

**Circuit Annual  
Accounts and Report  
2019-2020**

**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 up loaded 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 account s-	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
8 <b>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	404	5,972	6,195
17 <b>Total charitable expenditure</b>		<b>235,106</b>	<b>8,002</b>	<b>243,108</b>	<b>244,897</b>
<b>Net income before investment gains/losses</b>					
		<b>-31,352</b>	<b>-6,158</b>	<b>-37,510</b>	<b>-37,777</b>
18 Gains/(losses) on monetary investments			-255	-255	177
19 Gains/(losses) on investment properties	11			0	45,643
20 <b>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
23 <b>Net movement in funds</b>		<b>-13,482</b>	<b>-24,283</b>	<b>-37,765</b>	<b>8,043</b>
24 <b>Total funds brought forward</b>		<b>1,160,795</b>	<b>201,967</b>	<b>1,362,762</b>	<b>1,354,719</b>
25 <b>Total funds carried forward</b>	19/20	<b>1,147,313</b>	<b>177,684</b>	<b>1,324,997</b>	<b>1,362,762</b>

# Balance Sheet as at 31 August 2020

Notes to:  
the  
Accounts

General Fund (Unrestricted)	Circuit Model Trusts (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	564,415
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>

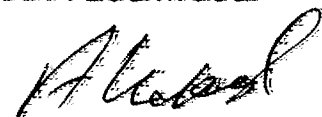
<b>Total assets less current</b>		<b>1,147,313</b>	<b>177,684</b>	<b>0</b>	<b>0</b>	<b>1,324,997</b>	<b>1,362,762</b>
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<b>Long term liabilities</b> (due after more than one year)							
Grants payable after 2017-18		0				0	0
Loans to the Circuit		0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

## **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 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	
Total	18,150	0	11,150	0

##### 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	
Total	128,739	0	124,943	0

##### 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 £25,017 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 £1,716 (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, manse 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.

	<b>2018-20</b>		<b>2018-19</b>	
	<b>General</b>	<b>CMTF</b>	<b>General</b>	<b>CMTF</b>
	<b>£</b>	<b>£</b>	<b>£</b>	<b>£</b>
Insurance	3,517		3,411	
Council Tax and Water for manse	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.

	<b>2019-20</b>		<b>2018-19</b>	
	<b>General</b>	<b>CMTF</b>	<b>General</b>	<b>CMTF</b>
	<b>£</b>	<b>£</b>	<b>£</b>	<b>£</b>
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 Manse and Equipment

	Land and Buildings	Office Equipment	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>	<b>563,550</b>	<b>865</b>	<b>564,415</b>
<b>Net realisable value at 31 August 2020</b>	<b>554,227</b>	<b>481</b>	<b>554,708</b>

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 on 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.

### 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 Braisdell — Mrs Bronwen Braisdell

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: Gloven 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. Braisdell	Local Preachers Secretary	1 <sup>st</sup> September 2019	
Rev P. Braisdell	Minister		
Mrs P. Briggs			
Mrs E. Brown			
Mrs R. Brumby			
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 (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

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

*Angela Jane Long*

Name of the Chair of the meeting

ANGELA 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 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):

F.C.A. (ICAEW)

Address:

2 WESTCLIFF GARDENS  
SCUNTHORPE  
DN17 1DT

Date:

22/03/2021