

TRUSTEES ANNUAL REPORT
FOR THE YEAR ENDED 31ST AUGUST 2021

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 31st 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:

A handwritten signature in black ink, appearing to read 'A Lockwood', is written over the signature line.

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

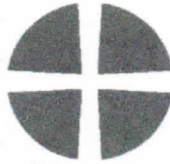
Names of the charity trustees who manage the charity

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 £
Income					
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
8 Total income		210,676	130,261	340,937	205,598
Expenditure					
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
17 Total charitable expenditure		238,421	38,523	276,944	243,108
Net income before investment gains/losses		-27,745	91,738	63,993	-37,510
18 Gains/(losses) on monetary investments			2,607	2,607	-255
19 Gains/(losses) on investment properties	13	50,000		50,000	0
20 Net income/(expenditure)		22,255	94,345	116,600	-37,765
21 Transfers between funds	11	25,872	-25,872	0	0
22 Other gains/(losses)				0	0
23 Net movement in funds		48,127	68,473	116,600	-37,765
24 Total funds brought forward		1,147,313	177,684	1,324,997	1,362,762
25 Total funds carried forward	18/19	1,195,440	246,157	1,441,597	1,324,997

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

Balance Sheet as at 31 August 2021

	Notes to the Accounts	General Fund (Unrestricted)	Circuit Model Trusts (Unrestricted)	Designated Funds (Unrestricted)	Restricted Funds	Endowment Funds	Totals 2021	Totals 2020
		£	£	£	£	£	£	£
Fixed Assets								
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
Total fixed assets		1,030,001	16,809	0	0	0	1,046,810	1,003,910
Current Assets								
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
Total current assets		207,898	229,348	0	0	0	437,246	366,499
Current liabilities								
Creditors (due in under 1 year)	17	42,459					42,459	45,412
Grants payable within 1 year							0	0
Total current liabilities		42,459	0	0	0	0	42,459	45,412
Net current assets/liabilities		165,439	229,348	0	0	0	394,787	321,087
Total assets less current liabilities		1,195,440	246,157	0	0	0	1,441,597	1,324,997
Long term liabilities (due after more than one year)								
Grants payable after more than 1 year		0					0	0
Loans to the Circuit		0					0	0
Net assets		1,195,440	246,157	0	0	0	1,441,597	1,324,997
Funds of the Circuit								
	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
Total Unrestricted Funds							1,441,597	1,324,997
Restricted Funds					0		0	0
Endowment Funds						0	0	0
Total Funds		1,195,440	246,157	0	0	0	1,441,597	1,324,997

A Hulood 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			
Total	6,730	129,640	0	0

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	
Total	9,900	0	18,150	0

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	127,685	0	128,739	0

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	
Total	38,110	0	23,106	0

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
Total	42,372	6,384	40,000	7,598

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
	£	£	£
At cost or valuation			
Balance brought forward and carried forward	619,179	1,154	620,333

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

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

Land and buildings consist of Circuit Manses.

13 Fixed Assets - Investment Properties

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

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 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
	£	£
Fixed assets -Managed Equity funds	16,809	14,202
Current assets -Cash deposits	229,348	163,482
Total	246,157	177,684

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 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 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
Total	1,195,440	246,157	1,441,597

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
Total	1,147,313	177,684	1,324,997

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 Lincs - 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

Go 24

Name of the Chair of the
meeting

Angela Jane 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 31st 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 31st 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').

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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.

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):

PCA (ICAEW)

Address:

2 WESTCLIFF GARDENS
SCUNTHORPE
DN17 1RT

Date:

11/04/2022