scotter Methodist Church
Winteringham Methodist Church
Winterton Methodist Church

## DECLARATIONS

### Treasurer

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

Signature of Treasurer

*ALwood*

Date

01/10/24

Name

Andrew Lockwood

Address

85 West Street, West Butterwick, DN173LG

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

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

and were or will be approved on.

10<sup>th</sup> September  
2024  
10<sup>th</sup> September  
2024

Signature of the Chair of the meeting

*V A Atkinson*

Name of the Chair of the meeting

REV VICKI ATKINSON

Date

9/10/24

# Independent examiner's report to the trustees of the Epworth and Scunthorpe Methodist Circuit.

I report to the trustees on my examination of the accounts of the Epworth and Scunthorpe Methodist Circuit for the year ended 31<sup>st</sup> August 2023.

## Responsibilities and basis of report

As the charity trustees of the Trust you are responsible for the preparation of the accounts in accordance with the requirements of the Charities Act 2011 ('the Act').

I report in respect of my examination of the Trust's accounts carried out under section 145 of the 2011 Act and in carrying out my examination I have followed all the applicable Directions given by the Charity Commission under section 145(5)(b) of the Act.

## 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 giving me cause to believe that in any material respect:

1. accounting records were not kept in respect of the Trust as required by section 130 of the Act; or
2. the accounts do not accord with those records; or
3. 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.

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.

Signed:



Name: BARRIE CAMPBELL FCA

Relevant professional qualification or membership of professional bodies (if any): ICAEW

Address: 2 WEST CLIFF GARDENS, SCUNTHORPE, DN17 1DT

Date: 3<sup>rd</sup> OCTOBER 2024

**Epworth Scunthorpe and Gainsborough Methodist Circuit**

England & Wales - Charity number 1133752

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# Accounts

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**EPWORTH AND SCUNTHORPE METHODIST CIRCUIT – Registered number 1133752  
TRUSTEES ANNUAL REPORT FOR THE YEAR ENDED 31<sup>ST</sup> AUGUST 2022**

**OBJECTIVES AND ACTIVITIES**

The Trustees are pleased to present the Annual Report of the Trustees of the Epworth and Scunthorpe Methodist Circuit (hereinafter referred to as "The Circuit") for the year ended 31<sup>st</sup> August 2022.

The charity's objective is to act as a resource provider within the area around Epworth and Scunthorpe for the Methodist Church:

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

- 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 Circuit seeks to enable:

- a) The organisation and resourcing of regular public acts of worship open to members of the church and non members alike.
- b) The teaching of Christianity through sermons, courses and small groups. The resourcing of pastoral work including visiting the sick and bereaved.
- c) Taking religious assemblies in local schools.
- d) Promotion of Christianity through the staging of events and services.

**ACHIEVEMENTS AND PERFORMANCE**

The activity and life of The Circuit has slowly recovered from the restrictions placed upon us due to the Covid19 pandemic and continues to embrace on-line technology for worship and other gatherings and business meetings where appropriate.

We have been able to engage in conversations with neighbouring circuits on things which are of mutual concern and interest for our future, which has resulted in recognising the need to restructure the layout of the North Lincolnshire circuits. Final decisions taken on re-organisation happened in the Spring of 2023 and will be reported in full in next year's submission. A number of chapels have also taken steps to come together as merged Societies in order to comply with the Methodist Church's new Trustee and Oversight rules of a minimum of 12 members. These are Gunness and Althorpe, and Beltoff and West Butterwick. No buildings are being sold as a result of this.

The winter of 2021-22 saw some sporadic and localised disruption to worship in parts of the Circuit as local Covid cases flared up. However, broadly

worshipping patterns returned to their pre-Covid shape, as did most of the other activities run from church buildings. Some church lettings were affected as local groups had ceased to meet during Covid and did not re-form, meaning that finances continued to be a worry in some places.

As well as the usual involvement of local churches with various charities such as The Forge, Lindsey Lodge Hospice and foodbanks, the arrival of a number of Ukrainian families in February 2022 and a particular friendship with a local resident with links into Ukraine led to considerable support both here in the North of Lincolnshire and with aid in the form of clothes and supplies which was taken to the Polish border in vans. The members of the circuit continued to excel in their willingness to help and in the way that they have provided safe spaces and care for the families who have fled the conflict.

Alongside this a series of conversations with 2 neighbouring circuits; Barton and Brigg, and Wolds and Trent began to show fruit in terms of planned cross-circuit-border working and possible circuit boundary changes. Rev Angela Long (Superintendent minister) was called upon to put this into particular practice for a time when the Superintendent of Wolds and Trent had to go on long-term sick leave, acting as Superintendent across both Circuits with support from colleagues.

Local Preachers and worship Leaders continued to flourish with the development of study and discussion as part of their quarterly meeting. The Circuit continues to value their contributions to the life of the church communities. Similarly, the pastoral care of ordained staff and local lay people is welcomed. This year saw an uptick in the numbers of baptisms and weddings conducted in the name of the church as families were able to meet in numbers once more to celebrate these significant moments.

## **FINANCIAL REVIEW**

The Circuit's financial statements for the year ended 31<sup>st</sup> August 2022 have been prepared in accordance with the 'Accounting and Reporting by Charities: 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 (FRS 102) (effective 1 January 2019)' (Charity SORP -FRS 102).

In addition, they are prepared in accordance with 'FRS 102 The Financial Reporting Standard applicable in the UK and Republic of Ireland' (FRS 102), under UK Generally Accepted Accounting Practice as applicable from 1 January 2015 and the Charities Act.

Income for the year was £608,330 (2020/21 - £340,937) and the increase was largely because of additional capital receipts in the year of £269,483 due to the closure of further church buildings.

Whereas charitable expenditure of £271,363 (2020/21 - £276,944) disclosed a slight reduction when compared with the previous year.

Investment gains in the year were £23,944 (2020/21 - £52,607) and therefore a reduction in gains of £28,663 from the previous year.

The above activities resulted in net increase in movement in funds during the year of £360,911 (2020/21 - £116,600 increase).

#### Reserves policy

The reserves policy of the Circuit is to hold a minimum sum equivalent to 8 months average expenditure as free reserves.

Free reserves are defined as unrestricted net assets excluding property, other fixed assets and Circuit Model Trust funds as none of these assets are easily converted into 'on demand cash'

At the year-end such reserves were £216,855 and this is deemed satisfactory as average 8 months expenditure is estimated to be £180,000.

These reserves would enable the Circuit to maintain its mission and ministry on a temporary basis, whilst it adjusted strategy, if individual churches were to encounter difficulty in materially meeting their assessments obligations.

#### **Public Benefit**

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

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

The governing document for the circuit is the Deed of Union (1932) and Methodist Church Act (1976) Detailed governance arrangements are outlined within the Constitutional Practice and Discipline of the Methodist Church by order of the annual conference (CPD). Management of the circuit is undertaken by the Circuit Meeting advised by the Staff and Circuit Stewards Meeting, Circuit Leadership Team, along with the Local Preachers meeting and the Circuit Finance and Property Committees. Managing Trustees of local church property are the Church Councils of those buildings, Managing Trustees of Circuit property are the Circuit Meeting, Trustees for Methodist Church Purposed act as Custodian Trustees overall.

The Circuit has 3 full-time presbyters, the Superintendent having been re-invited for a further 3 years from Sept 2021. Subsequent events from December 2022 mean that the present Superintendent will be leaving the Circuit a year earlier than planned (August 2023) and the Superintendency will be taken on by an existing Circuit minister. There will therefore be 2 Presbyters in the Circuit. There are 5 supernumerary presbyters, 3 of whom are particularly involved in both local church and circuit life, a retired deacon, similarly involved and associate minister status was given by Conference to a retired minister from another denomination. We also continue to employ 3

part-time administrative assistants and there are numerous other lay volunteer office holders.

### **Related Parties**

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

The following Methodist Churches are linked to the Circuit --- See Appendix B

### **Trustee Training**

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

Safeguarding training and updates were handled by The District in an on-line manner.

### **Risk Management**

We are developing our risk management strategies in response to the changing landscape post-Covid.

Income and Expenditure is being monitored in total and is compared with the approved annual budget on a half yearly basis to detect trends as part of the risk management process to avoid unforeseen calls on reserves.

### **REFERENCE AND ADMINISTRATIVE DETAILS;**

Full name of Charity: Epworth and Scunthorpe Methodist Circuit

Registration Charity Number: 1133752

Date of Registration:2010

Main communication address: Circuit Office, Ashby Wesley Methodist Church, Ashby High Street, Scunthorpe. DN16 2JT

The members of the Epworth and Scunthorpe Methodist Circuit Meeting are the Charity Trustees, membership bring made up of circuit office holders, ministers and representatives appointed by the local churches.

Full membership is shown as Appendix A to this report.

Circuit Ministers and Officers

Active Circuit Ministers: Rev Angela Long  
Rev Paul Braisdell  
Rev Victoria Atkinson

Circuit Stewards: Mr David Sanderson (Until December 2022)

Ms Hazel Jackson  
Mr Andrew Lockwood  
Miss Betty Oldridge  
Mr Mervyn White  
Mrs Val Hackney (from Sept 2022)

Circuit Administrator: Mrs Mai Lin Grimbleby

PA to the Superintendent – Mrs Louise Howard

PA to the Rev P Braidell – Mrs Bronwen Braidell

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

Independent examiner: Glover and Co. Chartered Accountants

Investment Bankers: Central Finance Board of the Methodist  
Church Trustees for Methodist Church  
Purposes

Bankers: HSBC, Market Place, Epworth. DN9 1EU

#### **EXEMPTIONS FROM DISCLOSURE**

None

#### **FUNDS HELD AS CUSTODIAN TRUSTEE ON BEHALF OF OTHERS**

None

**Approved by the members of the Circuit Meeting and signed on their behalf by:**

Revd. A. Long

31 May 2023

#### **Appendix A**

##### **Names of the charity trustees who manage the charity**

<b>Trustee name</b>	<b>Office (if any)</b>	<b>Dates acted</b>	<b>Note</b>
Mrs C Allison			

Mrs J. Atkins - Snow	Supernumerary		
Mrs M Atkinson			
Rev Vicki Atkinson	Minister		
Mr A Bamford	Circuit Safeguarding Officer		
Mrs R Barratt			
Mrs I Bell	Missions committee secretary		
Mrs B Braisdell	Local Preachers Secretary		
Rev P Braisdell	Minister		
Mrs P Briggs			
Mrs E Brown		Until October 2021	
Mrs P Chennells			
Mrs S Chisnell		Until June 2022	
Mrs A Craddock			
Mrs V Cochrane			
Mrs B Credland			
Mr J Credland			
Mrs L Croot	Local Church Pastor	Until August 2021	
Mrs C Cuthbertson	Messingham	From June 2022	
Mr A Dawson			
Mrs J Dawson		Until Oct 31 2022	
Mrs M Dick			
Mrs M Drummond			
Rev S Gunson	Supernumerary Minister		
Mrs M Hall			
Mrs C. Holmes	Yaddlethorpe Chapel	From May 2022	
Mr L Holtby			
Mrs L Howard	Circuit Meeting Secretary		
Rev N Isitt	Supernumerary minister	Until May 2022	Replaced by C. Holmes

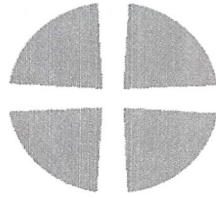
Mrs V Isitt			
Mrs M Jacklin		Until March 2022	
Mrs H Jackson	Circuit Steward		
Mr P Jackson	Local Preachers Meeting		
Mrs M Jones			
Mr M Joyce	Local Church Pastor	Until September 2021	
Mrs P Kirk			
Dr J Lambert			
Mrs P Layton			
Mrs J Levesley	Wesley Memorial Epworth	From September 2021	
Mr A Lockwood	Circuit Treasurer		
Mrs J Lockwood			
Rev A Long	Superintendent minister		
Mrs S Lynaugh			
Mrs L Mansfield			
Mr W Maw			
Deacon C May	Deacon		
Miss B Oldridge	Circuit Steward		
Mrs J Pike			
Mr D Sanderson	Senior Circuit Steward		
Mr R Sheard			
Mrs S Simpkin			
Mr G Simpkin	Winterton	From September 2021	
Mr R Sims		Until June 2022	
Mrs L Smith			
Mrs J Stocks	MHA rep		
Mrs M Taylor		Until June 2022	
Mrs P Taylor			
Mrs M Ward		Until September 2021	
Mrs K Welch			
Mr M White	Circuit Steward		

Mr J Wilkinson	Wesley Memorial Epworth	From September 2021	
Mr K Wilbur			
Mrs C Wood			

## Appendix B

### Churches in the Epworth, Scunthorpe and Gainsborough Circuit

Alkborough Methodist Churchg (Sold Oct 2021)
Althorpe Methodist Church
Ashby Wesley Methodist Church
Beltoft Methodist Church
Burton upon Stather Methodist Church
Crowle Methodist Church
Ealand Methodist Church (Sold May 2023)
Epworth Methodist Church
Gainsborough Methodist Church
Gunness Methodist Church
Haxey Methodist Church
Laughton Methodist Church
Lea Methodist Church
Marton Methodist Church
Messingham Methodist Church
Misterton Methodist Church
Old Brumby United Church
Owston Ferry Methodist Church
Roxby Methodist Church (sold ....?)
Scotter Methodist Church
Upton Methodist Church
West Butterwick Methodist Church
Winteringham Methodist Church
Winterton Methodist Church



Circuit  
Accruals Accounts  
2021-2022

**THE METHODIST CHURCH**  
**STANDARD FORM OF ACCOUNTS**  
**ACCRUALS BASIS**  
for the year ended 31 August 2022

**Epworth and Scunthorpe**

**Circuit**

Registered Charity - Registration number

1133752

This will apply to all Charities in Scotland and all Charities in England and Wales which are Registered Charities

**Lincolnshire**

**District Circuit No 17 / 01**

**Ministers**

REV'D ANGELA LONG

REV'D PAUL BRAISDELL

REV'D VICTORIA ATKINSON

**Circuit Stewards**

MR DAVID SANDERSON

MISS BETTY OLDRIDGE

MRS HAZEL JACKSON

MR MERVYN WHITE

**Circuit Treasurer**

MR ANDREW LOCKWOOD

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

	Notes to the accounts	General Fund (Unrestrict ed)	Circuit Model Trust (Unrestrict ed)	Total 2021-22 £	Total 2020-21 £
<b>Income</b>					
1 Donations and legacies	20	4,000		4,000	0
2 Income from monetary investments		436	1,575	2,011	967
3 Income from investment properties	2	17,820		17,820	17,840
4 Assessments on Churches	3	178,263		178,263	184,636
5 Capital Receipts	4	345,000	60,673	405,673	136,190
6 Grants received				0	0
7 Other charitable income		563		563	1,304
<b>8 Total income</b>		<b>546,082</b>	<b>62,248</b>	<b>608,330</b>	<b>340,937</b>
<b>Expenditure</b>					
9 Grants and donations	5	12,068		12,068	9,900
10 Salaries and associated costs	6	160,777		160,777	127,685
11 Property costs	7	17,638		17,638	38,110
12 Connexional assessment & model trust levy	20	0	8,134	8,134	31,784
13 District Assessment & Levy	8	40,704	9,808	50,512	48,756
14 Depreciation	12	9,418		9,418	9,707
15 Office expenses		9,361		9,361	8,546
16 Other outgoings	9	2,753	702	3,455	2,456
<b>17 Total charitable expenditure</b>		<b>252,719</b>	<b>18,644</b>	<b>271,363</b>	<b>276,944</b>
<b>Net income before investment gains/losses</b>		<b>293,363</b>	<b>43,604</b>	<b>336,967</b>	<b>63,993</b>
18 Gains/(losses) on monetary investments			-1,056	-1,056	2,607
19 Gains/(losses) on investment properties	13	25,000		25,000	50,000
<b>20 Net income/(expenditure)</b>		<b>318,363</b>	<b>42,548</b>	<b>360,911</b>	<b>116,600</b>
21 Transfers between funds	11	93,665	-93,665	0	0
22 Other gains/(losses)				0	0
<b>23 Net movement in funds</b>		<b>412,028</b>	<b>-51,117</b>	<b>360,911</b>	<b>116,600</b>
24 Total funds brought forward		1,195,440	246,157	1,441,597	1,324,997
<b>25 Total funds carried forward</b>	18/19	<b>1,607,468</b>	<b>195,040</b>	<b>1,802,508</b>	<b>1,441,597</b>

## Balance Sheet as at 31 August 2022

Notes to the Accounts	General Fund (Unrestricted)	Circuit Model Trusts (Unrestricted)	Designated Funds (Unrestricted)	Restricted Funds	Endowment Funds	Totals 2022	Totals 2021
	£	£	£	£	£	£	£

## Fixed Assets

Circuit Manses & Equipment	12	535,583				535,583	545,001
Investment properties	13	855,000				855,000	485,000
Investments	14		15,753			15,753	16,809
<b>Total fixed assets</b>		<b>1,390,583</b>	<b>15,753</b>	<b>0</b>	<b>0</b>	<b>1,406,336</b>	<b>1,046,810</b>

## Current Assets

Debtors	15	23,996				23,996	10,797
Loans by the Circuit	16	1,085				1,085	1,963
Investments with TMCP	14		179,287			179,287	229,348
Central Finance Board Deposits		151,319				151,319	133,668
Cash at Bank and in hand		83,114				83,114	61,470
<b>Total current assets</b>		<b>259,514</b>	<b>179,287</b>	<b>0</b>	<b>0</b>	<b>438,801</b>	<b>437,246</b>

## Current liabilities

Creditors (due in under 1 year)	17	42,629				42,629	42,459
Grants payable within 1 year						0	0
<b>Total current liabilities</b>		<b>42,629</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>42,629</b>	<b>42,459</b>
<b>Net current assets/liabilities</b>		<b>216,885</b>	<b>179,287</b>	<b>0</b>	<b>0</b>	<b>396,172</b>	<b>394,787</b>

<b>Total assets less current liabilities</b>		<b>1,607,468</b>	<b>195,040</b>	<b>0</b>	<b>0</b>	<b>1,802,508</b>	<b>1,441,597</b>
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<b>Long term liabilities (due after more than one year)</b>							
Grants payable after more than 1 year		0				0	0
Loans to the Circuit		0				0	0
<b>Net assets</b>		<b>1,607,468</b>	<b>195,040</b>	<b>0</b>	<b>0</b>	<b>1,802,508</b>	<b>1,441,597</b>

## Funds of the Circuit

	18/19	1,607,468				1,607,468	1,195,440
Circuit Model Trust Fund (Unrestricted)	18/19		195,040			195,040	246,157
Designated Funds (Unrestricted)				0		0	0
<b>Total Unrestricted Funds</b>						<b>1,802,508</b>	<b>1,441,597</b>
Restricted Funds				0		0	0
Endowment Funds					0	0	0
<b>Total Funds</b>		<b>1,607,468</b>	<b>195,040</b>	<b>0</b>	<b>0</b>	<b>1,802,508</b>	<b>1,441,597</b>

Signed

Circuit Treasurer

# Epworth and Scunthorpe Methodist Circuit

## Notes to the accounts for the year ended 31 August 2022

### 1. Accounting and accounting policies

#### 1.1 Basis of preparation of financial statements

The financial statements have been prepared in accordance with the 'Accounting and Reporting by Charities: 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 (FRS 102) (effective 1 January 2019)' (**Charity SORP -FRS 102**).

In addition, they are prepared in accordance with 'FRS 102 The Financial Reporting Standard applicable in the UK and Republic of Ireland' (**FRS 102**), under UK Generally Accepted Accounting Practice as applicable from 1 January 2015 and the Charities Act.

These statements are also prepared under the historic cost convention as modified by the revaluation of certain assets.

The trustees confirm that the entity has met the definition of a public benefit entity as defined under FRS 102.

The financial statements are prepared in sterling which is the functional currency of the entity.

#### 1.2 Consolidation

The Circuit has denominational regulatory oversight in respect of the work of the Methodist Churches within the Circuit but has no legal or operational control of those churches and their governing body except in extreme circumstances. For this reason, the financial statements of individual churches within the Circuit, of which each are considered a separate charity, are not consolidated into these financial statements and therefore these accounts represent solely the activities of the Circuit.

#### 1.3 Income recognition

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

Capital receipts are the deemed residual fair value of transfers to the Circuit of redundant church assets (see note 4).

#### 1.4 Expenditure/transfers

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.

Where expenditure has been paid out of the general fund but that subsequently an application is made to apply it to the Circuit Model Trust Fund (CMTF) that is held for the Circuit's use then upon approval and transfer of the funds by Trustees for Methodist Church Purposes (TMCP) this transfer will be accounted for in the Statement of Financial Activities. Sometimes the timing of the two transactions will lie in different accounting periods and the nature of the expenditure underlying this transfer during the accounting period can be seen in note 11.

TMCP is a body corporate established by the Methodist Church for the custody and administration of monetary/property assets and consequently is the Custodian Trustee for all land and buildings and some monetary investments of the Charity.

### **1.5 Grants**

Grants made by the Circuit from its own funds are recognised in full at the time of approval of the agreement unless there are performance conditions attached which are within the control of the Circuit and in which case it will normally be recognised when these have been fulfilled.

### **1.6 Pensions**

The Circuit makes payments to the Methodist Ministers' Pension Scheme which is a defined benefits scheme. The Scheme is effectively a multi-employer scheme operated by the Methodist Church and as insufficient information is available to use defined benefit accounting the Circuit accounts for it as a defined contributions scheme. Further details are as disclosed in notes 6 and 21.

### **1.7 Taxation**

As the Circuit is a registered charity it is potentially exempt from taxation on income and gains however it is not VAT registered and therefore all input VAT is charged with the expense to which it relates.

### **1.8 Tangible fixed assets**

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

Tangible fixed asset property consists of manses and other buildings used in the work of the Methodist Church. They have been owned for many years and as the cost of individual properties is unknown, they continue to be disclosed in the accounts at deemed cost being 80% of insured value as of 1 September 2013. If the trustees consider that there is evidence of impairment then an impairment charge is made against the individual property, otherwise depreciation is provided on buildings at the rate of 2% per annum on deemed cost which is designed to write the properties down to zero over their estimated useful economic life.

Land is not depreciated.

If a Society, within a Circuit, were to close then usually the responsibility for safe-keeping and maintenance of the church building is passed to the relevant Circuit who will retain the asset pending disposal or alternatively bring it into use in some way as to benefit the local community. On Society closure any redundant Church building is recognised, at fair value, as effectively a donation (included in Capital Receipts) and as an asset within the Circuit accounts. If the building is held pending sale, then it is included in investment property until disposal. Upon final disposal any difference between fair value and disposal proceeds is treated as a profit/loss on disposal.

Office equipment is depreciated at 33% per annum on cost from the month that the asset is acquired.

All land and buildings are held as Custodian trustee by TMCP as noted in accounting policy 1.4.

### **1.9 Investment property**

The Circuit may hold property which is surplus to its requirements. Where this is the case, and that the property is no longer held for Church Society use then it is transferred from tangible fixed assets to investment properties and valued at fair value. See also accounting policy 1.4 regarding Custodian trustee.

### **1.10 Financial instruments**

The charity holds assets and liabilities that qualify as basic financial instruments which are therefore initially recognised at their transactional value and subsequently measured at settlement value, other than investment properties and other investments which are then subsequently valued at fair value.

### **1.11 Monetary Investments**

The Circuit's monetary investments are held by TMCP as custodian trustees (see accounting policy 1.4) and the valuations, at market value, are provided by TMCP. The unrealised gains/losses arising on investments for the financial year are disclosed in the Statement of Financial Activities (SOFA).

### **1.12 Funds**

All funds are unrestricted, and details of the funds are disclosed in the financial statements.

### **1.13 Critical Accounting Estimates and Judgements**

The Trustees are required to adjust as necessary estimates and judgements regarding the carrying amount of assets and liabilities in the application of the Charity's accounting policies. These estimates and judgements are based on experience and other relevant factors however actual results may differ from these recorded estimates.

They are revisited on a regular basis and any revisions are recognised as they arise.

The only area where the trustees consider there could be a significant risk of material adjustment is in the valuation of Investment Properties which are based on fair value. However even if these valuations proved to be materially lower than as stated in the financial statements the trustees are confident that the Circuit's ability as a going concern will not be compromised.

## **2 Income from investment properties**

A disused a Church building has been leased to a registered charity 'The Forge Project' which provides relief for the homeless in the local area. The rent is due annually on a lease with a current rent of £10,000 pa and this income is recognised at the point that it is due to be received. The amount recognised in the year was £10,000 (2020/21 - £10,000).

In addition, a small pocket of land is held by the Circuit at an annual rent of £20 (see also note 23). In relation to this asset £20 was credited to income during the current year (2020/21 - £40).

Furthermore, a manse currently surplus to requirements has been rented out during the year with a gross rent received of £7,800 (2020/21 - £7,800).

## **3 Assessment on Churches**

At the year end, the Circuit comprised 17 Church Societies (last year 19), and each is assessed for a contribution to meet the overall net costs of the Circuit. Before making this assessment, the Circuit will prepare a budget in order to determine the amount of additional income required in order to provide a balanced budget and this will then form the basis of assessment on the local churches.

This apportionment of the assessment on individual churches is determined annually by the Circuit using a formula which considers the number of members in each Church, its anticipated income, and unrestricted funds at its disposal.

Part of this Church Assessment is to reimburse the Circuit for monies required from both District and Connexion to cover certain costs incurred on behalf of individual Churches that make up the Circuit. However, as these costs cannot be identified and as the contractual relationship is between the Circuit, District and Connexion (rather than individual Churches) then it is deemed appropriate show these income and costs in full rather than to net down as in a principal/agent relationship.

These Assessments are receivable quarterly in advance and are treated as deferred income if received in advance of the relevant period at the year end.

Transactions with individual churches, District and Connexion are regarded as related party transactions.

#### 4 Capital Receipts

This relates primary to the fair value of church buildings in relation to a closed society and these properties are then transferred to the Circuit pending sale or other use. The relevant asset is shown net of all related selling fees. Sales of Methodist property are also subject to a CPF levy by the Connexion calculated on a sliding scale based on eventual selling price and these are disclosed in expenditure as Connexional Levy fees. Any historic grants made by the connexion to the closed church are also reclaimed from the proceeds of sale.

Net current assets received from the closed Society would also be included under this heading.

Society assets transferred during the year and/sold were as follows:

	2021-22		2020-21	
	General	CMTF	General	CMTF
	£	£	£	£
Church Buildings	345,000	60,673	0	129,460
Cash received from closed Society	0	0	6,730	0
<b>Total</b>	<b>345,000</b>	<b>60,673</b>	<b>6,730</b>	<b>129,460</b>

#### Property disposals

One church building was sold during the year (2020/21 – one) and the net proceeds after the CPF levy, is credited to CMTF and two other church buildings have been closed, are shown in general fund and will be disposed in the foreseeable future.

#### Sale of Riddings Church property

Also, during the previous year (2020/21) ownership of the redundant Riddings Church property was transferred to Lace Housing Limited, a registered society under Co-operative & Community Benefit Society Act 2014, for nil consideration. This transaction is not reflected in accounting terms in these accounts as normally proceeds from the sale of a property previously owned by a closed church society is credited to income as 'capital receipts' but as proceeds were nil no entry is required.

The original valuation for an expected sale of this property was £60,000 but commercial reality proved to be very different, due to a difficult restrictive covenant (limitations on use) and vandalism, and after consultation with the Methodist Church and the Charity Commission a sale at nil consideration was agreed as being the best price achievable.

#### 5 Grants and donations made by the Circuit

Grants and donations as listed below have been agreed during the year and are recognised in accordance with the accounting policy as stated in note 1.5.

	2021-22		2020-21	
	General	CMTF	General	CMTF
	£	£	£	£
The Forge Project	0		9,900	
Grants to local Churches	10,841		0	
Other donations	1,227		0	
<b>Total</b>	<b>12,068</b>	<b>0</b>	<b>9,900</b>	<b>0</b>

## 6 Salaries and associated costs

	2021-22		2020-21	
	General	CMTF	General	CMTF
	£	£	£	£
Stipends	80,055		79,124	
Ministers' fixed allowances	1,068		577	
Administrators' Gross Pay	14,005		13,903	
Social Security costs	7,642		7,274	
Pension costs	20,840		20,598	
Pension deficit contribution (see note 21)	30,000		0	
Apprenticeship Levy	403		398	
Ministers' Telephone	1,957		2,227	
Ministers' travel costs	4,807		1,892	
Minister's relocation costs	0		1,692	
<b>Total</b>	<b>160,777</b>	<b>0</b>	<b>127,685</b>	<b>0</b>

### Trustees' remuneration

Ministers of the Circuit being Reverend A. Long (Superintendent Minister), Reverend P. Braisdell and Reverend V. Atkinson were also trustees of the Circuit. Their stipend and allowances are determined annual in advance by the Methodist Conference and the relevant Circuit is responsible for meeting these costs. They all received a stipend of £25,824 pa (2020/21 - £25,524) and the superintendent minister also received the Superintendent Allowance of £2,582 pa (2020/21 - £2,552). At the year-end salary of £6,956 (2020/21 - £6,671) had been paid in advance (one months' salary).

It should be noted that the superintendent minister has also similar responsibilities in a neighbouring Circuit but with her full salary cost met by the Epworth & Scunthorpe Circuit. It is estimated that approximately 15%/20% of her time is taken with these additional duties and therefore the cost to the Circuit of this arrangement for the current year is estimated at approximately £6,600 (2020/21 - £6,500). It is normal practice for a minister to be awarded a three-month sabbatical after a period of service within the Methodist Church, but no cost is accrued for this as it is the custom during these times for the Circuit to operate without any additional assistance except for the availability of a neighbouring circuit minister to act in a consultancy role should such a situation be deemed necessary.

An amount of £20,840 (2020/21 - £20,598) was payable into the defined benefit pension scheme to which all these ministers are members. At the year-end £1,811 (2020/21 -£1,736) had been paid in advance into the Scheme.

In addition, a £30,000 contribution was made to the Methodist Church of Great Britain towards their appeal to increase the pension reserve held by them specifically for future funding of the pension deficits of their various Pension Schemes. Further details are given in note 21.

Their remuneration and pension cost as stated is largely connected to their role as minister rather than as a trustee and in view of this and the complexities involved in apportionment it is not considered necessary to identify costs between the two roles.

In addition, manses are provided for each minister and their respective family, and these properties are maintained by the Circuit who also make payments for buildings insurance, council tax and water charges. See note 7 for details. These costs are not regarded as a taxable benefit by HMRC and therefore have not been disclosed as remuneration in any of these notes.

Two lay trustees received remuneration for administrative tasks carried out during the year and they were Mrs L. Howard £4,302 (2020/21 - £4,145) and Mrs B. Braisdell (wife of Reverend P. Braisdell) £3,019 (2020/21 - £2,908). Otherwise no further lay trustees were remunerated in either year.

### **Key Management Personnel**

The Circuit Leadership Team, who are responsible for policy formulation and day to day administration of the activities are regarded as the Key Management Personnel and this team consists of the three Ministers noted previously and several non-remunerated lay trustees. The aggregate benefit during the year of this key management team (excluding Employer National Insurance) was £131,963 (2020/21 - £100,299).

Average number of employees throughout the year were 3 full-time ministers (2020/21 -3) and 3 part-time administration staff (2020/21 -3).

No employee received remuneration of more than £60,000 during the year (2020/21 – nil).

### **Pensions.**

All pension costs relate to the Methodist Ministers' Pension Scheme, this is effectively a multi-employer defined benefit scheme as noted in Accounting Policies note 1.6, further details of the Pension Scheme deficit are reported in note 21.

Lay employees have the option to join a defined contributions pension scheme although none have done so to date.

### **Trustees' expenses**

The three Ministers (2020/21 - 3) were reimbursed total expenses of £7,175 (2020/21 -£6,286) during their employment and whilst it is not possible to analyse the function of all these expenses it is considered that almost all these expenses relate to reimbursement whilst they were carrying out their role as ministers as opposed to as trustees. It is therefore considered that no further analysis would be useful.

In addition, 6 (2020/21 – 5) lay trustees were reimbursed a total of £4,249 (2020/21 -£4,502) during the year and this included £317 (2020/21 - £95) to a wife of one of the Ministers.

These reimbursements were largely for travel and stationery costs.

## **7 Property costs**

The Circuit is Managing Trustee for three manses occupied by ministers stationed in the Circuit, with a further one on a residential let contract and which is now classed as an investment property. There is also an additional building, former church, which is leased to 'The Forge Project', a registered charity, which works with and assists homeless people within the local area and this property is also regarded as an investment property.

	2021-22		2020-21	
	General	CMTF	General	CMTF
	£	£	£	£
Insurance	3,978		3,654	
Council Tax and Water for manses	8,215		7,931	
Manse repairs	2,942		10,760	
Costs of closed Church buildings	776		12,257	
Costs of property on residential let	827		1,708	
Quinquennial inspections	900		1,800	
<b>Total</b>	<b>17,638</b>	<b>0</b>	<b>38,110</b>	<b>0</b>

### 8 District Assessment and Levy

The District Assessment is calculated in proportion to church members and staffing within the various Circuits within the Lincolnshire District.

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

	2021-22		2020-21	
	General	CMTF	General	CMTF
	£	£	£	£
District Assessment	40,704		42,372	
District Levy		9,808		6,384
<b>Total</b>	<b>40,704</b>	<b>9,808</b>	<b>42,372</b>	<b>6,384</b>

These are regarded as related party transactions. See note 20.

### 9 Other Outgoings

Other Outgoings of £3,455 (2020/21 - £2,456) includes a charge of £702 (2020/21 - £355) by Trustees for Methodist Church Purposes (TMCP) and this is a charge against the CMTF. This is regarded as a related party transaction. See note 20.

### 10 Independent Examiner

The fee for the independent examination of these accounts was £264 (2020/21 - £264) and the Independent Examiner provided no additional services during either of the two years.

### 11 Transfers between funds

Transfers out of CMTF are usually for specific projects, require further approval and are usually based upon anticipated costing of the expenditure. Transfers of £93,665 were made from CMTF to the General Fund for these purposes and this consisted of monies for Circuit property repairs of £4,665 (2020/21 - £11,882), contributions to costs of closed churches in the Circuit of nil (2020/21 - £13,990), grants to local churches of £9,000 (2020/21 - nil) for specified costs, £50,000 (2020/21 - nil) to support local churches assessments and £30,000 (2020/21 - nil) to support Ministers' Pension Fund deficit.

The net effect of the above is a transfer from CMTF to General Fund of £93,665 (2020/21 -£25,872 to General Fund).

## 12 Fixed Assets – Circuit Manses and Equipment

	Land and Buildings	Office Equipt	Total
	£	£	£
<b>At cost or valuation</b>			
<b>Balance brought forward and carried forward</b>	<b>619,179</b>	<b>1,154</b>	<b>620,333</b>

<b>Accumulated depreciation</b>			
Balance brought forward	74,275	1,057	75,332
Depreciation charge for year	9,323	95	9,418
<b>Balance carried forward</b>	<b>83,598</b>	<b>1,152</b>	<b>84,750</b>

<b>Net realisable value at 1 September 2021</b>	<b>544,904</b>	<b>97</b>	<b>545,001</b>
<b>Net realisable value at 31 August 2022</b>	<b>535,581</b>	<b>2</b>	<b>535,583</b>

Land and buildings consist of Circuit Manses.

## 13 Fixed Assets - Investment Properties

	Land and Buildings
	£
<b>At valuation</b>	
<b>As at 1 September 2021</b>	<b>485,000</b>
<b>Revaluation in year</b>	<b>25,000</b>
<b>Added in year</b>	<b>345,000</b>
<b>As at 31 August 2022</b>	<b>855,000</b>

The investment properties have been valued by the Circuit Leadership Team at fair value without any professional advice but where possible by assessment of similar property prices in the area and with any other relevant information that they have obtained.

Custodian to all properties included in the financial statements is held by TMCP and individual properties will only be released under certain conditions. In addition, if property was released a levy, based on the disposal proceeds achieved, would also be payable.

However, see also, see note 20 as regards the structure of TMCP.

## 14 Investment Assets (TMCP)

The funds that support the CMTF are held by TMCP in Trustees interest bearing bank accounts or as Managed Equity Funds and interest and dividends are credited on a regular basis.

TMCP is the legal owner and custodian trustee of all Methodist model trust property, and this is held on behalf of local managing trustees who are responsible for the day-to-day operational control. It is ensured by TMCP that through providing guidance and direction that the managing trustees comply with Charity Law and Methodist regulation and policy as determined by the Methodist Conference.

	2021-22	2020-21
	£	£
<b>Fixed assets -Managed Equity funds</b>	15,753	16,809
<b>Current assets -Cash deposits</b>	179,287	229,348
<b>Total</b>	<b>195,040</b>	<b>246,157</b>

### 15 Debtors

All debtors and prepayments are due within one year and are as follows:

	2021-22	2020-21
	£	£
Debtors	13,834	0
Prepayments	10,162	10,797
<b>Total</b>	<b>23,996</b>	<b>10,797</b>

### 16 Loans made by the Circuit

At the end of the year a loan was owed to the Circuit from one of the local churches of £1,085 (2020/21 - £1,963) a part repayment of £878 having been repaid in the year. Repayment of the balance of this loan is anticipated within the near future.

### 17 Creditors (due in under one year)

	2021-22	2020-21
	£	£
Deferred income	36,122	40,160
Creditors	460	162
Accruals	6,047	2,137
<b>Total</b>	<b>42,629</b>	<b>42,459</b>

Deferred income includes £36,082 (2020/21 - £40,100) for church assessments which are received quarterly in advance.

## 18 Movements in Funds

All funds owned by the charity are unrestricted and consists of two funds with a summary of the movements being as follows:

	Balance at 1/09/21	Income	Expenditure	Inv'tment gain/ (loss)	Transfer	Balance at 31/08/22
	£	£	£	£	£	£
General Fund	1,195,440	546,082	(252,719)	25,000	93,665	1,607,468
Circuit Model Trust Fund	246,157	62,248	(18,644)	(1,056)	(93,665)	195,040
<b>Total</b>	<b>1,441,597</b>	<b>608,330</b>	<b>(271,363)</b>	<b>23,944</b>	<b>0</b>	<b>1,802,508</b>

The purpose of these funds is described as follows:

### General Fund

The General Fund is for use at the discretion of the trustees in furtherance of the general objectives of the Circuit.

### Circuit Model Trust Fund

The Circuit Model Trust Fund is also for use in the general objectives of the Circuit. Its main source of income is formulaically determined contributions from the sale of manses and church buildings in the Circuit. Although this fund meets the definition of an unrestricted fund under the control of the Circuit Meeting, prior approval is still required from TMCP to access these funds.

## 19 Analysis of Net Assets between Funds

Fund balances at 31 August 2022 are represented by:

	General	CMTF	Total
	£	£	£
Tangible fixed assets	535,583		535,583
Fixed asset investments	855,000		855,000
Investments		15,753	15,753
Net current assets	216,885	179,287	396,172
<b>Total</b>	<b>1,607,468</b>	<b>195,040</b>	<b>1,802,508</b>

Fund balances at 31 August 2021 are represented by:

	General	CMTF	Total
	£	£	£
Tangible fixed assets	545,001		545,001
Fixed asset investments	485,000		485,000
Investments		16,809	16,809
Net current assets	165,439	229,348	394,787
<b>Total</b>	<b>1,195,440</b>	<b>246,157</b>	<b>1,441,597</b>

## **20 Transactions with Related Parties**

Related parties include the Methodist Church, Connexion, the Lincolnshire District, other Methodist churches within the circuit, and TMCP.

None of the Circuit trustees made donations directly to the Circuit during the year or preceding year. All the Circuit trustees are members of a church within the Circuit and may be trustees in their churches.

During the year Assessments were receivable from churches within the Circuit of £178,263 (2020/21 - £184,636) and none of these monies were outstanding at either year-end. In addition, a donation of £4,000 (2020/21 – nil) was received from a local church.

During the year grants and donations were made to churches and other related parties of £12,068 (2020/21 - nil). Also, a loan made in a previous year of £1,963 was partly repaid resulting in a balance at the year-end of £1,085 (2020/21 - £1,963) to a church within the Circuit.

The Circuit paid, during the year £50,512 (2020/21 - £48,756) in assessments and levies to the Lincolnshire Methodist District. No amounts were outstanding at the year-end (2020/21 – nil)

Also, during the year, the Circuit paid TMCP the custodians of the Circuit's investments (CMTF) management charges of £702 (2020/21 - £355). No amounts were outstanding at the end of either year.

Custodianship of property remain with TMCP (see notes 12 and 13) and some investments and cash deposits (see note 14) are held with them. As noted previously assets held by TMCP will only be released subject to strict conditions.

The Circuit sold a redundant church building during the year and the net disposal proceeds of £60,673 (2020/21 - £129,460) was received by TMCP (who are the legal owner of most Methodist property). They deducted the Connexional Priority Fund Levy of £8,134 (2020/21 - £31,784) and remitted the balance of £52,539 (2020/21 - £97,676) to the appropriate CMTF held by the Circuit. No monies were outstanding at the year-end (2020/21 – nil).

No amounts were paid (2020/21 - £267) to C.J. Enterprises during the year and this is an entity controlled by the Circuit Treasurer, Mr A. Lockwood. The previous year payments were for property repairs and no amounts were outstanding at either the beginning or the end of either of the years.

In addition, the Circuit received donations from local churches during the year of £11,950 (2020-21 – nil) as a result of the appeal by the Methodist Church of Great Britain for additional funding to cover the pension scheme deficits and these monies were then remitted to the Methodist Church for that purpose during the year, and therefore nothing was outstanding at either year-end. As this transaction was regarded as a principal and agent relationship these transactions are not disclosed in the SOFA and further detail of the Pension Scheme deficit is given in note 21.

## **21 Pension Schemes**

The Methodist Church has several defined benefit pension schemes. They are structured in various ways, and most are considered unlikely to affect the Circuit other than the Minister's Pension Scheme and a similarly constructed lay employee defined benefit pension scheme, the latter of which is not accepting future accruals. At the last full actuarial revaluation dated 31 August 2020 these two schemes were in deficit by, in total, approximately £30m. Full details of all pension schemes can be seen in the Methodist Church of Great Britain financial statements which can be accessed at [www.methodist.org.uk](http://www.methodist.org.uk) website.

Negotiations have taken place between the trustees of these pension schemes and representatives of the Methodist Church so that satisfactory funding can be put in place to cover these obligations. As a result of these deficits financial contributions have been requested, as a one-off, from individual Circuits and churches to increase the Pension Reserve held by the Methodist Church of Great Britain and so that funds are available to fund the deficit as required. Therefore during the year, the Circuit contributed £30,000 and sent a further £11,950 that it had received for this purpose from the local churches to the Methodist Church of Great Britain. It is not anticipated that any further monies will be donated in this respect.

As the Circuit is not directly involved in these negotiations, we are unable to conclude on the matter, but we are not aware that any request for further funding either now or in the foreseeable future will be made and the trustees are confident that no decision will be made that will compromise our going concern basis.

## **22 Events after the reporting date**

### **Public health**

We continue to be vigilant to public health and to adapt and safely execute our operations during the coronavirus pandemic. To date there has been no significant financial implications because of coronavirus but we continue to monitor the situation closely and will take corrective action if regarded necessary.

## **23 Contingencies**

### **Property**

A small pocket of land with an estimated value of £10,000 (included in investment property at this value) is held. This land is currently used by the local Parish Council as part of a children's playground and the Council pay a nominal rent for it although no legal agreement is held by the Circuit.

The Leadership Team continues to review this arrangement and seek to regularise the situation.

# DECLARATIONS

## Treasurer

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

Signature of Treasurer

*Andrew Lockwood*

Date

21/3/23

Name

Andrew Lockwood

Address

85 West Street, West Butterwick, DN173LG

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

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

7/3/23

and were or will be approved on.

7/3/23

Signature of the Chair of the meeting

*Angela Jane Long*

Name of the Chair of the meeting

ANGELA JANE LONG

Date

24/3/23

# Independent examiner's report to the trustees of the Epworth and Scunthorpe Methodist Circuit.

I report to the trustees on my examination of the accounts of the Epworth and Scunthorpe Methodist Circuit for the year ended 31<sup>st</sup> August 2022.

## Responsibilities and basis of report

As the charity trustees of the Trust you are responsible for the preparation of the accounts in accordance with the requirements of the Charities Act 2011 ('the Act').

I report in respect of my examination of the Trust's accounts carried out under section 145 of the 2011 Act and in carrying out my examination I have followed all the applicable Directions given by the Charity Commission under section 145(5)(b) of the Act.

## 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 giving me cause to believe that in any material respect:

1. accounting records were not kept in respect of the Trust as required by section 130 of the Act; or
2. the accounts do not accord with those records; or
3. 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.

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.

Signed:



Name: **BARRIE CAMPBELL**

Relevant professional qualification or membership of professional bodies (if any):

**FCA (ICAEW)**

Address: **2 WEST CLIFF GARDENS  
SCUNTHORPE  
DN17 1DT**

Date: **27<sup>th</sup> March 2023**

# Independent examiner's report to the trustees of the Epworth and Scunthorpe Methodist Circuit.

I report to the trustees on my examination of the accounts of the Epworth and Scunthorpe Methodist Circuit for the year ended 31<sup>st</sup> August 2022.

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Signed:



Name: **BARRIE CAMPBELL**

Relevant professional qualification or membership of professional bodies (if any):

**FCA (ICAEW)**

Address: **2 WEST CLIFF GARDENS  
SCUNTHORPE  
DN17 1DT**

Date: **27<sup>th</sup> March 2023**

**Epworth Scunthorpe and Gainsborough Methodist Circuit**

England & Wales - Charity number 1133752

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# Accounts

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## Introduction

The Trustees are pleased to present the Annual Report and financial statements of the Epworth and Scunthorpe Methodist Circuit (hereinafter referred to as "The Circuit") for the year ended 31<sup>st</sup> August 2021.

The Circuit has 3 full-time presbyters, the Superintendent having been re-invited for a further 3 years from Sept 2021. There are 5 supernumerary presbyters, 3 of whom are particularly involved in both local church and circuit life, a retired deacon, similarly involved and associate minister status was given by Conference to a retired minister from another denomination. We also continue to employ 3 part-time administrative assistants and there are numerous other lay volunteer office holders. Rev Angela Long also assisted in the neighbouring Barton and Brigg Circuit in this year to cover their vacant Superintendency.

The activity and life of The Circuit has been limited by restrictions placed upon us due to the Covid19 pandemic. Those who were able have continued to embrace on-line technology for worship and other gatherings and business meetings have been held via Zoom.

Despite this we have been able to engage in conversations with neighbouring circuits on matters which are of mutual concern and interest for our future mission and ministry.

## Objectives and activities

The charity's objective is to act as a resource provider within the area around Epworth and Scunthorpe for the Methodist Church:

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

- 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 public 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 sick and bereaved.

Taking religious assemblies in local schools.

Promotion of Christianity through the staging of events and services.

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

## Achievements and performance

The Circuit has continued to produce a preaching plan on a quarterly basis where this has been possible, although arrangements and appointments have been subject to flux.

Particular pastoral attention was paid to the age and general health of preachers available for The Plan, and similarly within congregations, which has led to some congregations having fortnightly services.

Conscious conversations have occurred in 2 locations regarding likely Chapel closures. A further 2 chapels came together as 1 Society. Broader conversations about the use of buildings outside of worship has been challenging however, in some congregation's specific areas of outreach were identified and acted on in response to on-going Covid restrictions and their effect on their communities

The network of telephone and written support networks built up last year have largely continued. As circumstances have evolved, we have continued to reflect and act upon the implications for Safeguarding and General Data Protection Regulation (GDPR).

Support for The Forge, Lindsey Lodge Hospice, and local Foodbanks has continued.

## **Financial review**

### **Income trends**

Total income for the year was £340,937 (2019/20 -£205,598).

Circuit income primarily consists of the assessments received from the churches of the Circuit which was £184,636 (2019/20 -£185,272) for the year, also £136,190 (2019/20 -nil) in respect of income from closed societies and £18,807 (2019/20 -£19,990 regarding investment income.

### **Expenditure trends**

Expenditure for the year was £276,944 (2019/20 - £243,108).

Largely this consisted of stipends, salaries and associated costs of £127,685 (2019/20 -£128,739), property costs of £38,110 (2019/20 -£23,106) and Connexional/District assessments of £80,540 (2019/20 -£47,598).

Property costs include expenditure on the various manses which are regularly reviewed and refurbished in consideration of the mobility and needs of the individual presbyter.

### **Fund balances**

After further disclosures for investment gains of £52,607 (2019/20 -£255 deficit) net income for the year was £116,600 (2019/20 -£37,765 deficit) which has resulted in funds at the yearend of £1,441,597 (2019/20 -£1,324,997) all of which are unrestricted.

### **Going concern**

The trustees confirm that they consider that the Circuit is a going concern, as individual Churches continue to meet their assessments, and the Circuit continues to maintain adequate reserves to cover any temporary shortfall in this area.

### **Plans for 2022 - 2023**

Circuit financial plans for the coming year have been prepared on the basis that the ordained staffing levels are at 3 full time presbyters with anticipated cost of living stipend increases of 2% with a £2600 district assessment increase, plus maintaining administrative support for ministers.

### **Reserves Policy**

The Reserves Policy for the Circuit is to hold a minimum sum equivalent to 8 months average expenditure in reserves but excluding property and other fixed assets and Circuit Model Trust funds as none of these assets are easily convertible into 'on demand cash'.

At the yearend such reserves were £165,439 and the Trustees confirm that this was deemed to be within this target range.

These reserves would enable the Circuit to maintain its mission and ministry on a temporary basis if individual churches encountered difficulties in meeting their assessments.

## **Structure, governance and management**

The Methodist Circuit is a charity for co-ordinating local groups of Churches and they pay stipends and wages and make policy decisions on behalf of all the churches within the group. The Circuit is also under the direction of the relevant District in which it belongs and the Methodist Conference. Management of the circuit is undertaken by the Circuit Meeting advised by the Staff and Circuit Stewards Meeting, Circuit Leadership Team, along with the Local Preachers meeting and the Circuit Finance and Property Committees.

The Circuit Meeting, who are the Trustees, are elected and co-opted in accordance with the constitution of the Methodist Church.

The Circuit is an unincorporated charity and is governed by 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 (CPD) by order of the Annual Conference of the Methodist Church.

The financial statements have been prepared in accordance with the accounting policies set out in note 1 to these financial statements and comply with the Standing Orders of the Methodist Church. The Churches forming the Circuit are separate charities and are responsible for their own financial affairs and they are therefore not reported in these statements.

### **Trustee Training**

A range of guidance is produced by Methodist Connexion to support the effective running of the circuit, specifically the leaflet 'The Role of a Trustee in The Methodist Church' which we endeavour to give to all new Circuit meeting members as induction to their role as trustees. Safeguarding training and updates are handled by The District in an on-line manner.

### **Related Parties**

The Circuit is part of the Lincolnshire District and is also accountable to the Methodist Conference. The following Methodist Churches are linked to the Circuit --- See Appendix B

### **Risk Management**

We are developing our risk management strategies in response to the changing landscape post-Covid.

Income and expenditure is being monitored and is compared with the approved annual budget on a half yearly basis to detect trends and consider any corrective action as part of the risk management process to avoid unforeseen calls on reserves.

### **Reference and administrative details**

Full name of Charity: Epworth and Scunthorpe Methodist Circuit

Registration Charity Number: 1133752

Date of Registration: 2010

Main communication address: Circuit Office, Ashby Wesley Methodist Church, Ashby High Street, Scunthorpe, DN16 2JT

The members of the Epworth and Scunthorpe 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 as Appendix A to this report.

### **Circuit Ministers and Officers**

Active Circuit Ministers: Rev Angela Long

Rev Paul Braidell

Rev Victoria Atkinson

Circuit Stewards: Mr David Sanderson  
Miss Betty Oldridge  
Mr Andrew Lockwood  
Mr Mervyn White  
Ms Hazel Jackson (from Dec 2020)

Circuit Administrator: Mrs Mai Lin Grimbleby  
PA to the Superintendent: Mrs Louise Howard  
PA to the Rev P Braisdell: Mrs Bronwen Braisdell

Andrew Lockwood acted as the principal officer overseeing day-to-day financial management and accounting for the Circuit during the year.

Independent examiner: Glover and Co., Chartered Accountants, Scunthorpe  
Investment Bankers: Trustees for Methodist Church Purposes  
Bankers: HSBC, Market Place, Epworth. DN9 1EU  
Central Finance Board of the Methodist Church

The Trustees' Report and Financial Statements were approved by the Circuit Meeting on 15 June 2022.

Presented to the Circuit Meeting on 15/06/22 by Mr Andrew Lockwood, Circuit Steward and treasurer and accepted by the trustees.

Signed on behalf of the Circuit Meeting:



Appendix A September 2020 –  
August 2021

**Names of the charity trustees who manage the charity**

Trustee name	Office (if any)	Dates acted	Note
Mrs C Allison			
Mrs M Atkinson			
Rev Vicki Atkinson		From September 2020	
Mr A Bamford	Circuit Safeguarding Officer		
Mrs I Bell			
Mrs C Boardman		Until April 2021	
Mr K Boardman		Until April 2021	
Mrs B Braisdell	Local Preachers Secretary		
Rev P Braisdell	Minister		
Mrs P Briggs			
Mrs E Brown			Died October 2021
Ms R Brumby		Until March 2021	Replacement Mrs M. Jones
Mr D Chennells		Until March 2021	
Mrs P Chennells			
Mrs S Chisnell			
Mrs V Cochrane			
Mrs A Craddock			
Mrs B Credland			
Mr J Credland			
Mrs L Croot	Local Church Pastor	Until August 2021	
Mr A Dawson			
Mrs J Dawson			
Mrs M Dick			
Mrs M Drummond			
Rev S Gunson	Supernumerary Minister		
Mrs M Hall			
Mr L Holtby			
Mrs L Howard	Circuit Meeting Secretary		
Rev N Isitt			
Mrs V Isitt			
Mrs M Jacklin	MWIB treasurer		
Mrs H Jackson	Circuit Steward	From December 2020	
Mr P Jackson	Local Preachers Meeting		
Mrs M Jones	Haxey Chapel – to replace R Brumby	From March 2021	
Mr M Joyce	Local Church Pastor	Until July 2021	
Mrs S Kellington		Until March 2021	
Mrs P Kirk			
Dr J Lambert			
Mrs P Layton			
Mr A Lockwood	Circuit Treasurer		
Mrs J Lockwood			

Appendix A September 2020 –  
August 2021

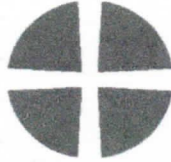
**Names of the charity trustees who manage the charity**

Rev A Long	Superintendent minister		
Mrs S Lynaugh			
Mr W Maw			
Deacon C May			
Miss B Oldridge	Circuit Steward & MHA		
Mrs J Pike			
Mrs L Pollard			
Mr D Sanderson	Senior Circuit Steward		
Mr R Sheard			
Mrs S Simpkin			
Mr R Sims			
Mrs L Smith			
Mrs J Stocks	MHA rep		Alkborough ceased to meet March 2021
Mrs M Taylor			
Mrs P Taylor		Until August 2021	
Mrs H Verran		Until March 2021	
Mrs M Ward			
Mrs K Welch			
Mr M White	Circuit Steward		
Mr K Wilbur			
Mrs J Wilson		Until July 2021	
Mrs C Wood			

Superintendent Minister:	Rev Angela Long
Senior Circuit Steward:	David Sanderson

## Appendix B

Churches in the Epworth and Scunthorpe Circuit
WINTERTON METHODIST CHURCH
ROXBY METHODIST CHURCH
WINTERINGHAM METHODIST CHURCH
ALBOROUGH METHODIST CHURCH
ASHBY WESLEY METHODIST CHURCH
OLD BRUMBY UNITED CHURCH (OBUC)
BURTON UPON STATHER METHODIST CHURCH
YADDLETHORPE METHODIST CHURCH
MESSINGHAM METHODIST CHURCH
SCOTTER METHODIST CHURCH
LAUGHTON METHODIST CHURCH
EPWORTH WESLEY MEMORIAL CHURCH
OWSTON FERRY METHODIST CHURCH
HAXEY METHODIST CHURCH
WESTWOODSIDE METHODIST CHURCH
WEST BUTTERWICK METHODIST CHURCH
BELTOFT METHODIST CHURCH
CROWLE METHODIST CHURCH
EALAND METHODIST CHURCH
GUNNESS METHODIST CHURCH
ALTHORPE METHODIST CHURCH



**Circuit  
Accruals Accounts  
2020-2021**

**THE METHODIST CHURCH  
STANDARD FORM OF ACCOUNTS  
ACCRUALS BASIS  
for the year ended 31 August 2021**

**EPWORTH AND SCUNTHORPE**

**Circuit**

**Registered Charity - Registration number**

**1133752**

This will apply to all Charities in Scotland and all Charities in England and Wales which are Registered Charities

**LINCOLNSHIRE**

**District**

**Circuit No**

**17 / 01**

**Ministers**

REV'D ANGELA LONG

REV'D PAUL BRAISDELL

REV'D VICTORIA ATKINSON

**Circuit Stewards**

MR DAVID SANDERSON

MISS BETTY OLDRIDGE

MRS HAZEL JACKSON

MR MERVYN WHITE

**Circuit Treasurer**

MR ANDREW LOCKWOOD

Name of Circuit: Epworth and Scunthorpe Methodist Circuit

Circuit No: 17/01

**Statement of Financial Activities (SOFA) for the year ended 31 August 2021**

	Notes to the accounts	General Fund (Unrestricted) £	Circuit Model Trust (Unrestricted) £	Total 2020-21 £	Total 2019-20 £
<b>Income</b>					
1 Donations and legacies				0	0
2 Income from monetary investments		166	801	967	2,626
3 Income from investment properties	2	17,840		17,840	17,364
4 Assessments on Churches	3	184,636		184,636	185,272
5 Capital Receipts	4	6,730	129,460	136,190	0
6 Grants received				0	0
7 Other charitable income		1,304		1,304	336
<b>8 Total income</b>		<b>210,676</b>	<b>130,261</b>	<b>340,937</b>	<b>205,598</b>
<b>Expenditure</b>					
9 Grants and donations	5	9,900		9,900	18,150
10 Salaries and associated costs	6	127,685		127,685	128,739
11 Property costs	7	38,110		38,110	23,106
12 Connexional assessment & model trust levy	20	0	31,784	31,784	0
13 District Assessment & Levy	8	42,372	6,384	48,756	47,598
14 Depreciation		9,707		9,707	9,707
15 Office expenses		8,546		8,546	9,836
16 Other outgoings	9	2,101	355	2,456	5,972
<b>17 Total charitable expenditure</b>		<b>238,421</b>	<b>38,523</b>	<b>276,944</b>	<b>243,108</b>
<b>Net income before investment gains/losses</b>		<b>-27,745</b>	<b>91,738</b>	<b>63,993</b>	<b>-37,510</b>
18 Gains/(losses) on monetary investments			2,607	2,607	-255
19 Gains/(losses) on investment properties	13	50,000		50,000	0
<b>20 Net income/(expenditure)</b>		<b>22,255</b>	<b>94,345</b>	<b>116,600</b>	<b>-37,765</b>
21 Transfers between funds	11	25,872	-25,872	0	0
22 Other gains/(losses)				0	0
<b>23 Net movement in funds</b>		<b>48,127</b>	<b>68,473</b>	<b>116,600</b>	<b>-37,765</b>
24 Total funds brought forward		1,147,313	177,684	1,324,997	1,362,762
<b>25 Total funds carried forward</b>	18/19	<b>1,195,440</b>	<b>246,157</b>	<b>1,441,597</b>	<b>1,324,997</b>

Name of Circuit: Epworth and Scunthorpe Methodist Circ Circuit No: 17/01

## Balance Sheet as at 31 August 2021

		General Fund (Unrestricted)	Circuit Model Trusts (Unrestricted)	Designated Funds (Unrestricted)	Restricted Funds	Endowme nt Funds	Totals 2021	Totals 2020
Notes to the Accounts		£	£	£	£	£	£	£
<b>Fixed Assets</b>								
Circuit Manses & Equipment	12	545,001					545,001	554,708
Investment properties	13	485,000					485,000	435,000
Investments	14		16,809				16,809	14,202
<b>Total fixed assets</b>		<b>1,030,001</b>	<b>16,809</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>1,046,810</b>	<b>1,003,910</b>
<b>Current Assets</b>								
Debtors	15	10,797					10,797	10,357
Loans by the Circuit	16	1,963					1,963	0
Investments with TMCP	14		229,348				229,348	163,482
Central Finance Board Deposits		133,668					133,668	135,961
Cash at Bank and in hand		61,470					61,470	56,699
<b>Total current assets</b>		<b>207,898</b>	<b>229,348</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>437,246</b>	<b>366,499</b>
<b>Current liabilities</b>								
Creditors (due in under 1 year)	17	42,459					42,459	45,412
Grants payable within 1 year							0	0
<b>Total current liabilities</b>		<b>42,459</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>42,459</b>	<b>45,412</b>
<b>Net current assets/liabilities</b>		<b>165,439</b>	<b>229,348</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>394,787</b>	<b>321,087</b>
<b>Total assets less current liabilities</b>		<b>1,195,440</b>	<b>246,157</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>1,441,597</b>	<b>1,324,997</b>
<b>Long term liabilities (due after more than one year)</b>								
Grants payable after more than 1 year		0					0	0
Loans to the Circuit		0					0	0
<b>Net assets</b>		<b>1,195,440</b>	<b>246,157</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>1,441,597</b>	<b>1,324,997</b>
<b>Funds of the Circuit</b>								
	18/19	1,195,440					1,195,440	1,147,313
Circuit Model Trust Fund (Unrestricted)	18/19		246,157				246,157	177,684
Designated Funds (Unrestricted)				0			0	0
<b>Total Unrestricted Funds</b>							<b>1,441,597</b>	<b>1,324,997</b>
Restricted Funds					0		0	0
Endowment Funds						0	0	0
<b>Total Funds</b>		<b>1,195,440</b>	<b>246,157</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>1,441,597</b>	<b>1,324,997</b>

*A Wilson* Circuit Treasurer

# **Epworth and Scunthorpe Methodist Circuit**

## **Notes to the accounts for the year ended 31 August 2021**

### **1. Accounting and accounting policies**

#### **1.1 Basis of preparation of financial statements**

The financial statements have been prepared in accordance with the 'Accounting and Reporting by Charities: 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 (FRS 102) (effective 1 January 2019)' (**Charity SORP -FRS 102**).

In addition, they are prepared in accordance with 'FRS 102 The Financial Reporting Standard applicable in the UK and Republic of Ireland' (**FRS 102**), under UK Generally Accepted Accounting Practice as applicable from 1 January 2015 and the Charities Act.

These statements are also prepared under the historic cost convention as modified by the revaluation of certain assets.

The trustees confirm that the entity has met the definition of a public benefit entity as defined under FRS 102.

The financial statements are prepared in sterling which is the functional currency of the entity.

#### **1.2 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 body except in extreme circumstances. For this reason, the financial statements of individual Churches within the Circuit, of which each are considered a separate charity, are not consolidated into these financial statements and therefore these accounts represent solely the activities of the Circuit.

#### **1.3 Income recognition**

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

Capital receipts are the deemed residual fair value of transfers to the Circuit of redundant church assets (see note 4).

#### **1.4 Expenditure/transfers**

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.

Where expenditure has been paid out of the general fund but that subsequently an application is made to apply it to the Circuit Model Trust Fund (CMTF) that is held for the Circuit's use then upon approval and transfer of the funds by Trustees for Methodist Church Purposes (TMCP) this transfer will be accounted for in the Statement of Financial Activities. Sometimes the timing of the two transactions will lie in different accounting periods and the nature of the expenditure underlying this transfer normally will be either property repairs or grants and details of such activity during the accounting period can be seen in note 11.

TMCP is a body corporate established by the Methodist Church for the custody and administration of monetary/property assets and consequently is the Custodian Trustee for all land and buildings and some monetary investments of the Charity.

### **1.5 Grants**

Grants made by the Circuit from its own funds are recognised in full at the time of approval of the agreement unless there are performance conditions attached which are within the control of the Circuit and in which case it will normally be recognised when these have been fulfilled.

### **1.6 Pensions**

The Circuit makes payments to the Methodist Ministers' Pension Scheme which is a defined benefits scheme. The Scheme is effectively a multi-employer scheme operated by the Methodist Church and as insufficient information is available to use defined benefit accounting the Circuit accounts for it as a defined contributions scheme. Further details are as disclosed in notes 6 and 22.

### **1.7 Taxation**

As the Circuit is a registered charity it is potentially exempt from taxation on income and gains however it is not VAT registered and therefore all input VAT is charged with the expense to which it relates.

### **1.8 Tangible fixed assets**

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

Tangible fixed asset property consists of manses and other buildings used in the work of the Methodist Church. They have been owned for many years and as the cost of individual properties is unknown, they continue to be disclosed in the accounts at deemed cost being 80% of insured value as of 1 September 2013. If the trustees consider that there is evidence of impairment then an impairment charge is made against the individual property, otherwise depreciation is provided on buildings at the rate of 2% per annum on deemed cost which is designed to write the properties down to zero over their estimated useful economic life.

Land is not depreciated.

If a Society, within a Circuit, were to close then usually the responsibility for safe-keeping and maintenance of the church building is passed to the relevant Circuit who will retain it

pending disposal or alternatively bring it into use in some way as to benefit the local community. On Society closure any redundant Church building is recognised, at fair value, as effectively a donation (included in Capital Receipts) and as an asset within the Circuit accounts. If the building is held pending sale, then it is transferred to current assets, otherwise it is treated as a fixed asset. Upon final disposal any difference between fair value and disposal proceeds is treated as a profit/loss on disposal.

Office equipment is depreciated at 33% per annum on cost from the month that the asset is acquired.

All land and buildings are held as Custodian trustee by TMCP as noted in accounting policy 1.4.

### **1.9 Investment property**

The Circuit may hold property which is surplus to its requirements. Where this is the case, and that the property is no longer held for Church Society use then it is transferred from tangible fixed assets to investment properties and valued at fair value. See also accounting policy 1.4 regarding Custodian trustee.

### **1.10 Financial instruments**

The charity holds assets and liabilities that qualify as basic financial instruments which are therefore initially recognised at their transactional value and subsequently measured at settlement value, other than investment properties and other investments which are then subsequently valued at fair value.

### **1.11 Monetary Investments**

The Circuit's monetary investments are held by TMCP as custodian trustees (see accounting policy 1.4) and the valuations, at market value, are provided by TMCP. The unrealised gains/losses arising on investments for the financial year are disclosed in the Statement of Financial Activities (SOFA).

### **1.12 Funds**

All funds are unrestricted, and details of the funds are disclosed in the financial statements.

### **1.13 Critical Accounting Estimates and Judgements**

The Trustees are required to adjust as necessary estimates and judgements regarding the carrying amount of assets and liabilities in the application of the Charity's accounting policies. These estimates and judgements are based on experience and other relevant factors however actual results may differ from these recorded estimates.

They are revisited on a regular basis and any revisions are recognised as they arise.

The only area where the trustees consider there could be a significant risk of material adjustment is in the valuation of Investment Properties which are based on fair value. However even if these valuations proved to be materially lower than as stated in the financial statements the trustees are confident that the Circuit's ability as a going concern will not be compromised.

## **2 Income from investment properties**

A disused Church building has been leased to a registered charity 'The Forge Project' which provides relief for the homeless in the local area. The rent is due annually on a lease with a current rent of £10,000 pa and this income is recognised at the point that it is due to be received. The amount recognised in the year was £10,000 (2019/20 -£10,000).

In addition, a small pocket of land is held by the Circuit at an annual rent of £20 (see also note 22). In relation to this asset £40 was credited to income during the current year (2019/20 -nil).

Furthermore, a manse currently surplus to requirements has been rented out during the year with a gross rent received of £7,800 (2019/20 -£7,364).

## **3 Assessment on Churches**

At the year end, the Circuit comprised 19 Church Societies (last year 21), and each is assessed for a contribution to meet the overall net costs of the Circuit. In making the Assessment all anticipated income is considered and the Circuit then aims to cover its remaining core costs from this Assessment.

The Assessment on churches is determined annually by the Circuit using a formula which considers the number of members in each Church, its anticipated income, and unrestricted funds at its disposal.

Part of this Church Assessment is to reimburse the Circuit for monies required from both District and Connexion to cover certain costs of individual Churches that make up the Circuit. However, as these costs cannot be identified and as the contractual relationship is between the Circuit, District and Connexion (rather than individual Churches) then it is deemed appropriate show these income and costs in full rather than to net down as in a principal/agent relationship.

These Assessments are receivable quarterly in advance and are treated as deferred income if received in advance of the relevant period at the year end.

Transactions with individual churches are regarded as related party transactions.

## **4 Capital Receipts**

This relates primary to the fair value of church buildings in relation to a closed society and these properties are then transferred to the Circuit pending sale or other use. The relevant asset is shown net of all related selling fees. Sales of Methodist property are also subject to a levy by the Connexion calculated on a sliding scale based on eventual selling price and these are disclosed in expenditure as Connexional Levy fees. Any historic grants made by the connexion to the closed church are also reclaimed from the proceeds of sale.

Net current assets received from the closed Society would also be included under this heading.

The receipts during the year were as follows:

	2020-21		2019-20	
	General	CMTF	General	CMTF
	£	£	£	£
Sale of Church Building		129,640		
Cash received from closed Society	6,730			
<b>Total</b>	<b>6,730</b>	<b>129,640</b>	<b>0</b>	<b>0</b>

### Sale of Riddings Church property

Also, during the year ownership of the redundant Riddings Church property was transferred to Lace Housing Limited, a registered society under Co-operative & Community Benefit Society Act 2014, for nil consideration. This transaction is not reflected in accounting terms in these accounts as normally proceeds from the sale of a property previously owned by a closed church society is credited to income as 'capital receipts' but as proceeds were nil no entry is required.

The original valuation for an expected sale of this property was £60,000 but commercial reality proved to be very different, due to a difficult restrictive covenant (limitations on use) and vandalism, and after consultation with the Methodist Church and the Charity Commission a sale at nil consideration was agreed as being the best price achievable.

Further details on this transaction are contained in section xxxxxx of the Annual Report.

### 5 Grants and donations made by the Circuit

Grants and donations as listed below have been agreed during the year and are recognised in accordance with the accounting policy as stated in note 1.5.

	2020-21		2019-20	
	General	CMTF	General	CMTF
	£	£	£	£
The Forge Project	9,900		9,900	
Grants to local Churches	0		8,000	
Other donations	0		250	
<b>Total</b>	<b>9,900</b>	<b>0</b>	<b>18,150</b>	<b>0</b>

### 6 Salaries and associated costs

	2020-21		2019-20	
	General	CMTF	General	CMTF
	£	£	£	£
Stipends	79,701		77,536	
Administrators' Gross Pay	13,903		14,641	
Social Security costs	7,274		7,106	
Pension costs	20,598		20,056	
Apprenticeship Levy	398		388	
Ministers' Telephone	2,227		2,375	
Ministers' Travel costs	1,892		4,677	

Minister's relocation costs	1,692		1,960	
Total	<b>127,685</b>	<b>0</b>	<b>128,739</b>	<b>0</b>

### Trustees' remuneration

Ministers of the Circuit being Reverend A. Long (Superintendent Minister), Reverend P. Braisdell and Reverend V. Atkinson were also trustees of the Circuit (V. Atkinson was appointed on 1 September 2020 and replaced Reverend H. Croft). Their stipend and allowances are determined annual in advance by the Methodist Conference and the relevant Circuit is responsible for meeting these costs. They all received a stipend of £25,524 pa (2019/20 -£25,017) and the superintendent minister also received the Superintendent Allowance of £2,552 pa (2019/20 -£2,485). At the year-end salary of £6,671 (2019/20 -£6,594) had been paid in advance (one months' salary).

It should be noted that the superintendent minister has also similar responsibilities in a neighbouring Circuit but with her full salary cost met by the Epworth & Scunthorpe Circuit. It is estimated that approximately 15%/20% of her time is taken with these additional duties and therefore the cost to the Circuit of this arrangement for the current year is estimated at approximately £6,500 (2019/20 -nil). In addition, a three-month sabbatical was taken by this minister in the year, in accordance with general practice of the Methodist Church, but no cost has been accrued for this as it is the custom during these times for the Circuit to operate without any additional assistance except for the availability of a neighbouring circuit minister to act in a consultancy role should such a situation be deemed necessary.

An amount of £20,598 (2019/20 -£20,056) was payable into the defined benefit pension scheme to which all these ministers are members. At the year-end £1,736 (2019/20 -£1,716) had been paid in advance into the Scheme.

Their remuneration and pension cost as stated is largely connected to their role as minister rather than as a trustee and in view of this and the complexities involved in apportionment it is not considered necessary to identify costs between the two roles.

In addition, manses are provided for each minister and their respective family, and these properties are maintained by the Circuit who also make payments for buildings insurance, council tax and water charges. See note 7 for details. These costs are not regarded as a taxable benefit by HMRC and therefore have not been disclosed as remuneration in any of these notes.

Two lay trustees received remuneration for administrative tasks carried out during the year and they were Mrs L. Howard £4,145 (2019/20 -£4,045) and Mrs B. Braisdell (wife of Reverend P. Braisdell) £2,908 (2019/20 -£2,839). Otherwise no further lay trustees were remunerated in either year.

### Key Management Personnel

The Circuit Leadership Team, who are responsible for policy formulation and day to day administration of the activities are regarded as the Key Management Personnel and this team consists of the three Ministers noted previously and several non-remunerated lay

trustees. The aggregate benefit received during the year by this key management team was £100,299 (2019/20 -£97,592).

Average number of employees throughout the year were 3 full-time ministers (2019/20 -3) and 3 part-time administration staff (2019/20 -4).

No employee received remuneration of more than £60,000 during the year (2019/20 –nil).

**Pensions.**

All pension costs relate to the Methodist Ministers’ Pension Scheme, this is effectively a multi-employer defined benefit scheme as noted in Accounting Policies note 1.6 and further details of the Pension Scheme deficit is reported in note 22.

Lay employees have the option to join a defined contributions pension scheme although none have done so to date.

**Trustees’ expenses**

The three Ministers (2019/20 -3) were reimbursed total expenses of £6,286 (2019/20 - £8,434) during their employment and whilst it is not possible to analyse the function of all these expenses it is considered that almost all these expenses relate to reimbursement whilst they were carrying out their role as ministers as opposed to as trustees. It is therefore considered that no further analysis would be useful.

In addition, 5 (2019/20 – 4) lay trustees were reimbursed a total of £4,502 (2019/20 - £3,859) during the year and this included £95 (2019/20 £nil) to a wife of one of the Ministers.

These reimbursements were largely for travel and stationery costs.

**7 Property costs**

The Circuit is Managing Trustee for three manses occupied by ministers stationed in the Circuit, with a further one on a residential let contract and which is now classed as an investment property. There is also an additional building, former church, which is leased to ‘The Forge Project’, a registered charity, which works with and assists homeless people within the local area and this property is also regarded as an investment property.

	2020-21		2019-20	
	General	CMTF	General	CMTF
	£	£	£	£
Insurance	3,654		3,517	
Council Tax and Water for manses	7,931		7,541	
Manse repairs	10,760		9,656	
Costs of closed Church buildings	12,257		1,295	
Costs of property on residential let	1,708		1,097	
Quinquennial inspections	1,800		0	
<b>Total</b>	<b>38,110</b>	<b>0</b>	<b>23,106</b>	<b>0</b>

## 8 District Assessment and Levy

The District Assessment is calculated in proportion to church members and staffing within the various Circuits within the Lincolnshire District.

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

	2020-21		2019-20	
	General	CMTF	General	CMTF
	£	£	£	£
District Assessment	42,372		40,000	
District Levy		6,384		7,598
<b>Total</b>	<b>42,372</b>	<b>6,384</b>	<b>40,000</b>	<b>7,598</b>

These are regarded as related party transactions. See note 20.

## 9 Other Outgoings

Other Outgoings of £2,456 (2019/20 -£5,972) includes a charge of £355 (2019/20 -£404) by Trustees for Methodist Church Purposes (TMCP) and this is a charge against the CMTF. This is regarded as a related party transaction. See note 20.

## 10 Independent Examiner

The fee for the independent examination of these accounts was £264 (2019/20 -£264) and the Independent Examiner provided no additional services during either of the two years.

## 11 Transfers between funds

Transfers out of CMTF are usually for specific projects, require further approval and are usually based upon anticipated costing of the expenditure. Transfers of £25,872 were made from CMTF to the General Fund for these purposes and this consisted of monies for Circuit property repairs of £11,882 (2019/20 -£9,870), contributions to costs of closed churches in the Circuit of £13,990 (2019/20 -nil) and grants to local churches of nil (2019/20 -£8,000) for specified costs.

The net effect of the above is a transfer from CMTF to General Fund of £25,872 (2019/20 - £17,870 to General Fund).

## 12 Fixed Assets – Circuit Manses and Equipment

	Land and Buildings	Office Equipt	Total
	£	£	£
<b>At cost or valuation</b>			
<b>Balance brought forward and carried forward</b>	<b>619,179</b>	<b>1,154</b>	<b>620,333</b>

<b>Accumulated depreciation</b>			
Balance brought forward	64,952	673	65,625
Depreciation charge for year	9,323	384	9,707

<b>Balance carried forward</b>	<b>74,275</b>	<b>1,057</b>	<b>75,332</b>
<b>Net realisable value at 1 September 2020</b>	<b>554,227</b>	<b>481</b>	<b>554,708</b>
<b>Net realisable value at 31 August 2021</b>	<b>544,904</b>	<b>97</b>	<b>545,001</b>

Land and buildings consist of Circuit Manses.

### 13 Fixed Assets - Investment Properties

	Land and Buildings
	£
<b>At valuation</b>	
<b>As at 1 September 2020</b>	<b>435,000</b>
<b>Revaluation in year</b>	<b>50,000</b>
<b>As at 31 August 2021</b>	<b>485,000</b>

The investment properties have been valued by the Circuit Leadership Team at fair value without any professional advice but where possible by assessment of similar property prices in the area and with any other relevant information that they have obtained.

Custodian to all properties included in the financial statements is held by TMCP and individual properties will only be released under certain conditions. In addition, if property was released a levy, based on the disposal proceeds achieved, would also be payable.

However, see also, see note 20 as regards the structure of TMCP.

### 14 Investment Assets (TMCP)

The funds that support the CMTF are held by TMCP in Trustees interest bearing bank accounts or as Managed Equity Funds and interest and dividends are credited on a regular basis.

TMCP is the legal owner and custodian trustee of all Methodist model trust property, and this is held on behalf of local managing trustees who are responsible for day to day operational control. It is ensured by TMCP that through providing guidance and direction that the managing trustees comply with Charity Law and Methodist regulation and policy as determined by the Methodist Conference.

	2020-21	2019-20
	£	£
<b>Fixed assets -Managed Equity funds</b>	<b>16,809</b>	<b>14,202</b>
<b>Current assets -Cash deposits</b>	<b>229,348</b>	<b>163,482</b>
<b>Total</b>	<b>246,157</b>	<b>177,684</b>

### 15 Debtors

All debtors and prepayments are due within one year and are as follows:

	2020-21	2019-20
	£	£
Prepayments	10,797	10,357

### 16 Loans made by the Circuit

During the year the Circuit made a loan to one of the Circuit churches of £1,963 (2019/20 - nil) and this is expected to be repaid within the next financial year.

### 17 Creditors (due in under one year)

	2020-21	2019-20
	£	£
Deferred income	40,160	44,505
Creditors	162	0
Accruals	2,137	907
Total	42,459	45,412

Deferred income includes £40,100 (2019/20 £44,505) for church assessments which are received quarterly in advance.

### 18 Movements in Funds

All funds owned by the charity are unrestricted and consists of two funds with a summary of the movements being as follows:

	Balance at 1/09/20	Income	Expenditure	Inv'tment gain/loss	Transfer	Balance at 31/08/21
	£	£	£	£	£	£
General Fund	1,147,313	210,676	(238,421)	50,0000	25,872	1,195,440
Circuit Model Trust Fund	177,684	130,261	(38,523)	2,607	(25,872)	246,157
Total	1,324,997	340,937	(276,944)	52,607	0	1,441,597

The purpose of these funds is described as follows:

#### General Fund

The General Fund is for use at the discretion of the trustees in furtherance of the general objectives of the Circuit.

#### Circuit Model Trust Fund

The Circuit Model Trust Fund is also for use in the general objectives of the Circuit. Its main source of income is formulaically determined contributions from the sale of manses and church buildings in the Circuit. Although this fund meets the definition of an unrestricted fund under the control of the Circuit Meeting, prior approval is still required from TMCP to access these funds.

## 19 Analysis of Net Assets between Funds

Fund balances at 31 August 2021 are represented by:

	General	CMTF	Total
	£	£	£
Tangible fixed assets	545,001		545,001
Fixed asset investments	485,000		485,000
Investments		16,809	16,809
Net current assets	165,439	229,348	394,787
<b>Total</b>	<b>1,195,440</b>	<b>246,157</b>	<b>1,441,597</b>

Fund balances at 31 August 2020 are represented by:

	General	CMTF	Total
	£	£	£
Tangible fixed assets	554,708		554,708
Fixed asset investments	435,000		435,000
Investments		14,202	14,202
Net current assets	157,605	163,482	321,087
<b>Total</b>	<b>1,147,313</b>	<b>177,684</b>	<b>1,324,997</b>

## 20 Transactions with Related Parties

Related parties include the Methodist Church, Connexion, the Lincolnshire District, other Methodist churches within the circuit, and TMCP.

None of the Circuit trustees made donations directly to the Circuit during the year or preceding year. All the Circuit trustees are members of a church within the Circuit and may be trustees in their churches.

During the year Assessments were receivable from churches within the Circuit of £184,636 (2019/20 -£185,272) and none of these monies were outstanding at either year end.

During the year grants were made of nil (2019/20 -£8,000) and a loan was made of £1,963 (2019/20 -nil) to churches within the Circuit.

The Circuit paid, during the year £48,756 (2019/20 -£47,598) in assessments and levies to the Lincolnshire Methodist District. No amounts were outstanding at the year-end (2019/20 -nil)

Also, during the year, the Circuit paid TMCP the custodians of the Circuit's investments (CMTF) management charges of £355 (2019/20 -£404). No amounts were outstanding at the end of either year.

Custodianship of property remain with TMCP (see notes 12 and 13) and also some investments and cash deposits (see note 14) are held with them. As noted previously assets held by TMCP will only be released subject to strict conditions.

The Circuit sold a redundant church building during the year and the net disposal proceeds of £129,460 was received by TMCP (who are the legal owner of most Methodist property). They deducted the Connexional Priority Fund Levy of £31,784 and remitted the balance of £97,676 to the appropriate CMTF held by the Circuit.

A total of £267 (2019/20 -£615) was paid to C.J. Enterprises during the year and this is an entity controlled by the Circuit Treasurer, Mr A. Lockwood. These payments were for property repairs and no amounts were outstanding at either the beginning or the end of either of the years.

## **21 Events after the reporting date**

### **Property**

During November 2021 the Circuit received funds of £52,539, being net of the CPF Levy, as the proceeds of sale for the Alkborough Methodist Church building.

### **Public health**

We continue to be vigilant to public health and to adapt and safely execute our operations during the coronavirus pandemic. To date there has been no significant financial implications because of coronavirus but we continue to monitor the situation closely and will take corrective action if regarded necessary.

## **22 Contingencies**

### **Property**

A small pocket of land with an estimated value of £10,000 (included in investment property at this value) is held. This land is currently used by the local Parish Council as part of a children's playground and the Council pay a nominal rent for it although no legal agreement is held by the Circuit.

Discussions continue with the local Parish Council as we seek to regularise the situation.

### **Pension Schemes**

The Methodist Church has informed all Districts, Circuits, and churches that due to a deficit on both the Minister's Pension Scheme and a similarly constructed lay employee defined benefit pension scheme, the latter of which is not accepting future accruals, that additional funding is required. At the 31 August 2020 an actuarial valuation of both schemes identified a provisional deficit of, in aggregate, approximately £30.6 million.

The trustees of both pension schemes need to be satisfied that funding is available to cover these deficits and therefore the Methodist Church is negotiating with all these aforementioned entities to obtain such funds. As these negotiations have not yet concluded it is not possible to state with any certainty the amount that this Circuit will contribute, other than to state that in the opinion of the trustees any such contribution will not compromise going concern.

## DECLARATIONS

### Treasurer

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

Signature of Treasurer

*Alwood*

Date

8/3/22

Name

ANDREW LOCKWOOD

Address

85 WEST STREET, WEST BUTTERWICK, NR  
SCUNTHORPE, NORTH LINGS - DN173LG

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

I confirm that the Accounts have been or ~~will be~~ (\*) presented to the Circuit Meeting on and were or will be (\*) approved on

8 March 2022

Signature of the Chair of the meeting

*Angela Jones Long*

Name of the Chair of the meeting

Angela Jones Long

Date

8/3/22

# Independent examiner's report to the trustees of the Epworth and Scunthorpe Methodist Circuit.

I report to the trustees on my examination of the accounts of the Epworth and Scunthorpe Methodist Circuit for the year ended 31<sup>st</sup> August 2021.

## Responsibilities and basis of report

As the charity trustees of the Trust you are responsible for the preparation of the accounts in accordance with the requirements of the Charities Act 2011 ('the Act').

I report in respect of my examination of the Trust's accounts carried out under section 145 of the 2011 Act and in carrying out my examination I have followed all the applicable Directions given by the Charity Commission under section 145(5)(b) of the Act.

## 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 giving me cause to believe that in any material respect:

1. accounting records were not kept in respect of the Trust as required by section 130 of the Act; or
2. the accounts do not accord with those records; or
3. 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.

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.

Signed:



Name:

BARRICK CAMPBELL

Relevant professional qualification or membership of professional bodies (if any):

PCA (ICAEW)

Address:

2 WESTCLIFF GARDENS  
SCUNTHORPE  
DN17 1RT

Date:

11/04/2022

# Independent examiner's report to the trustees of the Epworth and Scunthorpe Methodist Circuit.

I report to the trustees on my examination of the accounts of the Epworth and Scunthorpe Methodist Circuit for the year ended 31<sup>st</sup> August 2021.

## Responsibilities and basis of report

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1. accounting records were not kept in respect of the Trust as required by section 130 of the Act; or
2. the accounts do not accord with those records; or
3. 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.

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.

Signed:



Name:

BARRICK CAMPBELL

Relevant professional qualification or membership of professional bodies (if any):

PCA (ICAEW)

Address:

2 WESTCLIFF GARDENS  
SCUNTHORPE  
DN17 1RT

Date:

11/04/2022

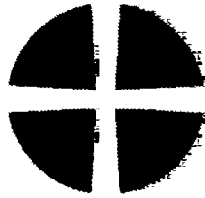
**Epworth Scunthorpe and Gainsborough Methodist Circuit**

England & Wales - Charity number 1133752

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# Accounts

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**THE METHODIST CHURCH**

**Epworth and Scunthorpe Circuit**

**Registered Charity - Registration number 1133752**

**In the Lincolnshire District no 17/01**

**Ministers**

**Rev'd Angela Long**

**Rev'd Paul Braisdell**

**Rev'd Helen Croft**

**Circuit Stewards**

**Mr David Sanderson (Snr steward)**

**Miss Betty Oldridge**

**Mr Mervyn White**

**Mrs Barbara Hope (retired May 2020)**

**Circuit Treasurer**

**Mr Andrew Lockwood**

## Contents of this report.

Finance report and balance sheet for the year 1<sup>st</sup> September 2019 to 31<sup>st</sup> August 2020 in accrual format as required by the Charity Commission.

A detailed explanation of the year's finances kindly prepared by Mr Arthur Dawson.

The circuit annual report prepared by the leadership team.

The Circuit Meeting acceptance signature sheet.

The independent examiner's report and signature sheet.

A copy of the completed signed off document is expected to be at the Lincolnshire District office prior to the April Synod.

A pdf electronic copy must be uploaded onto the Charity Commission website as part of the circuit annual return by 30<sup>th</sup> of June.

Name of Circuit: Epworth and Scunthorpe Methodist Circuit: Circuit No: 17/01

**Statement of Financial Activities (SOFA) for the year ended 31 August 2020**

	Notes to the accounts	Circuit Model		Total 2019-20	Total 2018-19
		General Fund (Unrestricted)	Trust (Unrestricted)		
		£	£	£	£
<b>Income</b>					
1 Donations and legacies				0	518
2 Income from monetary investments		782	1,844	2,626	2,919
3 Income from investment properties	2	17,364		17,364	15,200
4 Assessments on Churches	3	185,272		185,272	185,185
5 Capital Receipts	4			0	0
6 Grants received				0	0
7 Other charitable income		336		336	298
<b>8 Total income</b>		<b>203,754</b>	<b>1,844</b>	<b>205,598</b>	<b>204,120</b>
<b>Expenditure</b>					
9 Grants and donations	5	18,150		18,150	11,150
10 Salaries and associated costs	6	128,739		128,739	124,943
11 Property costs	7	23,106		23,106	21,131
12 Connexional assessment & model trust levy				0	0
13 District Assessment & Levy	8	40,000	7,598	47,598	57,660
14 Depreciation		9,707		9,707	9,612
15 Office expenses		9,836		9,836	11,206
16 Other outgoings	9	5,568	40	5,972	6,195
<b>17 Total charitable expenditure</b>		<b>235,106</b>	<b>8,000</b>	<b>243,106</b>	<b>244,897</b>
<b>Net income before investment gains/losses</b>					
		<b>-31,352</b>	<b>-6,156</b>	<b>-37,508</b>	<b>-37,777</b>
18 Gains/(losses) on monetary investments			-256	-256	177
19 Gains/(losses) on investment properties	11			0	45,643
<b>20 Net income/(expenditure)</b>		<b>-31,352</b>	<b>-6,413</b>	<b>-37,765</b>	<b>8,043</b>
21 Transfers between funds	12	17,870	-17,870	0	0
22 Other gains/(losses)				0	0
<b>23 Net movement in funds</b>		<b>-13,482</b>	<b>-24,283</b>	<b>-37,765</b>	<b>8,043</b>
24 Total funds brought forward		1,180,795	201,967	1,382,762	1,384,719
<b>25 Total funds carried forward</b>	19/20	<b>1,147,313</b>	<b>177,684</b>	<b>1,324,997</b>	<b>1,382,762</b>

# Balance Sheet as at 31 August 2020

Notes to:  
the  
Accounts

General Fund (Unrestricted)	Circuit Model Trust (Unrestricted)	Designat ed Funds (Unrestrict ed)	Restrict ed Funds	Endow ment Funds	Totals 2020	Totals 2019
£	£	£	£	£	£	£

## Fixed Assets

Circuit: Manses & Equipment	13	554,708				554,708	584,415
Investment properties	14	435,000				435,000	435,000
Investments	15		14,202			14,202	14,457
<b>Total fixed assets</b>		<b>989,708</b>	<b>14,202</b>	<b>0</b>	<b>0</b>	<b>1,003,910</b>	<b>1,013,872</b>

## Current Assets

Debtors	16	10,357				10,357	10,051
Loans by the Circuit						0	0
Investments with TMCP	15		163,482			163,482	187,510
Central Finance Board	17	135,961				135,961	123,741
Cash at Bank and in hand	17	56,699				56,699	65,018
<b>Total current assets</b>		<b>203,017</b>	<b>163,482</b>	<b>0</b>	<b>0</b>	<b>366,499</b>	<b>386,320</b>

## Current liabilities

Creditors: (due in under 1 year)	18	45,412				45,412	37,430
Grants payable within 2017-18						0	0
<b>Total current liabilities</b>		<b>45,412</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>45,412</b>	<b>37,430</b>
<b>Net current assets/liabilities</b>		<b>157,605</b>	<b>163,482</b>	<b>0</b>	<b>0</b>	<b>321,087</b>	<b>348,890</b>

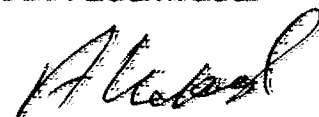
<b>Total assets less current</b>		<b>1,147,313</b>	<b>177,684</b>	<b>0</b>	<b>0</b>	<b>1,324,997</b>	<b>1,362,762</b>
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<b>Long term liabilities:</b> (due after more than one year)							
Grants payable after 2017-18		0				0	0
Loans to the Circuit		0				0	0
<b>Net assets</b>		<b>1,147,313</b>	<b>177,684</b>	<b>0</b>	<b>0</b>	<b>1,324,997</b>	<b>1,362,762</b>

## Funds of the Circuit

	19/20	1,147,313				1,147,313	1,160,795
Circuit Model Trust Fund (Unrestricted)	19/20		177,684			177,684	201,967
Designated Funds (Unrestricted)				0		0	0
<b>Total Unrestricted Funds</b>						<b>1,324,997</b>	<b>1,362,762</b>
Restricted Funds				0		0	0
Endowment Funds					0	0	0
<b>Total Funds</b>		<b>1,147,313</b>	<b>177,684</b>	<b>0</b>	<b>0</b>	<b>1,324,997</b>	<b>1,362,762</b>

Signed A Lockwood



Circuit Treasurer

# **Epworth and Scunthorpe Methodist Circuit**

## **Notes to the accounts for the year ended 31 August 2020**

### **1. Accounting and accounting policies**

#### **1.1 Basis of preparation of financial statements:**

The financial statements have been prepared in accordance with 'Accounting and Reporting by Charities: 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 (FRS 102) (effective 1 January 2019)' (**FRS 102 Charity SORP**).

In addition they are prepared in accordance with 'FRS 102 The Financial Reporting Standard applicable in the UK and Republic of Ireland' (**FRS 102**), under UK Generally Accepted Accounting Practice as applicable from 1 January 2015 and also the Charities Act.

These statements are also prepared under the historic cost convention as modified by the revaluation of certain assets.

The trustees confirm that the entity has met the definition of a public benefit entity as defined under FRS 102.

The financial statements are prepared in sterling which is the functional currency of the entity.

#### **1.2 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 body, except in extreme circumstances. For this reason, the financial statements of individual Churches within the Circuit, of which each are considered a separate charity, are not consolidated into these financial statements and therefore these accounts represent solely the activities of the Circuit.

#### **1.3 Income recognition**

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

Capital receipts are the deemed residual fair value of transfers to the Circuit of redundant church assets (see note 4).

#### **1.4 Expenditure/transfers:**

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.

Where expenditure has been paid out of the general fund but that subsequently an application is made to apply it to the Circuit Model Trust Fund (CMTF) then upon approval

and transfer of the funds by Trustees for Methodist Church Purposes (TMCP)) a transfer of funds will then be applied to the Statement of Financial Activities to reflect it. Sometimes the timing of the two transactions will lie in different accounting periods and the nature of the expenditure involved will normally be either property repairs or grants and details of such transfers can be seen in note 12.

TMCP is a body corporate established by the Methodist Church for the custody and administration of monetary/property assets and consequently is the Custodian Trustee for all land and buildings and monetary investments of the Charity.

### **1.5 Grants**

Grants made by the Circuit from its own funds are recognised in full at the time of approval of the agreement unless there are performance conditions attached which are within the control of the Circuit and in which case it will normally be recognised when these have been fulfilled.

### **1.6 Pensions**

The Circuit makes payments to the Methodist Ministers' Pension Scheme which is a defined benefits scheme operated by the Methodist Church. The Scheme is effectively a multi-employer scheme operated by the Methodist Church and as insufficient information is available to use defined benefit accounting the Circuit accounts for it as a defined contributions scheme. Further details are as disclosed in note 6.

### **1.7 Taxation**

As the Circuit is a registered charity it is potentially exempt from taxation on income and gains however it is not VAT registered and therefore all input VAT is charged with the expense to which it relates.

### **1.8 Tangible fixed assets**

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

Tangible fixed asset property consists of manses and other buildings used in the work of the Methodist Church. They have been owned for many years and as the cost of individual properties is unknown, they continue to be disclosed in the accounts at deemed cost being 80% of insured value as of 1 September 2013. If the trustees consider that there is evidence of impairment then an impairment charge is made against the individual property, otherwise depreciation is provided on buildings at the rate of 2% per annum on deemed cost which is designed to write the properties down to zero over their estimated useful economic life.

Land is not depreciated.

If a Society, within a Circuit, were to close then the responsibility for safe-keeping and maintenance of the church building is passed to the relevant Circuit who will retain it pending disposal or alternatively bring it into use in some way as to benefit the local community. Immediately on Society closure any redundant Church building is recognised, at

fair value (less any anticipated Connexion levy), as effectively a donation (included in Capital Receipts) and as an asset within the Circuit accounts. If the building is held pending sale then it is transferred to current assets, otherwise it is treated as a fixed asset. Upon final disposal, if treated as held pending sale, any difference between fair value and disposal proceeds is treated as a profit/loss on disposal.

Office equipment is depreciated at 33% per annum on cost from the month that the asset is acquired.

All land and buildings is held as Custodian trustee by TMCP as noted in accounting policy 1.4.

### **1.9 Investment property**

The Circuit may hold property which is surplus to its requirements. Where this is the case, and that the property is no longer held for Church Society use then it is transferred from tangible fixed assets to investment properties and valued at fair value. See also accounting policy 1.4 regarding Custodian trustee.

### **1.10 Financial instruments**

The charity only holds assets and liabilities that qualify as basic financial instruments which are therefore initially recognised at their transactional value and subsequently measured at settlement value, other than investments which are subsequently valued at fair value.

### **1.11 Monetary investments**

The Circuit's monetary investments are held by TMCP as custodian trustees (see accounting policy 1.4) and the valuations, at market value, are provided by TMCP. The unrealised gains/losses arising on investments at the end of the year are disclosed in the Statement of Financial Activities (SOFA).

### **1.12 Funds**

All funds are unrestricted, and details of the various funds are disclosed in the financial statements.

### **1.13 Critical Accounting Estimates and Judgements**

The Trustees are required to adjust as necessary estimates and judgements regarding the carrying amount of assets and liabilities in the application of the Charity's accounting policies. These estimates and judgements are based on experience and other relevant factors however actual results may differ from these recorded estimates.

They are revisited on a regular basis and any revisions are recognised as they arise.

The only area where the trustees consider there could be a significant risk of material adjustment is in the valuation of Investment Properties which are based on fair value. However even if these valuations proved to be materially lower than as stated in the financial statements the trustees are confident that the Circuit's ability as a going concern will not be compromised.

## **2 Income from investment properties**

A disused Church building has been leased to a registered charity 'The Forge Project' which provides relief for the homeless in the local area. The rent is due annually on a lease with a current rent of £10,000 pa and this income is recognised at the point that it is due to be received. The amount recognised in the year was £10,000 (£10,000 - 2018/19).

In addition, a small pocket of land is held by the Circuit and nil rent was received in both this year and the previous year in connection with this asset (see also note 23).

Furthermore, a manse currently surplus to requirements has been rented out during the year with a gross rent received of £7,364 (£5,200 - 2018/19).

## **3 Assessment on Churches**

During the year, the Circuit comprised 21 Church Societies, and each is assessed for a contribution to meet the overall net costs of the Circuit. In making the Assessment all anticipated income is considered and the Circuit then aims to cover its remaining core costs from this Assessment.

The Assessment on Churches is determined annually by the Circuit using a formula which considers the number of members in each Church, its anticipated income and unrestricted funds at its disposal.

Part of this Church Assessment is to reimburse the Circuit for monies required from District to cover certain costs of individual Churches that make up the Circuit. However, as these costs cannot be identified and as the contractual relationship is between the Circuit and District (rather than individual Churches) then it is deemed appropriate show these incomes and costs in full rather than to net down as in a principal/agent relationship.

These Assessments are receivable quarterly in advance and are treated as deferred income if received in advance of the relevant period at the year end.

## **4 Capital Receipts**

This relates primarily to the fair value of church buildings in relation to a closed society and these properties are then transferred to the Circuit pending sale or other disposal. The relevant asset is shown net of all related selling fees, levy and commission. Sales of Methodist property are normally subject to a levy by the Connexion calculated on a sliding scale based on eventual selling price. Any historic grants made by the connexion to the closed church are also reclaimed from the proceeds of sale.

Other net assets received from the closed Society would also be included under this heading.

There were no such receipts in either the current or previous financial year.

### 5 Grants and donations made by the Circuit

Grants and donations as listed below have been agreed during the year and are recognised in accordance with the accounting policy as stated in note 1.5.

	2019-20		2018-19	
	General	CMTE	General	CMTE
	£	£	£	£
The Forge Project	9,900		9,900	
Grants to local Churches	8,000		0	
The Rectory Project	0		1,000	
Other donations	250		250	
<b>Total</b>	<b>18,150</b>	<b>0</b>	<b>11,150</b>	<b>0</b>

### 6 Salaries and associated costs

	2019-20		2018-19	
	General	CMTE	General	CMTE
	£	£	£	£
Stipends	77,536		74,316	
Administrators' Gross Pay	14,641		14,297	
Social Security costs	7,106		6,807	
Pension costs	20,056		19,504	
Apprenticeship Levy	388		439	
Ministers' Telephone	2,375		2,064	
Ministers' Travel costs	4,677		7,516	
Minister's relocation costs	1,960		0	
<b>Total</b>	<b>128,739</b>	<b>0</b>	<b>124,943</b>	<b>0</b>

### Trustees' remuneration

Ministers of the Circuit being Reverend A. Long (Superintendent Minister), Reverend P. Braisdell and Reverend H. Croft were also trustees of the Circuit (although H. Croft resigned as at 31 August 2020). Their stipend and allowances are determined annual in advance by the Methodist Conference and the relevant Circuit is responsible for meeting these costs. They all received a stipend of £25,000 pa (2018/19 - £24,168) and the Superintendent Minister also received the Superintendent Allowance of £2,485 pa (2018/19 - £1,813). At the year-end salary of £6,594 (2018/19 - £6,420) had been paid in advance (one months' salary).

Also, an amount of £20,056 (2018/19 - £19,504) was payable into the defined benefit pension scheme to which all these ministers are members. At the year-end £1,671 (2018/19 - £1,671) had been paid in advance into the Scheme.

Their remuneration and pension cost as stated is largely connected to their role as minister rather than as a trustee and in view of this and the complexities involved in apportionment it is not considered necessary to identify costs between the two roles.

In addition, manses are provided for each minister and their respective family and these properties are maintained by the Circuit who also make payments for buildings insurance.

council tax and water charges. See note 7 for details. These costs are not regarded as a taxable benefit by HMRC and therefore have not been disclosed as remuneration in any of these notes.

Two lay trustees received remuneration for administrative tasks carried out during the year and they were Mrs L. Howard £4,045 (2018/19 -£3,820) and Mrs B. Braidsell (wife of Reverend P. Braidsell) £2,839 (2018/19 -£2,471). Otherwise no further lay trustees were remunerated in either year.

#### **Key Management Personnel**

The Circuit Leadership Team, who are responsible for policy formulation and day to day administration of the activities are regarded as the Key Management Personnel and this team consists of the three Ministers noted previously and several non-remunerated lay trustees. The aggregate cost to the Circuit of this key management team benefits was £97,592 (2018/19 -£93,820).

Average number of employees throughout the year were 3 full-time ministers (2018/19 -3) and 4 part-time administration staff (2018/19 -4).

No employee received remuneration of more than £60,000 during the year (2018/19 -nil).

#### **Pensions**

All pension costs relate to the Methodist Ministers' Pension Scheme and this is a defined benefit scheme as noted in Accounting Policies note 1.6.

Lay employees have the option to join a defined contributions pension scheme although none have done so to date.

#### **Trustees' expenses**

The three Ministers (2018/19 -3) were reimbursed total expenses of £8,434 (2018/19 -£10,258) during the course of their employment and whilst it is not possible to analyse the function of all these expenses it is considered that almost all of these expenses relate to reimbursement whilst they were carrying out their role as ministers as opposed to as trustees. It is therefore considered that no further analysis would be useful.

In addition, 4 (2018/19 - 3) lay trustees were reimbursed a total of £3,859 (2018/19 -£4,662) during the year.

These reimbursements were largely for travel, stationery and repairs.

### **7 Property costs**

The Circuit is Managing Trustee for three manses occupied by ministers stationed in the Circuit, with a further one on a residential let contract and which is now classed as an investment property. There is also an additional building, former church, which is leased to 'The Forge Project', a registered charity, which works with and assists homeless people within the local area and this property is also regarded as an investment property.

	2018-20		2018-19	
	General	CMTF	General	CMTF
	£	£	£	£
Insurance	3,517		3,411	
Council Tax and Water for manses	7,541		8,388	
Manse repairs	9,656		3,824	
Costs of closed Church buildings	1,295		2,320	
Costs of property on residential let	1,097		2,228	
Quinquennial inspections	0		960	
<b>Total</b>	<b>23,106</b>	<b>0</b>	<b>21,131</b>	<b>0</b>

### 8 District Assessment and Levy

The District Assessment is calculated in proportion to church members and staffing within the various Circuits within the Lincolnshire District.

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

	2019-20		2018-19	
	General	CMTF	General	CMTF
	£	£	£	£
District Assessment	40,000		49,300	
District Levy		7,598		8,360
<b>Total</b>	<b>40,000</b>	<b>7,598</b>	<b>49,300</b>	<b>8,360</b>

These are regarded as related party transactions. See note 21.

### 9 Other Outgoings

Other Outgoings of £5,972 (2018/19 - £6,195) includes a charge of £404 (2018/19 - £434) by Trustees for Methodist Church Purposes (TMCP) and this is a charge against the CMTF. This is regarded as a related party transaction. See note 21.

### 10 Independent Examiner

The fee for the Independent examination of these accounts was £264 (2018/19 - £240) and the Independent Examiner provided no additional services during either of the two years.

### 11 Gains on investment properties

It was considered appropriate during the comparative year to re-classify as an investment property the building now held on a residential let. The difference between the book value and fair value is disclosed as an unrealised investment property gain of nil in the current year but (2018/19 - £45,643 gain) and is disclosed in the Statement of Financial Activities.

### 12 Transfers between funds

There were no monies for property sale to transfer from general fund to the Circuit Model Trust Fund (CMTF) in either the reporting year or the previous year.

Transfers out of CMTF are usually for specific projects, require further approval and are usually based upon anticipated costing of the expenditure. Transfers of £17,870 were made from CMTF to the General Fund for these purposes and this consisted of monies for Circuit property repairs of £9,870 (2018/19 -£8,714) and grants to local Churches of £8,000 (2018/19 -nil) for specified costs.

The net effect of the above is a transfer from CMTF to General Fund of £17,870 (2018/19 - £8,714 to General Fund):

### 13 Fixed Assets – Circuit Manses and Equipment

	Land and Buildings	Office Equipm	Total
	£	£	£
<b>At cost or valuation</b>			
Balance brought forward and carried forward	619,179	1,154	620,333
<b>Accumulated depreciation and Impairment Charges</b>			
Balance brought forward	55,629	289	55,918
Depreciation charge for year	9,323	384	9,707
Transfer accumulated depreciation on reclassified property			
Balance carried forward	64,952	673	65,625
<b>Net realisable value at 1 September 2019</b>	563,550	865	564,415
<b>Net realisable value at 31 August 2020</b>	554,227	481	554,708

Land and buildings consist of Circuit Manses...

### 14 Fixed Assets – Investment Properties

	Land and Buildings
	£
<b>At valuation</b>	
Balance brought forward and carried forward	435,000

The investment properties have been valued by the Circuit Leadership Team at fair value without any professional advice but where possible by assessment of similar property prices in the area and with any other relevant information that they have obtained.

Custodian to all properties included in the financial statements is held by TMCP and individual properties will only be released under certain conditions. In addition, if property was released a levy, based on the disposal proceeds achieved, would also be payable.

However, see also, see note 23.

### 15 Investment Assets (TMCP)

The funds that support the CMTF are held by TMCP in Trustees interest bearing bank accounts or as Managed Equity Funds and interest and dividends are credited on a regular basis.

TMCP is the legal owner and custodian trustee of all Methodist model trust property and this is held on behalf of local managing trustees who are responsible for operational control on a daily basis. It is ensured by TMCP that through providing guidance and direction that the managing trustees comply with Charity Law and Methodist regulation and policy as determined by the Methodist Conference.

	2019-20	2018-19
	£	£
Fixed assets - Managed Equity funds	14,202	14,457
Current assets - Cash deposits	163,482	187,510
Total	177,684	201,967

### 16 Debtors

All debtors and prepayments are due within one year and are as follows:

	2019-20	2018-19
	£	£
Prepayments	10,357	10,051

### 17 Bank

Monetary balances held at the Central Finance Board of the Methodist Church (CFB) and other bank deposits are all available upon demand.

	2019-20	2018-19
	£	£
Central Finance Board deposits	135,961	123,741
Cash at Bank and in hand	56,699	65,018
Total	192,660	188,759

### 18 Creditors (due in under one year)

	2019-20	2018-19
	£	£
Deferred income	44,505	36,940
Accruals	907	490
Total	45,412	37,430

Deferred income consists of Church assessments which are received quarterly in advance.

### 19 Movements in Funds

All funds owned by the charity are unrestricted and consists of two funds with a summary of the movements being as follows:

	Balance at 1/09/19	Income	Expenditure	Investment gain/loss	Transfer	Balance at 31/08/20
	£	£	£	£	£	£
General Fund	1,160,795	208,754	(235,106)	0	17,870	1,147,313
Circuit Model Trust Fund	201,967	11,844	(8,002)	(255)	(17,870)	177,684
Total	1,362,762	205,598	(243,108)	(255)	0	1,324,997

The purpose of these funds is described as follows:

#### General Fund

The General Fund is for use at the discretion of the trustees in furtherance of the general objectives of the Circuit.

#### Circuit Model Trust Fund

The Circuit Model Trust Fund is also for use in the general objectives of the Circuit. Its main source of income is formulaically determined contributions from the sale of manse and church buildings in the Circuit. Although this fund meets the definition of an unrestricted fund under the control of the Circuit Meeting, prior approval is still required to utilise these funds.

### 20 Analysis of Net Assets between Funds

Fund balances at 31 August 2020 are represented by:

	General	CMTF	Total
	£	£	£
Tangible fixed assets	554,708		554,708
Fixed asset investments	435,000		435,000
Investments		14,202	14,202
Net current assets	157,603	163,482	321,087
Total	1,147,313	177,684	1,324,997

Fund balances at 31 August 2019 are represented by:

	General	CMTF	Total
	£	£	£
Tangible fixed assets	564,415		564,415
Fixed asset investments	435,000		435,000
Investments		14,457	14,457
Net current assets	161,380	187,510	348,890
Total	1,160,795	201,967	1,362,762

## **21 Transactions with Related Parties:**

None of the Circuit trustees made donations directly to the Circuit during the year or preceding year. All the Circuit trustees are members of a Church within the Circuit and may be trustees in their Churches.

Related parties include the Methodist Connexion, the Lincolnshire District, Churches within the Circuit, other Methodist Districts in Great Britain, CFB and TMCP.

The Circuit paid, during the year £47,598 (2018/19 - £57,660) in assessments and levies to the Lincolnshire Methodist District. No amounts were outstanding at the year-end (2018/19 - nil)

Also, during the year, the Circuit paid TMCP the custodians of the Circuit's investments (CMTF) management charges of £404 (2018/19 - £434). No amounts were outstanding at the end of either year.

Custodianship of monies and property remain with TMCP (see notes 13, 14 and 15) and deposits are held with CFB (see note 17).

A total of £615 (2018/19 - £1,719) was paid to C.J. Enterprises during the year and this is an entity controlled by the Circuit Treasurer, Mr A. Lockwood. These payments were for property repairs and no amounts were outstanding at either the beginning or the end of either of the years.

## **22 Events after the reporting date:**

As a result of the closure of Riddings Church society we have contracted to sell their church building and this sale should be completed shortly. Upon disposal of the property the Circuit is expected to receive a net disposal of between £50,000/£60,000.

It should also be noted that we continue to be vigilant to public health and to adapt and safely execute our operations during coronavirus lockdowns and restrictions. To date there has been no significant financial implications because of coronavirus but we continue to monitor the situation closely and will take corrective action if regarded necessary.

## **23 Contingencies**

A small pocket of land with an estimated value of £10,000 (included in investment property at this value) is held. This land is currently used by the local Parish Council as part of a children's playground and the Council pay a nominal rent for it although no legal agreement is held by the Circuit.

Discussions are ongoing with the local Parish Council to regularise the situation.

EPWORTH AND SCUNTHORPE METHODIST CIRCUIT – Registered number 1133752  
TRUSTEES ANNUAL REPORT  
FOR THE YEAR ENDED 31<sup>ST</sup> AUGUST 2020

### Introduction

The Trustees are pleased to present the Annual Report of the Trustees of the Epworth and Scunthorpe Methodist Circuit (hereinafter referred to as "The Circuit") for the year ended 31<sup>st</sup> August 2020.

The Circuit has 3 full-time presbyters and 3 part-time administrative assistants along with numerous other lay volunteer office holders.

The activity and life of The Circuit has been severely curtailed in this reporting year due to the Covid19 pandemic which saw the shuttering of the majority of our church buildings for physical meetings. Those who were able have embraced on-line technology for worship and other gatherings and business meetings have been held via Zoom.

### Aims and organisation

The charity's objective is to act as a resource provider within the area around Epworth and Scunthorpe for the Methodist Church:

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.

The organisation and resourcing of regular public 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 sick and bereaved.

Taking religious assemblies in local schools.

Promotion of Christianity through the staging of events and services.

### Review of the year

The Circuit has continued to produce a preaching plan on a quarterly basis where this has been possible, although arrangements and appointments have been subject to flux.

Work has continued, where possible, to encourage local churches to explore how their buildings could be utilised as a community resource. The pandemic has brought conversations about buildings to the fore in several places. Sadly, the reality is that in the next reporting year we will be listing a smaller number of churches.

Work supporting the community, inside and outside the church, has also changed in the latter part of this reporting year. Staying connected with people in a variety of ways in the absence of physical meetings has

been important and a network of telephone and written support networks has been built up in every community.

Support for The Forge, Lindsey Lodge Hospice and the local foodbanks has also increased!

Change in working and worshipping patterns has also led to increased and changed awareness of safeguarding and GDPR requirements and The Circuit has responded accordingly.

## **Brief financial review of the year**

### **Income trends**

Circuit income is primarily drawn from the assessment paid by the circuit churches. This was £198K for the current year £184K last year. This was deemed acceptable because the Circuit now employs 3 Ministers, The 4<sup>th</sup> manse has not been disposed of but has been rented out.

### **Expenditure Trends**

Stipend expenditure has increased each financial year in line with conference approved increases, this is the biggest expense at £105K.

Expenditure of £40K, being passed to the District and Connexion, of which a significant part is used to fund the work of the wider Methodist Church. A Levy is also taken by the Central Organisation to fund Methodism generally and this is based on property sales during the year and the Circuit has contributed a further £8K in this respect.

The manses are regularly reviewed and refurbished taking into account the mobility and needs of the presbyters.

### **Fund Balances**

As at 31<sup>st</sup> August 2020, the unrestricted general funds held in the Circuit banks were £204K, giving approximately 11 months cover for expenditure.

### **Plans for 2020 - 2021**

Circuit financial plans for the coming year have been prepared on the basis that the ordained staffing levels are at 3 full time presbyters with anticipated cost of living stipend increases of 2% with no district assessment increase, plus maintaining administrative support for ministers.

### **Public Benefit**

We confirm the trustees have had regard to the Charity Commissions guidance on public benefit.

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

The governing document for the circuit is the Deed of Union (1932) and Methodist Church Act (1976). Detailed governance arrangements are outlined within the Constitutional Practice and Discipline of the Methodist Church by order of the annual conference (CPD). Management of the circuit is undertaken by the Circuit Meeting advised by the Staff and Circuit Stewards Meeting, Circuit Leadership Team, along with the Local Preachers meeting and the Circuit Finance and Property Committees.

### **Trustee Training**

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

## **Related Parties**

The Circuit is part of the Lincolnshire District and is also accountable to the Methodist Conference. The following Methodist Churches are linked to the Circuit --- See Appendix B

## **Risk Management**

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

Income and Expenditure is being monitored in total and is compared with the approved annual budget on a half yearly basis to detect trends as part of the risk management process to avoid unforeseen calls on reserves.

## **Reserves Policy**

The Reserves Policy for the Circuit is to hold a minimum sum equivalent to 8 months average expenditure. This should be sufficient to meet any unforeseen item of major expenditure on manse and/or to be able to continue, in the short term, funding planned activities in the event of any inability to raise the full Circuit Assessment from the Churches.

The Trustees confirm that whilst they hold funds a little in excess of this stated reserves policy, as stated elsewhere in this report, that they are considering their options in this respect.

## **Basis of preparation and legal framework**

The Circuit's financial statements for the year ended 31<sup>st</sup> August 2020 have been prepared as stated in section 1.1 of Notes on the accounts (page 5)

Full name of Charity: Epworth and Scunthorpe Methodist Circuit

Registration Charity Number: 1133752

Date of Registration: 2010

Main communication address: Circuit Office, Ashby Wesley Methodist Church, Ashby High Street, Scunthorpe DN16 2JT

The members of the Epworth and Scunthorpe 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 as Appendix A to this report.

## **Circuit Ministers and Officers**

Active Circuit Ministers: Rev Angela Long

Rev Paul Braisdell

Rev Helen Croft (to 31/08/20)

Circuit Stewards: Mr David Sanderson

Miss Betty Oldridge

Mr Andrew Lockwood

Mervyn White (appointed from 12<sup>th</sup> June 2019)

Circuit Administrator: Mrs Mai Lin Grimbleby

PA to the Superintendent:— Mrs Louise Howard

PA to the Rev P Braidell — Mrs Bronwen Braidell

PA to the Rev Helen Croft:— Mrs Hilary Bradshaw (to April 20)

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

Independent examiner:           Glover and Co Chartered Accountants

Investment Bankers:           Central Finance Board of the Methodist Church Trustees for Methodist Church Purposes

Bankers:                           HSBC, Market Place, Epworth DN9 1EU

Appendix A:

Names of the clarity trustees who manage the charity

Trustee name	Office (if any)	Date acted	Note
Mrs C Allison			
Mrs M Atkinson			
Mr A Bamford	Circuit Safeguarding Officer		
Mrs I Bell	Missions committee secretary		
Mrs P Bennison	Local Preachers secretary		Until 31 <sup>st</sup> August 2019
Mrs C Boardman			
Mr K Boardman			
Miss R Bollons			
Mrs B Brailsdell	Local Preachers Secretary	1 <sup>st</sup> September 2019	
Rev P Brailsdell	Minister		
Mrs P Briggs			
Mrs E Brown			
Ms R Bromby			
Mrs D Carter		Until September 2019	
Mr D Chennells			
Mrs M Chennells			
Mrs P Chennells			
Mrs S Chisnell			
Mrs V Cochrane			
Mr J Collinson		Until March 2019	
Mr S Cooper		Until December 2018	
Mrs B Credland			
Mr J Credland			
Rev Helen Croft	Minister	Until August 2020	
Mrs L Croot	Local Church Pastor		
Mr A Dawson			
Mrs J Dawson			
Mr R Day		Until August 2020	
Mrs A Dew		Until September 2018	Replaced by S. Simpkin
Mrs M Dick			
Mrs M Drummond			
Rev S Gunson	Supernumerary Minister		
Mrs M Hall			
Mr R Hewson		Until March 2020	
Mr L Holtby			
Mrs B Hope	Circuit Steward	Until May 2020	
Mrs L Howard	Circuit Meeting Secretary		

Appendix A:

Names of the charity trustees who manage the charity

Rev N Isitt	Supernumerary minister		
Mrs V Isitt			
Mrs M Jacklin			
Mrs H Jackson	Local Preachers Meeting		
Mr P Jackson	Local Preachers Meeting		
Mr M Joyce	Local Church Pastor		
Mrs S Kellington			
Mrs P Kirk			
Dr J Lambert		From June 2019	
Mrs G Lawson			
Mrs P Layton			
Mrs B Le Blanc		Until March 2020	
Mrs J Levesley		Until May 2019	Replacement Dr J Lambert
Mr A Lockwood	Circuit Treasurer		
Mrs J Lockwood		From March 2019	
Rev A Long	Superintendent minister		
Mrs S Lynaugh			
Mrs L Mansfield			
Mr W Maw			
Deacon C May	Supernumerary		
Mr K Norton	Circuit Steward	Until September 2019	
Mrs M Norton			
Miss B Oldridge	Circuit Steward		
Mr D Sanderson	Senior Circuit Steward		
Mr R Sheard			
Mrs S Simpkin			
Mr R Sims			
Mrs L Smith			
Mrs J Stocks			
Mrs M Taylor			
Mrs P Taylor			
Mrs H Verran			
Mrs J Wade		Until March 2020	
Mrs M Ward			
Mrs K Welsh		From June 2018	
Mr M White	Circuit Steward	From June 2019	
Mr K Wilbur			
Mrs C Wood			

Appendix A:

Names of the clarity trustees who manage the charity

Superintendent Minister:	Rev Angela Long
Senior Circuit Steward:	David Sanderson

Appendix B:

Churches in the Epworth and Scunthorpe Circuit
WINTERTON METHODIST CHURCH
ROXBY METHODIST CHURCH
WINTERINGHAM METHODIST CHURCH
AUBOROUGH METHODIST CHURCH
ASHBY WESLEY METHODIST CHURCH
OLD BRUMBY UNITED CHURCH (OBUK)
BURTON UPON STATHER METHODIST CHURCH
YADDLETHORPE METHODIST CHURCH
MESSINGHAM METHODIST CHURCH
SCOTTER METHODIST CHURCH
LAUGHTON METHODIST CHURCH
EPWORTH WESLEY MEMORIAL CHURCH
OWSTON FERRY METHODIST CHURCH
HAXEY METHODIST CHURCH
WESTWOODSIDE METHODIST CHURCH
WEST BUTTERWICK METHODIST CHURCH
BELTOFT METHODIST CHURCH
CROWLE METHODIST CHURCH
EALAND METHODIST CHURCH
GUNNESS METHODIST CHURCH
ALITHORPE METHODIST CHURCH

Epworth and Scunthorpe Circuit  
**DECLARATIONS**

**Treasurer**

I confirm that these accrual based accounts for the year ended 31 August 2020 have been prepared from the records of the Circuit and that they include all funds under the control of the

Signature of Treasurer

*Andrew Lockwood*

Date

25-Feb-21

Name of Treasurer

MR ANDREW LOCKWOOD

Address

85 WEST STREET, WEST BUTTERWICK, NR SCUNTHORPE,  
DN17 3LG

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

I confirm that the annual report and accounts for the year ended 31 Aug 2020 were, or will be presented to the Circuit Meeting at its meeting on

21/3/2021

and were approved:

Signature of the Chair of the meeting

*Audrea Jane Long*

Name of the Chair of the meeting

AUDREA JANE LONG

Date

11/3/2021

# Independent examiner's report to the trustees of the Epworth and Scunthorpe Methodist Circuit.

I report to the trustees on my examination of the accounts of the Epworth and Scunthorpe Methodist Circuit for the year ended 31<sup>st</sup> August 2020.

## Responsibilities and basis of report

As the charity trustees of the Trust you are responsible for the preparation of the accounts in accordance with the requirements of the Charities Act 2011 ('the Act').

I report in respect of my examination of the Trust's accounts carried out under section 145 of the 2011 Act and in carrying out my examination I have followed all the applicable Directions given by the Charity Commission under section 145(5)(b) of the Act.

## 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 giving me cause to believe that in any material respect:

1. accounting records were not kept in respect of the Trust as required by section 1130 of the Act; or
2. the accounts do not accord with those records; or
3. 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.

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.

Signed:



Name:

BARRIE CAMPBELL

Relevant professional qualification or membership of professional bodies (if any):

F.C.A. (ICAEW)

Address:

2 WESTCLIFF GARDENS  
SCUNTHORPE  
DN17 1DT

Date:

22/03/2021