

EPWORTH AND SCUNTHORPE METHODIST CIRCUIT – Registered number 1133752 TRUSTEES ANNUAL REPORT FOR THE YEAR ENDED 31ST 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 31st 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 Beltoft 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 31st 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

Trustee name	Office (if any)	Dates acted	Note
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

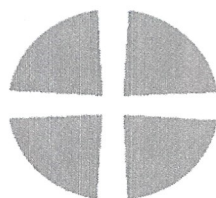
Mrs V Isitt			
Mrs M Jacklin		Until March 2022	
Mrs H Jackson	Circuit Steward		
Mr P Jackson	Local Preachers Meeting		
Mrs M Jones			
Mr M Joyce	Local Church Pastor	Until September 2021	
Mrs P Kirk			
Dr J Lambert			
Mrs P Layton			
Mrs J Levesley	Wesley Memorial Epworth	From September 2021	
Mr A Lockwood	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 (Unrestricted) £	Circuit Model Trust (Unrestricted) £	Total 2021-22 £	Total 2020-21 £
Income					
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
8 Total income		546,082	62,248	608,330	340,937
Expenditure					
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
17 Total charitable expenditure		252,719	18,644	271,363	276,944
Net income before investment gains/losses					
		293,363	43,604	336,967	63,993
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
20 Net income/(expenditure)		318,363	42,548	360,911	116,600
21 Transfers between funds	11	93,665	-93,665	0	0
22 Other gains/(losses)				0	0
23 Net movement in funds		412,028	-51,117	360,911	116,600
24 Total funds brought forward		1,195,440	246,157	1,441,597	1,324,997
25 Total funds carried forward	18/19	1,607,468	195,040	1,802,508	1,441,597

Name of Circuit: Epworth and Scunthorpe Methodist Circuit

Circuit No: 17/01

Balance Sheet as at 31 August 2022

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

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
Total fixed assets		1,390,583	15,753	0	0	0	1,406,336	1,046,810

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
Total current assets		259,514	179,287	0	0	0	438,801	437,246

Current liabilities

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

Total assets less current liabilities		1,607,468	195,040	0	0	0	1,802,508	1,441,597
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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		1,607,468	195,040	0	0	0	1,802,508	1,441,597

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
Total Unrestricted Funds							1,802,508	1,441,597
Restricted Funds					0		0	0
Endowment Funds						0	0	0
Total Funds		1,607,468	195,040	0	0	0	1,802,508	1,441,597

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 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
Total	345,000	60,673	6,730	129,460

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	
Total	12,068	0	9,900	0

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	
Total	160,777	0	127,685	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. 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	
Total	17,638	0	38,110	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.

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

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

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

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

Land and buildings consist of Circuit Manses.

13 Fixed Assets - Investment Properties

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

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 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
	£	£
Fixed assets -Managed Equity funds	15,753	16,809
Current assets -Cash deposits	179,287	229,348
Total	195,040	246,157

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
Total	23,996	10,797

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
Total	42,629	42,459

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
Total	1,441,597	608,330	(271,363)	23,944	0	1,802,508

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 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
Total	1,607,468	195,040	1,802,508

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

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 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



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



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 31st 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 WESTCLIFF GARDENS
SCUNTHORPE
DN17 1DT**

Date: **27th 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 31st August 2022.

Responsibilities and basis of report

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Signed:



Name: **BARRIE CAMPBELL**

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

FCA (ICAEW)

Address: **2 WESTCLIFF GARDENS
SCUNTHORPE
DN17 1DT**

Date: **27th March 2023**