

THE METHODIST CHURCH

EPWORTH AND SCUNTHORPE CIRCUIT

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

Registered Charity – Registration Number 1133752

In the Lincolnshire District no 17/01

MINISTERS

Rev'd Victoria Atkinson

Rev'd Paul Braisdell

CIRCUIT STEWARDS

Mr David Sanderson (Snr Steward to Dec 22)

Mrs Hazel Jackson (Snr Steward from Dec 22)
--

Miss Betty Oldridge

Mr Mervyn White

Mrs Valery Gravel

CIRCUIT TREASURER

Mr Andrew Lockwood

Contents of this report

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

A detailed explanation of the finances.

The circuit annual report prepared by the leadership team.

The circuit meeting acceptance signature sheet.

The independent examiner's report and signature sheet.

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

	Notes to the accounts	General Fund (Unrestricted) £	Circuit Model Trust (Unrestricted) £	Total 2022-23 £	Total 2021-22 £
Income					
1 Donations and legacies				0	4,000
2 Income from monetary investments		3,034	6,773	9,807	2,011
3 Income from investment properties	2	17,820		17,820	17,820
4 Assessments on Churches	22	166,733		166,733	178,263
5 Capital Receipts	4			0	405,673
6 Grants received				0	0
Unspent grant monies returned		1,689		1,689	0
7 Other charitable income		100		100	563
8 Total income		189,376	6,773	196,149	608,330
Expenditure					
9 Grants and donations	5	14,500		14,500	12,068
10 Salaries and associated costs	6	137,181		137,181	160,777
11 Property maintenance	7	27,028		27,028	17,638
12 Connexional assessment & model trust levy	22		54,268	54,268	8,134
13 District Assessment & Levy	8	50,141	7,252	57,393	50,512
14 Depreciation	9	14,611		14,611	9,418
15 Office expenses		10,767		10,767	9,361
16 Other outgoings	10	3,792	556	4,348	3,455
Interest on finance leases		1,023		1,023	0
17 Total charitable expenditure		259,043	62,076	321,119	271,363
Net income before investment gains/(losses)		-69,667	-55,303	-124,970	336,967
18 Gains/(losses) on monetary investments			-669	-669	-1,056
19 Gains/(losses) on investment properties	14	-146,186		-146,186	25,000
20 Net income/(expenditure)		-215,853	-55,972	-271,825	360,911
21 Transfers between funds	12	-182,555	182,555	0	0
22 Other gains/(losses)				0	0
23 Net movement in funds		-398,408	126,583	-271,825	360,911
24 Total funds brought forward		1,607,468	195,040	1,802,508	1,441,597
25 Total funds carried forward	20/21	1,209,060	321,623	1,530,683	1,802,508

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

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

Balance Sheet as at 31 August 2023

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

Notes to the accounts for the year ended 31 August 2023

1. Accounting and accounting policies

1.1 Basis of preparation of financial statements

The financial statements have been prepared in accordance with the 'Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (effective 1 January 2019)' (Charity SORP -FRS 102).

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

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

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

1.2 Consolidation

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

1.3 Income recognition

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

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

1.4 Expenditure/transfers

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

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

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

1.5 Grants

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

1.6 Pensions

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

1.7 Taxation

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

1.8 Tangible fixed assets

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

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

Land is not depreciated.

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

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

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

1.9 Investment property

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

1.10 Financial instruments

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

1.11 Monetary Investments

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

1.12 Funds

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

1.13 Critical Accounting Estimates and Judgements

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

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

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

1.14 Finance leases

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

1. Income from investment properties

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

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

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

2. Assessment on Churches

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

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

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

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

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

3. Capital Receipts

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

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

Society assets transferred during the year were as follows:

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

Property disposals

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

4. Grants and donations made by the Circuit

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

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

5. Salaries and associated costs

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

Trustees' remuneration

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

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

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

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

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

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

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

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

Key Management Personnel

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

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

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

Pensions.

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

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

Trustees' expenses

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

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

These reimbursements were largely for travel and stationery costs.

6. Property costs

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

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

7. District Assessment and Levy

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

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

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

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

8. Depreciation

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

9. Other Outgoings

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

10. Independent Examiner

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

11. Transfers between funds

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

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

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

12. Fixed Assets – Circuit Manses and Equipment

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

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

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

Land and buildings consist of Circuit Manses.

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

13. Fixed Assets - Investment Properties

	Land and Buildings
	£
At valuation	

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

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

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

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

14. Investment Assets (TMCP)

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

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

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

15. Debtors

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

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

16. Loans made by the Circuit

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

17. Creditors (due in under one year)

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

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

18. Creditors (due after more than one year)

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

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

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

19. Movements in Funds

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

Current year

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

Prior year

	Balance at 1/09/21	Income	Expend'ure	Inv'ment gain/ (loss)	Transfer	Balance at 31/08/22
	£	£	£	£	£	£
General Fund	1,195,440	546,082	(252,719)	25,000	93,665	1,607,468
Circuit Model Trust Fund	246,157	62,248	(18,644)	(1,056)	(93,665)	195,040
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 manses and church buildings in the Circuit. Although this fund meets the definition of an unrestricted fund under the control of the Circuit Meeting, prior approval is still required from TMCP to access these funds.

20. Analysis of Net Assets between Funds

Fund balances at 31 August 2023 are represented by:

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

Fund balances at 31 August 2022 are represented by:

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

21. Transactions with Related Parties

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

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

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

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

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

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

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

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

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

22. Pension Schemes

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

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

23. Events after the reporting date

Reorganisation

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

24. Contingencies

Property

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

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

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

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

OBJECTIVES AND ACTIVITIES

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

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

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

- a) The Christian faith in accordance with the doctrinal standards and discipline of The Methodist Church;
- b) Any charitable purpose for the time being of any Connexional, District, Circuit, local or other organisation of The Methodist Church;
- c) Any charitable purpose for the time being of any society or institution subsidiary or ancillary to The Methodist Church;
- d) Any purpose for the time being of any charity being a charity subsidiary or ancillary to The Methodist Church.

The Circuit seeks to enable:

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

Public Benefit Test

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

ACHIEVEMENTS AND PERFORMANCE

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

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

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

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

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

FINANCIAL REVIEW

Review of the financial results for the year

The Circuit has the following principal sources of funds:

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

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

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

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

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

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

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

Reserves level and policy

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

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

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

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

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

STRUCTURE, GOVERNANCE AND MANAGEMENT

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

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

Related Parties

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

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

Trustee Training

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

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

Risk Management

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

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

REFERENCE AND ADMINISTRATIVE DETAILS;

Full name of Charity: Epworth and Scunthorpe Methodist Circuit

Registration Charity Number: 1133752

Date of Registration: 2010

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

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

Circuit Ministers and Officers

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

Circuit Stewards:

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

Circuit Administrator: Mrs Mai Lin Grimbleby

PA to the Superintendent – Mrs Louise Howard

PA to the Rev P Braisdell – Mrs Bronwen Braisdell

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

Independent examiner: Glover and Co. Chartered Accountants

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

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

EXEMPTIONS FROM DISCLOSURE

None

FUNDS HELD AS CUSTODIAN TRUSTEE ON BEHALF OF OTHERS

None

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

Revd. V. Atkinson

10 September 2024

Appendix A

Names of the charity trustees who manage the charity

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

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

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

Appendix B

Churches in the Epworth & Scunthorpe

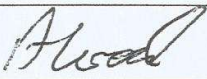
Althorpe & Gunness Methodist Church
Ashby Wesley Methodist Church
Beltoft & Butterwick Methodists
Burton upon Stather Methodist Church
Crowle & Ealand Methodist Church
Ealand Methodist premises (Sold May 2023)
Epworth Methodist Church
Haxey Methodist Church
Laughton Methodist Church
Messingham Methodist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

DECLARATIONS

Treasurer

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

Signature of
Treasurer



Date

01/10/24

Name

Andrew Lockwood

Address

85 West Street, West Butterwick, DN173LG

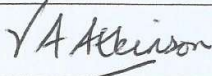
Presentation to the *Circuit Meeting for approval.

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

and were or will be approved on.

10th September
2024
10th September
2024

Signature of the Chair of the
meeting



Name of the Chair of the
meeting

REV VICKI ATKINSON

Date

9/10/24

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

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

Responsibilities and basis of report

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

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

Independent examiner's statement

I have completed my examination. I confirm that no material matters have come to my attention in connection with the examination giving me cause to believe that in any material respect:

1. accounting records were not kept in respect of the Trust as required by section 130 of the Act; or
2. the accounts do not accord with those records; or
3. the accounts do not comply with the applicable requirements concerning the form and content of accounts set out in the Charities (Accounts and Reports) Regulations 2008 other than any requirement that the accounts give a 'true and fair view which is not a matter considered as part of an independent examination.

I have no concerns and have come across no other matters in connection with the examination to which attention should be drawn in this report in order to enable a proper understanding of the accounts to be reached.

Signed: 

Name: **BARRIE CAMPBELL FCA**

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

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

Date: **3rd OCTOBER 2024**