



The Methodist Church in Sheffield

... growing followers of Jesus

**SHEFFIELD METHODIST CIRCUIT
TRUSTEES' REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2022**

Charity registration number 1134151

Sheffield Methodist Circuit

Trustees' Report and Financial Statements

Contents	Pages
Trustees' Report	1-9
Independent Auditors' Report	10-12
Statement of Financial Activities	13
Balance Sheet	14
Statement of Cash Flows	15
Notes on Accounts	16-23
Appendix	24-26

Sheffield Methodist Circuit

Trustees' Report and Financial Statements

Reference and Administrative Details

Name of the charity

Sheffield Methodist Circuit – also known as The Methodist Church in Sheffield

Charity registration number

1134151, registered in England and Wales

Principal Office

The Furnival
199 Verdon Street
Sheffield
S3 9QQ

Superintendent Ministers of the Circuit

Revd Sally Coleman (resigned 14 September 2021)

Revd James Morley (resigned 14 September 2021)

Revd Gill Newton (appointed 14 September 2021, resigned 31 August 2022)

Revd Romeo Pedro (appointed 1 September 2022)

Circuit Treasurer

Mr Arthur Lyons

Names of Trustees

The Trustees are the members of the Circuit Meeting.

At 31 August 2022 there were 125 Trustees (see Appendix 1)

No trustee claims exemption from disclosure of his or her name on Appendix 1.

Bankers

CAF Bank Limited
25 Kings Hill Avenue
Kings Hill
West Malling, Kent
ME19 4JQ

Central Finance Board of the Methodist Church
9 Bonhill Street
London
EC2A 4PE

Investment managers and custodian trustees

Trustees for Methodist Church Purposes

Central Buildings
Oldham Street
Manchester
M1 1JQ

Auditors

Hawsons Chartered Accountants
Pegasus House
463a Glossop Road
Sheffield
S10 2QD

Sheffield Methodist Circuit

Trustees' Report and Financial Statements

1 Introduction

The Trustees of the Charity present their Annual Report and the audited financial statements for the year ended 31 August 2022.

The Circuit is an unincorporated association and is governed by the Methodist Church Act 1976, the Deed of Union and the Model Trust Deeds of the Methodist Church and was registered with the Charity Commissioners on 5 February 2010.

The financial statements have been prepared in accordance with the accounting policies set out in note 1 to the financial statements and comply with the standing orders of the Methodist Church.

The Circuit appoints ministers to be Co-Superintendent Ministers of the Circuit, whose duties are set out in the Standing Orders of the Methodist Church. The Circuit has established a Co-Superintendency Team to provide leadership and cohesion within the Circuit. At the Circuit Meeting on 14 September 2021 Revd Gill Newton, Chair of Sheffield Methodist District, became titular Superintendent Minister pending a review of the Co-Superintendency and any actions taken as a result. Revd Sally Coleman and Revd James Morley stepped down as Co-Superintendent Ministers for the period of the review. Following a review of the Superintendency in November 2021, in March 2022 Revd Romeo Pedro was appointed to be sole Superintendent Minister from 1 September 2022 and Revd Gill Newton stepped down.

The Churches forming the Circuit are themselves charities and, as they are responsible for their own financial affairs, they are not reported in these statements.

1.1 Purpose of the Circuit

The Circuit is an expression, over a wider geographical area than any Church, of the Connexional character of the 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 the discipline of the Methodist Church;
- b) any charitable purpose for the time being of any Connexional, district, circuit, local or other organisation of the Methodist Church;
- c) any charitable purpose for the time being of any society or institution subsidiary or ancillary to the Methodist Church;
- d) any purpose for the time being of any charity being a charity subsidiary or ancillary to the Methodist Church.

The primary purpose of this Circuit is to advance the mission of the Methodist Church in Sheffield, the south of Barnsley and North East Derbyshire

1. By providing opportunities for Churches to work together and support each other; and
2. By offering to Churches resources of finance, personnel and expertise.

The Circuit serves the Local Churches and the District and Conference in the support, deployment and oversight of the various ministries of the Church, and in programmes of training.

Sheffield Methodist Circuit

Trustees' Report and Financial Statements

2 Objectives and activities

The charitable objectives are the advancement of the Christian faith in accordance with the doctrinal standards and discipline of the Methodist Church.

The Circuit Meeting retains responsibility for setting the mission priorities of the Circuit, the overall strategy to deliver those priorities, the invitation of ministers, the oversight of local churches, the oversight of the Circuit's finances, the admission of people to the office of Local Preacher, and decisions on formal explorations of calls to ministry and candidates for the ordained ministry. The Circuit Meeting is assisted in the task of financial oversight by the Circuit Finance and Grants Group.

The Circuit Leadership Team (CLT) and the Circuit Mission Vision Team (MVT), appointed by the Circuit Meeting, are responsible for acting on behalf of the Circuit Meeting at other times. The CLT meets monthly and the MVT meets at least 4 times a year to consider grant applications, including meeting with applicants, and considering whether the application fulfils the Circuit's Mission Criteria. The Circuit Finance and Grants Group (FGG) meets four times a year to plan the budget, keep up-to-date with the financial position, and consider the recommendations for grant funding from the MVT to be able to make recommendations to the Circuit Meeting about the amount of funding to be granted.

The Circuit's mission is to be a powerful spiritual influence in the Circuit and a visible expression of God's inclusive love. We aim to achieve this by encouraging, through the churches in the Circuit, the worship, social, and outreach activities that currently exist, and by seeking new ways to extend to others the fellowship of the church family.

The charitable objectives are the advancement of the Christian faith in accordance with the doctrinal standards and discipline of the Methodist Church.

The Circuit seeks to live out the calling of the Methodist Church, which is summarised thus: "The calling of the Methodist Church is to respond to the Gospel of God's love in Christ and to live out its discipleship and

1. To increase awareness of God's presence and to celebrate God's love;
2. To help people to grow and learn as Christians through mutual support and care;
3. To be a good neighbour to people in need and to challenge injustice; and
4. To make more followers of Jesus Christ."

The Circuit encourages and supports the Churches within it in the provision of regular public acts of worship open to members of the Methodist Church and non-members alike; the provision of sacred space for prayer and contemplation; the teaching of Christianity through sermons, courses and small groups; pastoral work, including visiting the sick and bereaved; the promotion of Christianity through the staging of events and services; the provision of youth clubs, seniors clubs, various support groups with a Christian ethos; promoting the whole mission of the Church (and aiding social cohesion) through activities for all sectors in the community and other specific needs groups; and supporting other charities in the UK and overseas financially and with prayer.

2.1 Public Benefit

When reviewing the aims and objectives of the charity and in planning future activities, the Trustees have complied with the duty in Section 17 of the Charities Act 2011 to have due regard to public benefit guidance published by the Charity Commission and, in particular, the specific guidance on charities for the advancement of religion.

Sheffield Methodist Circuit

Trustees' Report and Financial Statements

3 Achievements and performance

The principal purpose of the Circuit is to act as a supporting body between Churches and the District and Connexion. The Circuit does not seek and, in large measure, does not attain direct contact with the public. The direct contact is by Churches and it is these that the Circuit supports in their desire to provide benefit to the public.

The money collected, or available for dissipation, was used as grants to support individuals, Churches and Projects throughout the Circuit with their work in their local communities and to subsidise the administrative costs of the Circuit. During the year the Circuit approved new grants out of the General Fund and the MTF that totalled £127,287.

The policy of the trustees on grant making is to ensure that all applications can demonstrate public benefit, fit Circuit mission priorities, pass a test of sustainability, show that there is commitment from the applicant organisation, and show imagination and creativity as well as a perceived need for that for which the grant is being applied.

The grants were of several kinds, including:

1. Grants for the adaptation of buildings so that they could more easily meet the modern needs of Churches and help Churches provide services to the community;
2. Grants which supported the salaries of lay workers attached to Churches;
3. Small grants for young people to attend conferences such as 3Generate National Methodist Conference for children and young people;
4. Small grants for learning and development of lay employees and volunteers; and
5. Grants to support churches to cope with the effects of the Covid-19 pandemic.

Churches that have received grants from the Circuit will show in their own Trustees' Annual Reports details of the outcome of the activities undertaken as a result of receiving the grant. In addition, the Circuit requires a grant evaluation form to be completed to demonstrate the impact of the grant on the Churches and their activities.

The Safeguarding Training course, Creating Safer Space Foundation Module, has been delivered in many churches across the Circuit during the year and the backlog of people who needed training has been cleared. The Advanced Module has been delivered online on a District basis for those in leadership roles, and because of demand face-to-face training sessions have been put on, which has meant that nearly all who need training will have been trained by the end of 2023.

The Circuit Youth and Children's Project Co-ordinator (CYCPC) has continued to grow networks to support paid and voluntary youth and children's workers across the Circuit, organised Circuit camps and weekends away and involvement in local conferences, first aid and mental health training, encouraged working together and churches to form new groups, and has successfully applied for grants for youth activities. The Children's Work Co-ordinator is making an impact across the Circuit, initially for activities to be resumed safely, and latterly encouraging new activities.

The challenges of the Coronavirus 19 Pandemic have continued through most of the year, as churches work out how to re-open their buildings safely, what activities they are able to resume and how workers who were furloughed or working from home have returned to their work places. However, it has also been a time for church congregations to re-think what it means to be church, and how services can be provided online as well as in buildings. As churches have started to meet again physically, many churches have looked at how they can maintain an online presence, either with streamed or zoomed services, or some other way of adapting services so those who are vulnerable are still catered for.

Sheffield Methodist Circuit

Trustees' Report and Financial Statements

After successfully using the services of a mental health specialist during the Pandemic it was decided to employ a mental health specialist and grants are being applied for to pay for the salary and other costs. In August 2022 four new ministers moved into the Circuit – all presbyters, one who will be Superintendent Minister and three others who will be working in different parts of the Circuit.

4 Financial review

During the year the Circuit received total income of £1,551,666 (2021: £1,017,063) with expenditure of £1,768,843 (2021: £1,514,159). The resulting net expenditure for the year after losses on investment revaluation of £42,930 was £260,107.

The Circuit's main sources of funding were the assessments obtained from each Church within the Circuit based on the membership, attendance and giving levels of the Churches which totalled £914,872 (2021: £861,620). The Circuit also benefitted from the receipt of rental income, which included rent received from shorthold tenancies from 6 manses not occupied by ministers. Total rental income was £90,127 (2021: £109,126). Investment income for the year totalled £21,705 (2021: £16,598).

During the year Knowle Top, Stannington and Eckington with St Luke's were brought under Circuit trusteeship and introduced at a combined value of £483,159. Trust funds with a value of £28,948 were also introduced into the Circuit following the closure of Knowle Top church. Knowle Top church was sold for a value of £358,159 and a Methodist Church Fund levy paid of £119,263.

More funds have been spent on upgrading the Circuit properties to a good and consistent standard. Stipends and employment costs were higher than the previous year and in line with budget. The Circuit has also awarded additional grants at the start of the year to churches struggling to survive the effects of the pandemic, along with the usual grants, which is consistent with the plan to reduce the level of its unrestricted reserves to be in line with the reserves policy.

The trustees of the Circuit have every reason to believe that the Circuit is a going concern, principally because churches continue to meet their assessments and the Circuit has adequate reserves to cover a shortfall in anticipated income. Whether some churches survive the effects of the pandemic remains to be seen. There are no subsidiary undertakings.

4.1 Investment Policy and Performance

The Circuit trustees' investment policy is aligned with that of the Central Finance Board of the Methodist Church (CFB) and the Trustees for Methodist Church Purposes (TMCP) because these organisations take into consideration the social, environmental and ethical considerations, both negatively and positively, that make investments suitable for the Methodist Church. TMCP act as custodian trustee for all real estate held by the Circuit, and monies for long term investment are lodged with them in various investments. Short term deposits are lodged directly with the CFB and attract good rates of interest.

There are no bench marks for the expected returns or appreciation on investments at TMCP and CFB. It is the Circuit's policy to manage the cash and investment resources of the Circuit so that a rate of return on investment – both by way of dividend and capital appreciation – is obtained at least as good as market rate considering the Circuit's low appetite for risk.

Sheffield Methodist Circuit

Trustees' Report and Financial Statements

4.2 Pension Schemes

All the ministers are enrolled in the Methodist Ministers' Pension Scheme with employer contributions currently at 26.9%. The actuarial report stated that there should be a pension reserve fund for the potential deficit, and churches and Circuits were asked to make contributions to the fund. The Circuit made a contribution of £18,500. Three lay workers are enrolled in pension schemes with the Pensions Trust and one lay worker with Co-operative Investments. All other eligible lay workers are auto-enrolled in the NEST pension scheme. The employer contribution for all lay employees in a pension scheme is 6%.

5 Plans for future years

The CLT have identified the following plans for future years.

1. Encourage initiatives for mission in Churches within the Circuit;
2. To not apply for any new ministers as we will not have any leaving in August 2023.
3. Encourage work with children and young people throughout the Circuit;
4. There are some Churches that the Circuit anticipates closing in the next few years and this will affect the amount received in assessments, but this will be offset by the sale of the buildings which will increase the Circuit Model Trust Fund to support further projects; and
5. Develop a strategic plan to maximise the mission potential of the churches and encourage and enable churches and ministers to work together for the benefit of the churches and their communities. This strategy has been put on hold pending the arrival of the new Superintendent Minister.

6 Structure, governance and management

6.1 Structure

Circuits are the coordinating charities for local groups of Churches; Circuits pay the stipends of the ministers and employ lay staff to serve the Churches in the Circuit; most decisions are made at or ratified by the quarterly Circuit Meeting. A District is the coordinating charity for a group of contiguous Circuits and makes its decisions at the half yearly synods. The Methodist Conference meets once each year as the supreme denominational body for all Methodist Churches.

1. Overall regulatory authority rests with the Methodist Conference;
2. The Connexional Office implements decisions made by Conference and is also responsible for the stationing of presbyters and deacons (collectively known as ministers) in individual Circuits within the District;
3. Connexional decisions are passed to the Chair of the District and the appropriate officers of the District for implementation;
4. The District passes control down to Circuit level for local implementation by the Superintendent Minister, ministerial staff and Circuit Stewards, and authority is delegated to the Circuit Meeting for certain matters; and
5. The Circuit Meeting passes regulatory control down to Church Councils for local implementation by the presbyter, the Church Stewards, and other officers, and this regulatory authority is then exercised by Church Councils as Managing Trustees of their charity.

Sheffield Methodist Circuit

Trustees' Report and Financial Statements

6.2 Governance

The Circuit operates within a statutory framework of regulation and seeks to ensure that it follows Methodist Standing Orders. It relies on the Connexional Office at 25 Marylebone Road, London NW1 5JR to provide guidance on changes that could affect the Circuit.

The Mission Vision Team meet at least quarterly to discuss the mission of the Circuit and to evaluate and make recommendations to the Circuit Meeting about grant applications. The CLT, consisting of the Co-Superintendent Ministers, all the Circuit Stewards and two other Ministers meet monthly to discuss the policy and administration of the Circuit and have delegated authority from the Trustees to act in between Circuit Meetings should the need arise.

6.3 Responsibilities of the Circuit Meeting

The Circuit Trustees are members of the quarterly Circuit Meeting, and their responsibilities are:

1. To formulate and promote policies which will advance the mission of the Church in the Local Churches and, in particular, to supervise the use of resources of personnel, property and finance and to assist Local Churches having exceptional problems;
2. To encourage inter-Church and ecumenical co-operation;
3. To keep within its scope all Circuit concerns not dealt with elsewhere;
4. To contribute and respond, as the case may be, to the development of Connexional policies as reflected in the work of the Conference and the Methodist Council, and to carry out its other responsibilities with any such development in mind;
5. To be aware that the stipends of the ministers in the Circuit is set – currently by reference to the change over a year in the Consumer Price Index and to the annual change in the Average Weekly Earnings Index – using a formula that was agreed by the Methodist Conference for all ministers within the Connexion; and
6. Constantly to be aware of the public benefit guidance issued by the Charity Commission.

7 Risk Management

The Circuit is largely risk averse but, especially in making grants to entities embarking on new and imaginative initiatives, the Circuit is prepared to underwrite considered risks.

Risks are managed by being aware of them, quantifying their impact not only in cost terms but in possible reputational or structural damage, laying them off through an insurer and minimising them by not taking them or by setting up control systems that timeously report any significant change in the risk.

8 Safeguarding

The Circuit abides by the safeguarding principles, guidance, rules of the Methodist Conference and ensures they are implemented in the churches. This includes safe recruitment for both paid staff and volunteers, obtaining DBS disclosures for all workers working with children and vulnerable adults, providing safeguarding training for all workers and office holders, and keeping records of any safeguarding incidents.

Sheffield Methodist Circuit

Trustees' Report and Financial Statements

9 Reserves level and policy

The Circuit seeks to use all its assets for its charitable purposes, whilst continuing to secure and maintain the Circuit's financial viability. It seeks to set a balanced revenue budget, in order that the ongoing normal costs of ministry, mission and management are met from assessments from churches, income from lettings, investment income, and grants and donations.

The Circuit has a reserves policy covering all its unrestricted funds which is reviewed annually. In order to meet its ongoing financial obligations - including the monthly payment of stipends and salaries, District and Connexional assessments quarterly in advance, and to meet unforeseen circumstances, the Circuit needs to maintain sufficient unrestricted reserves.

The Circuit Meeting has determined that unrestricted reserves should be equivalent to 6 months of normal revenue operating costs, which is in the region of £800,000.

The unrestricted reserves readily available total £1,272,188.

These reserves would enable the Circuit to maintain its mission and ministry in the short term if, for whatever reason, third party grants were to be withdrawn or individual churches encounter difficulties in paying their assessments. Unrestricted reserves are defined as unrestricted funds less the investment in tangible fixed assets, loans to local churches, designated funds, and grant commitments.

Although grants are made annually out of the Circuit Model Trust Fund, it is recognised that some grants will be paid by annual instalments and that there will be applications repeated in future years. Provision is made for grants committed but not paid during the year. The trustees seek to ensure that there is sufficient in the Circuit Model Trust Fund to meet these anticipated requests and the trustees recognise future grants as liabilities on the Balance Sheet.

It is expected that the total in the Circuit Model Trust Fund will have varied amounts, year on year, as some churches are closed and sold with the proceeds being paid into the Circuit Model Trust Fund. The trustees are aware of the level of unrestricted reserves and are actively seeking to utilise surplus funds to bring reserves in line with the reserves policy. The surplus funds will be used for mission projects by the Circuit and grants to churches to enable them to fulfil their mission and the aims and objectives of the Circuit.

The net proceeds of sale of any Circuit property are required to be credited to the Circuit Model Trust Fund which are unrestricted in their nature, being available for all Methodist purposes. The net proceeds of sale are subject to a Connexional Levy and there is an annual levy by the District on the total value of the Circuit Model Trust Fund at the beginning of the year. Both levies are made available by way of grants in respect of new initiatives in mission and ministry throughout the Connexion and District. The Circuit Model Trust Fund is used by the Circuit for a variety of mission, ministry and property projects both for the Circuit and churches.

Sheffield Methodist Circuit

Trustees' Report and Financial Statements

10 Trustees' Responsibilities Statement

The trustees are responsible for preparing the Trustees' Annual Report and the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

The law applicable to charities in England & Wales requires the trustees to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the charity and of the incoming resources and application of resources of the charity for that period. In preparing these financial statements, the trustees are required to:

- Select suitable accounting policies and then apply them consistently;
- Observe the methods and principles in the Charities SORP 2019 (FRS 102);
- Make judgements and estimates that are reasonable and prudent;
- State whether applicable accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- Prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charity will continue in operation.

The trustees are responsible for keeping proper accounting records that disclose with reasonable accuracy at any time the financial position of the charity and enable them to ensure that the financial statements comply with the Charities Act 2011, the Charities (Accounts and Reports) Regulations 2008 and the provisions of the trust deed. They are also responsible for safeguarding the assets of the charity and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

The Trustees' Report and Financial Statements were approved by the Circuit Meeting on 28 March 2023.

Signed on behalf of the Circuit Meeting, as authorised:



Revd Romeo Pedro Superintendent Minister

Sheffield Methodist Circuit

Independent Auditor's Report to the Trustees of Sheffield Methodist Circuit

Opinion

We have audited the financial statements of Sheffield Methodist Circuit (the 'charity') for the year ended 31 August 2022 which comprise the Statement of Financial Activities, Balance Sheet, Statement of Cash Flows and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 *The Financial Reporting Standard applicable in the UK and Republic of Ireland* (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the charity's affairs as at 31 August 2022, and of the charity's incoming resources and application of resources, including its income and expenditure, for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Charities Act 2011.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report. We are Independent of the charity in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

In auditing the financial statements, we have concluded that the trustees' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the charity's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

Our responsibilities and the responsibilities of the trustees with respect to going concern are described in the relevant sections of this report.

Other Information

The other information comprises the information included in the trustees annual report, other than the financial statements and our auditor's report thereon. The trustees are responsible for the other information contained within the annual report. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon. Our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the course of the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether this gives rise to a material misstatement in the financial statements themselves. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

Sheffield Methodist Circuit

Independent Auditor's Report to the Trustees of Sheffield Methodist Circuit

Matters on which we are required to report by exception

We have nothing to report in respect of the following matters in relation to which the Charities (Accounts and Reports) Regulations 2008 require us to report to you if, in our opinion:

- the information given in the financial statements is inconsistent in any material respect with the trustees' report; or
- sufficient accounting records have not been kept; or
- the charity's financial statements are not in agreement with the accounting records and returns; or
- we have not received all the information and explanations we require for our audit.

Responsibilities of trustees

As explained more fully in the trustees' responsibilities statement set out on page 9, the trustees are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the trustees determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the trustees are responsible for assessing the charity's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the trustees either intend to liquidate the charity or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

We have been appointed as auditor under section 144 of the Charities Act 2011 and report in accordance with regulations made under section 154 of that Act.

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below:

The charity is subject to laws and regulations that directly and indirectly affect the financial statements. Based on our understanding of the charity and the environment it operates within, we determined that the laws and regulations which were most significant included FRS 102 and the Charities Act 2011. We considered the extent to which non-compliance with these laws and regulations might have a material effect on the financial statements, including how fraud might occur. We evaluated management's incentives and opportunities for fraudulent manipulation of the financial statements (including the risk of override of controls), and determined that the principal risks were related to the posting of inappropriate journal entries to improve the charity's result for the period, and management bias in key accounting estimates.

Sheffield Methodist Circuit

Independent Auditor's Report to the Trustees of Sheffield Methodist Circuit

Audit procedures performed by the engagement team included:

- Discussions with management and those responsible for legal compliance procedures within the charity to obtain an understanding of the legal and regulatory framework applicable to the charity and how the charity complies with that framework, including consideration of known or suspected instances of non-compliance with laws and regulations and fraud;
- Reviewing minutes of Trustee meetings;
- Identifying and assessing the design effectiveness of controls that management has in place to prevent and detect fraud and non-compliance with laws and regulations;
- Challenging assumptions and judgements made by management in their significant accounting estimates.
- Identifying and testing journal entries, in particular any journal entries posted with unusual account combinations or posted by senior management.

There are inherent limitations in the audit procedures described above and the more removed non-compliance with laws and regulations is from the events and transactions reflected in the financial statements, the less likely we are to become aware of it. Also, the risk of not detecting a material misstatement due to fraud is higher than the risk of not detecting one resulting from error, as fraud may involve deliberate concealment by, for example, forgery or intentional misrepresentations, or through collusion.

A further description of our responsibilities is available on the Financial Reporting Council's website at www.frc.org.uk/auditors/audit-assurance/auditor-s-responsibilities-for-the-audit-of-the-fi/description-of-the-auditor-s-responsibilities-for. This description forms part of our auditor's report.

Use of our report

This report is made solely to the charity's trustees, as a body, in accordance with Part 4 of the Charities (Accounts and Reports) Regulations 2008. Our audit work has been undertaken so that we might state to the charity's trustees those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the charity and the charity's trustees as a body, for our audit work, for this report, or for the opinions we have formed.



Hawsons Chartered Accountants, Statutory Auditor
Pegasus House
463a Glossop Road
Sheffield
S10 2QD

31 March 2013

Hawsons Chartered Accountants is eligible to act as an auditor in terms of section 1212 of the Companies Act 2006.

Sheffield Methodist Circuit

Statement of Financial Activities

For the Year ended 31 August 2022

	Note	General Fund (unrestricted) £	Circuit Model Trust Fund (unrestricted) £	Other Funds (restricted) £	Total 2022 £	Total 2021 £
Income						
Charitable activities						
Assessment or share		914,872	-	-	914,872	861,620
Rental income		90,127	-	-	90,127	109,126
Properties introduced		483,159	-	-	483,159	-
Investment income	2	2,250	19,455	-	21,705	16,598
Other income	3	3,166	-	9,689	12,855	29,719
Funds introduced		28,948	-	-	28,948	-
Total		1,522,522	19,455	9,689	1,551,666	1,017,063
Expenditure						
Stipends, salaries, NIC and pension	6	801,400	-	-	801,400	721,479
District assessment		242,462	-	-	242,462	244,076
Motor and travel		54,189	-	-	54,189	13,684
Insurance, telephone and utilities		94,383	-	-	94,383	70,703
Maintenance on manses		144,094	-	-	144,094	102,220
Administration	7	69,918	2,943	-	72,861	76,100
Expenditure on other Circuit property		19,028	-	-	19,028	24,617
Other expenditure	7	16,326	-	8,865	25,191	28,918
Grants and donations		42,685	84,602	-	127,287	129,878
Contributions to District Advance Fund		-	68,685	-	68,685	102,484
Methodist Church Fund levy		119,263	-	-	119,263	-
Total		1,603,748	156,230	8,865	1,768,843	1,514,159
Net (Losses) / Gains on investments		(42,930)	-	-	(42,930)	120,451
Net (expenditure) income		(124,156)	(136,775)	824	(260,107)	(376,645)
Transfers between funds		237,664	(237,664)	-	-	-
Other recognised gains / (losses)						
(Losses) on property disposal		-	-	-	-	(90,922)
(Losses)/Gains on revaluation of fixed assets		(62,000)	-	-	(62,000)	383,000
Net movement in funds		51,508	(374,439)	824	(322,107)	(84,567)
Total funds brought forward		9,342,284	1,097,789	264	10,440,337	10,524,904
Total funds carried forward		9,393,792	723,350	1,088	10,118,230	10,440,337

The Statement of Financial Activities includes all gains and losses recognised in the year.

Sheffield Methodist Circuit

Balance Sheet

As at 31 August 2022

	Note	General Fund (unrestricted) £	Circuit Model Trust Fund (unrestricted) £	Other Funds (restricted) £	Total 2022 £	Total 2021 £
Fixed assets						
Tangible fixed assets	8	6,579,954	-	-	6,579,954	5,325,238
Investment properties	9	2,265,000	-	-	2,265,000	3,458,000
Investments	10	41,160	507,829	-	548,989	795,923
Total fixed assets		8,886,114	507,829	-	9,393,943	9,579,161
Current assets						
Debtors and prepayments	11	80,942	62,880	-	123,822	176,365
Central Finance Board and Trustees for Methodist Church Purposes deposits		499,829	197,664	-	697,493	737,542
Cash at bank and in hand		100,273	-	1,088	101,361	143,855
Total current assets		681,044	260,544	1,088	922,676	1,057,762
Creditors: amounts falling due in less than one year	12	153,366	45,023	-	198,389	196,586
Net current assets		527,678	215,521	1,088	724,287	861,176
Net assets		9,393,792	723,350	1,088	10,118,230	10,440,337
Funds of the Circuit						
General Fund		9,393,792	-	-	9,393,792	9,342,284
Circuit Model Trust Fund		-	723,350	-	723,350	1,097,789
Other Funds		-	-	1,088	1,088	264
Total funds	13	9,393,792	723,350	1,088	10,118,230	10,440,337

The financial statements were approved and authorised for issue by the Trustees on 28 March 2023 and are signed on their behalf by:

.....
Mr A Lyons - Treasurer

.....
Rev'd R Pedro - Superintendent Minister

Sheffield Methodist Circuit

Statement of Cash Flows

For the Year ended 31 August 2022

	Note	2022	2021
		£	£
Net Cash flow from operating activities	15	<u>(666,411)</u>	<u>(597,594)</u>
Cash flow from investing activities			
Payments to acquire tangible fixed assets		-	(6,422)
Receipts from sale of tangible fixed assets		358,159	133,078
Proceeds from sale of investments		204,004	-
Interest received		21,705	16,598
Net cash flow from investing activities		<u>583,868</u>	<u>143,254</u>
Net (decrease) in cash and cash equivalents		(82,543)	(454,340)
Cash and cash equivalents brought forward		881,397	1,335,737
Cash and cash equivalents carried forward		<u>798,854</u>	<u>881,397</u>

Sheffield Methodist Circuit

Notes to the financial statements

Year ended 31 August 2021

1. Accounting Policies

1.1 General information and basis of preparation

The address of the registered office is given in the charity information on page 1 of these financial statements. The nature of the charity's operations and principal activities are set out in the Trustees report. The charity constitutes a public entity as defined by FRS 102. The financial statements have been prepared in accordance with Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102), the Charities Act 2011 and United Kingdom Generally Accepted Practice.

The financial statements are prepared on a going concern basis under the historical cost convention.

1.2 Funds

The funds held constitute:

- General Funds held for any purpose of the Circuit which are unrestricted,
- The Circuit Model Trust Fund has wide purposes defined in Standing Orders and is categorised as unrestricted.
- Restricted funds are funds which are to be used in accordance with specific instructions imposed by donors or which have been raised for specific purposes.

1.3 Methodist church fund

Income is included in the Statement of Financial Activities (SOFA) when the Circuit becomes entitled to the resources, it becomes probable they will receive the resources and the monetary value can be measured with sufficient reliability.

1.4 Expenditure

Expenditure is recognised when a liability is incurred, or a constructive obligation arises that results in the payment being unavoidable. Liabilities are recognised as soon as an outflow of economic benefit is considered more likely than not under the legal or constructive obligation committing the circuit to pay out resources.

1.5 Grants

Grants made by the Circuit from its own funds are recognised in full at the time of agreement or when the Circuit accepts that there is a legal or operational obligation to make payment. When the grant is recurrent over more than one year the balance payable in future years is treated as a provision for future commitments in the Balance Sheet against the appropriate fund, the provision being released in future years as instalments are paid in accordance with the originally agreed terms.

Sheffield Methodist Circuit

Notes to the financial statements

Year ended 31 August 2021

1. Accounting Policies

1.6 Tangible fixed assets for use by the Circuit.

Tangible fixed assets are capitalised if they can be used for more than one year, and cost at least £1,000.

The carrying values of tangible fixed assets have been retained at their book amount as deemed cost on transition to SORP FRS102.

It is the Circuit's policy to maintain the freehold and long leasehold residential properties in good repair ensuring high residual values. The Trustees consider the life of the properties to be so long that consequently there is no significant annual depreciation.

1.7 Investment properties

Investment properties are measured at fair value at each reporting date with changes in fair value recognised in net gains / (losses) on investments in the SoFA.

1.8 Investments

Investments are valued in the balance sheet at market value at the year end.

Investment income is included in the accounts when receivable and any gains or losses on revaluation at the year end are shown in the SOFA.

1.9 Taxation

The Circuit's activities are not subject to taxation.

1.10 Pension

The Circuit contributes to the Methodist Ministers Pension Scheme which is a defined benefit scheme. The scheme is a multi employer pension scheme and it is not possible to identify the assets and liabilities of the scheme which are attributable to the Circuit. The scheme is accounted for as a defined contribution scheme. The Circuit also operates a defined contribution pension scheme for administrative staff and lay workers. Contributions are recognised in the SOFA in the period in which they become payable in accordance with the rules of the scheme.

1.11 Going concern

The financial statements have been prepared on a going concern basis as the Trustees believe that no material uncertainties exist. The Trustees have considered the level of funds held and the expected level of income and expenditure for 12 months from authorising these financial statements. The trustees believe that the expected level of income is sufficient especially considering the level of reserves held by the charity to enable it to continue as a going concern.

Sheffield Methodist Circuit

Notes to the financial statements

Year ended 31 August 2022

	Unrestricted Funds 2022 £	Restricted Funds 2022 £	Total Funds 2022 £	Total Funds 2021 £
2. Interest and investment income				
Interest and dividends on CFB investments				
- General	2,250	-	2,250	1,111
- Circuit Model Trust Fund	19,455	-	19,455	15,487
	<u>21,705</u>	<u>-</u>	<u>21,705</u>	<u>16,598</u>
3. Other income				
Grants and donations	2,350	-	2,350	6,904
Project Income	712	9,689	10,401	7,579
Other	104	-	104	15,236
	<u>3,166</u>	<u>9,689</u>	<u>12,855</u>	<u>29,719</u>
4. Collections for and payments to external organisations				
There were no collections for or payments to External Organisations in the year (2021: Nil).				
5. Fees for audit of the accounts			2022	2021
			£	£
Audit			<u>10,000</u>	<u>9,500</u>
6. Stipends and salaries				
Stipends and salaries			624,801	571,079
National Insurance contributions			56,312	47,608
Pension costs			120,287	102,792
			<u>801,400</u>	<u>721,479</u>

The average number of Ministers in receipt of stipends was 16. The average monthly number of employees during the year was 14 (2021: 13) including 8 lay workers. No employee earned over £60,000 during the year (2021: None).

The members of the Circuit Meeting are the trustees of the Circuit. The Circuit Superintendent Minister, all eight Circuit Stewards and four other ministers who are members of the Circuit Leadership Team have additional management responsibilities and are considered as key management personnel. None of the Circuit Stewards receive any remuneration or expenses. The total of stipends paid to the Co-Superintendent Ministers and other presbyters was £408,173 (2021: £375,806).

15 ministers who are also Trustees live in properties owned by the Circuit.

Sheffield Methodist Circuit

Notes to the financial statements

Year ended 31 August 2022

	Unrestricted Funds 2022 £	Restricted Funds 2022 £	Total Funds 2022 £	Total Funds 2021 £
7. Administration				
Legal and professional	37,013	-	37,013	48,675
Printing and stationery	7,733	-	7,733	5,378
Other office costs	14,740	-	14,740	18,822
TMCP Administration charge	3,375	-	3,375	3,225
	<u>62,861</u>	<u>-</u>	<u>62,861</u>	<u>76,100</u>
Other Expenditure				
Ministry resources	7,061	-	7,061	6,795
Project expenditure	7,125	8,865	15,990	15,886
Training	-	-	-	14
Other	2,140	-	2,140	6,222
	<u>16,326</u>	<u>8,865</u>	<u>25,191</u>	<u>28,917</u>

8. Tangible fixed assets	Manse and other property £	Office Equipment £	Total £
Cost / Valuation			
1 September 2021	5,319,833	6,422	5,326,255
Additions	483,159	-	483,159
Transfer from Investment properties	1,131,000	-	1,131,000
Disposals	(358,159)	-	(358,159)
31 August 2022	<u>6,575,833</u>	<u>6,422</u>	<u>6,582,255</u>
Depreciation			
1 September 2021	-	1,017	1,017
Depreciation charge for year	-	1,284	1,284
31 August 2022	<u>-</u>	<u>2,301</u>	<u>2,301</u>
Net Book Value			
31 August 2022	<u>6,575,833</u>	<u>4,121</u>	<u>6,579,954</u>
31 August 2021	<u>5,319,833</u>	<u>5,405</u>	<u>5,325,238</u>

Sheffield Methodist Circuit

Notes to the financial statements

Year ended 31 August 2022

9. Investment properties

Fair Value	£
1 September 2021	3,458,000
Transfer to fixed assets	(1,131,000)
Revaluation	(62,000)
31 August 2021	<u>2,265,000</u>

The revaluation of investment properties is based on professional valuations undertaken during the year.

10. Fixed asset investments

Valuation	Listed Investments /managed funds £
1 September 2021	795,923
Disposal proceeds	(204,004)
Loss on disposal	(4,551)
Losses on revaluation	(38,379)
31 August 2022	<u>548,989</u>

11. Debtors

	Unrestricted Funds 2022 £	Restricted Funds 2022 £	Total Funds 2022 £	Total Funds 2021 £
Stipends paid in advance	33,323	-	33,323	33,786
Prepayments and sundry debtors	90,499	-	90,499	142,579
	<u>123,822</u>	<u>-</u>	<u>123,822</u>	<u>176,365</u>

Debtors includes £48,440 (2021: £48,000) recoverable after more than one year.

12. Creditors: amounts falling due within one year

	Unrestricted Funds 2022 £	Restricted Funds 2022 £	Total Funds 2022 £	Total Funds 2021 £
General Fund (unrestricted)				
Deferred income - assessments	139,727	-	139,727	139,833
Accruals and Sundry creditors	13,639	-	13,639	15,372
	<u>153,366</u>	<u>-</u>	<u>153,366</u>	<u>155,205</u>
Circuit Model Trust Fund (unrestricted)				
Provisions re Grant Commitments	45,023	-	45,023	41,380
Total	<u>198,389</u>	<u>-</u>	<u>198,389</u>	<u>196,585</u>

Sheffield Methodist Circuit

Notes to the financial statements

Year ended 31 August 2022

13. Funds

2022	Brought Forward £	Income £	Expenditure £	Transfer £	Gains/ (losses) £	Carried Forward £
Unrestricted funds						
General Fund	9,342,284	1,522,522	(1,603,748)	237,664	(104,930)	9,393,792
Circuit Model Trust Fund	1,097,789	19,455	(156,230)	(237,664)	-	723,350
	<u>10,440,073</u>	<u>1,541,977</u>	<u>(1,759,978)</u>	<u>-</u>	<u>(104,930)</u>	<u>10,117,142</u>
Restricted						
Other	264	9,689	(8,865)	-	-	1,088
Total	<u>10,440,337</u>	<u>1,551,666</u>	<u>(1,768,843)</u>	<u>-</u>	<u>(104,930)</u>	<u>10,118,230</u>

2021	Brought Forward £	Income £	Expenditure £	Transfer £	Gains/ (losses) £	Carried Forward £
Unrestricted funds						
General Fund	9,034,825	993,997	(1,312,599)	329,920	296,141	9,342,284
Circuit Model Trust Fund	1,481,508	15,487	(185,674)	(329,920)	116,388	1,097,789
	<u>10,516,333</u>	<u>1,009,484</u>	<u>(1,498,273)</u>	<u>-</u>	<u>412,529</u>	<u>10,440,073</u>
Restricted						
Other	8,571	7,579	(15,886)	-	-	264
Total	<u>10,524,904</u>	<u>1,017,063</u>	<u>(1,514,159)</u>	<u>-</u>	<u>412,529</u>	<u>10,440,337</u>

The transfers between unrestricted funds relate to the movement of funds arising from the sale of properties, the funds required to purchase properties, and the release of grant income to further the charitable activities of the Circuit.

Sheffield Methodist Circuit

Notes to the financial statements

Year ended 31 August 2022

14. Analysis of net assets between funds

2022	General Fund (unrestricted) £	Circuit Model Trust Fund (unrestricted) £	Other Funds (restricted) £	Total £
Fixed assets	8,886,114	507,829		9,393,943
Cash and current investments	600,102	197,664	1,088	798,854
Other current assets/(liabilities)	(92,424)	17,857	-	(74,567)
Total	9,393,792	723,350	1,088	10,118,230
2021	General Fund (unrestricted) £	Circuit Model Trust Fund (unrestricted) £	Other Funds (restricted) £	Total £
Fixed assets	8,828,735	750,426	-	9,579,161
Cash and current investments	599,099	282,034	264	881,397
Other current assets/(liabilities)	(85,550)	65,329	-	(20,221)
Total	9,342,284	1,097,789	264	10,440,337

15. Reconciliation of net (expenditure) to net cash flow from operating activities

	2022 £	2021 £
Net expenditure	(260,107)	(376,645)
Interest received	(21,705)	(16,598)
Properties introduced	(483,159)	-
Depreciation of tangible fixed assets	1,284	1,017
Losses/(Gains) on investment revaluation	42,930	(120,451)
Decrease/(Increase) in debtors	52,543	(34,250)
Increase/(Decrease) in creditors	1,803	(50,667)
Net cash flow from operating activities	(666,411)	(597,594)

Sheffield Methodist Circuit

Notes to the financial statements

Year ended 31 August 2021

16. Pension costs

Defined benefit pension scheme

The Circuit contributes to the Methodist Ministers Pension Scheme, a group pension scheme, for each minister receiving a stipend who is in an appointment under the control of Conference.

The pension charge for the year represents contributions payable to the Scheme of £107,674 (2021: £92,347). No contributions were outstanding at the year end.

Defined contribution scheme

The pension charge for the year represents contributions payable to the Scheme of £12,613 (2021: £10,445). No contributions were outstanding at the year end.

17 Operating Lease commitments

Total minimum commitments under non-cancellable operating leases were as follows:

	2022	2021
	£	£
Falling due within one year	1,507	672
Falling due after more than one year	3,807	336
	<u>5,314</u>	<u>1,008</u>

18. Related party transactions

There were no related party transactions during the year (2021: £nil).

Sheffield Methodist Circuit

Trustees' Report and Financial Statements

Appendix 1

Trustees of Sheffield Methodist Circuit as at 31 August 2022

Mrs	Gill	Adams
Mr	John	Almond
Mr	Sean	Ashton
Ms	Sue	Bagshaw
Mrs	Jackie	Bailey
Mrs	Carole	Baker
Mr	Alan	Bettison
Rev'd	Inderjit	Bhogal
Mr	David	Bingham
Mr	David	Blackburn
Mrs	Rita	Blackwell
Mrs	Pat	Bolland
Ms	Liz	Brook
Mr	Jonathan	Buckley
Mr	David	Burton
Dr	Jenny	Bywaters
Mr	Alec	Cartwright
Mr	Brian	Chapman
Miss	Anne	Clark
Mr	Iain	Cloke
Rev'd	Sally	Coleman
Mrs	Jean	Cookson
Mr	Stephen	Cowley
Rev'd	Tim	Crome
Mrs	Elsie	Cundy
Mrs	Bev	Dale
Rev'd	Michelle	Deans
Mr	Jon	Dilks
Mrs	Sue	Dilks
Mr	Nigel	Disbury
Mr	Steve	Dixon
Dr	Tony	Drury-Smith
Ms	Erica	Dunmow
Mr	John	Eaton
Mrs	Pam	Eaton
Miss	Louise	Etherington
Mr	Simon	Etty
Mrs	Jan	Fly
Mrs	Kay	Gilbert
Rev'd	Drummond	Gillespie
Rev'd	Mark	Goodhand
Mr	Neil	Grant
Rev'd Prof	James	Grayson
Mrs	Kath	Grierson
Ms	Mary	Grimes
Mrs	Katrin	Hackett
Rev'd	Jonathan	Haigh
Prof	John	Harding

Sheffield Methodist Circuit

Trustees' Report and Financial Statements

Mrs	Brenda	Harrison
Mrs	Judith	Hartley
Dr	Anne	Hollows
Mrs	Anne	Humphreys
Rev'd	Gail	Hunt
Ms	Kate	Ibbeson
Mr	Matt	Irons
Mrs	Christine	Jackson
Rev'd	Judith	Jessop
Mr	Chris	Jones
Rev'd	Gareth	Jones
Mr	Glyn	Jones
Ms	Paula	Jones
Mrs	Bridget	Kellett
Rev'd Dr	Claude	Kimpinde
Mr	Donald	King
Mr	Roger	Kite
Mr	Paul	Krzok
Mrs	Janet	Lawless
Mr	Peter	Lockwood
Rev'd	Ian	Lucraft
Mrs	Ann	Lyons
Mr	Arthur	Lyons
Mr	Jack	Magowan
Ms	Janet	Malbon
Mrs	Audrey	Mann
Mrs	Sheila	Mappin
Rev'd	Debora	Marschner
Mrs	Stella	Mate
Mr	Andrew	Maxfield
Mrs	Pam	Meek
Rev'd	Paul	Mellars
Mrs	Kath	Milner
Rev'd	James	Morley
Ms	Heather	Morris
Rev'd	Gill	Newton
Mrs	Jane	Offord
Mr	Neil	Offord
Miss	Josephine	Pain
Mrs	Mary	Parker
Rev'd	Jill	Pullan
Rev'd	Lisa	Quarmby
Rev'd	Carla	Quenet
Mrs	Melissa	Quinn
Dr	John	Revill
Mrs	Heather	Rotherham
Mr	Paul	Rotherham
Mr	Philip	Rowland
Ms	Joan	Sharp
Mr	Mark	Sharples
Rev'd	John	Simms
Mrs	Val	Smith
Ms	Janet	Southgate
Rev'd	Maurice	Stafford

Sheffield Methodist Circuit

Trustees' Report and Financial Statements

Mrs	Sue	Stanworth
Mrs	Julie	Talbot
Ms	Ann	Taylor
Deacon	Annabel	Terry
Mr	Nigel	Thomas
Miss	Aileen	Treloar
Ms	Maryke	Turvey
Rev'd	Gill	Tutt
Mr	Greg	Unwin
Ms	Jo	Webster
Mrs	Rachael	White
Mr	Nick	Whitworth
Mrs	Carol	Wignell
Mrs	Joyce	Wiles
Mr	Nigel	Wiles
Mr	John	Wilkins
Mr	Graham	Wilkinson
Mrs	Janet	Williamson
Mr	Trevor	Williamson
Mrs	Evelyn	Windle
Mrs	Eileen	Woodthorpe
Mr	Ian	Wright
Deacon	Jackie	Wright