



The Methodist Church in Sheffield

... growing followers of Jesus

**SHEFFIELD METHODIST CIRCUIT
TRUSTEES' REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2023**

Charity registration number 1134151

Sheffield Methodist Circuit

Trustees' Report and Financial Statements

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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 Gill Newton (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 2023 there were 122 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 2023.

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 Superintendent Minister of the Circuit, whose duties are set out in the Standing Orders of the Methodist Church. Following a review of the Superintendency in November 2021, Revd Romeo Pedro was appointed to be 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 and church projects for both property and employment, 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 £39,224.

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.

A discussion document "Casting the net on the other side" is being considered by all the churches, and asks people to consider how the Circuit may be structured and organised in the future. Recommendations will be made to the March 2024 Circuit Meeting with implementation from September 2024 onwards.

Most of the churches have held discussions about "God In Love Unites Us" – the decision of Methodist Conference to allow same sex marriage in Methodist Church if the church councils and ministers agree, while recognising that some churches and ministers will not agree as their theology is against same sex marriage, and either viewpoint is within Methodist doctrine. Some of the churches have agreed to allow same sex marriage and applications have been made to the General Register Office to allow this to happen, along with applications for those ministers who wish to be approved to be the authorised person for both types of marriage.

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, which was delayed by the pandemic, 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 also been held, which has meant that nearly all who need training will have been trained by the end of 2023. Compulsory Equalities, Diversity and Inclusion and Unconscious Bias Training has been introduced for ministers, most employees and certain office holders. This has been delivered online and in face-to-face sessions in various churches across the Circuit.

Sheffield Methodist Circuit

Trustees' Report and Financial Statements

The Circuit Youth and Children's Work Co-ordinators have 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. However, the Youth Work Co-ordinator decided to leave in January 2024 and the Children's Project Co-ordinator has been on maternity leave since October 2023. Decisions about the role of employees for Youth and Children's work in the Circuit in the future may depend on the recommendations resulting from the "Casting the Net" discussion document.

The challenges of the Coronavirus 19 Pandemic have mainly abated, with all churches returning to services and activities in their buildings, while some have continued to stream services to accommodate those who joined them online during the pandemic and wish to continue attending online for various reasons. This has also meant that their lettings income has increased to pre-pandemic levels.

Grants have been received to support the employment of a mental health specialist who was appointed in August. The specialist has been arranging to deliver Mental Health First Aid Courses to ministers and members of the Circuit and to members of other denominations, as well as providing signposting for mental health support to people within the Circuit as and when necessary.

In August 2023, unusually, no ministers moved in or out of the Circuit.

4 Financial review

During the year the Circuit received total income of £1,450,903 (2022: £1,551,666) with expenditure of £1,683,138 (2022: £1,768,843). The resulting net expenditure for the year after losses on investments of £7,310 was £239,545. The circuit made a gain of £18,500 on the disposal of a property and made gains of £145,000 on the revaluation of investment properties. This resulted in a net reduction in funds of £76,045.

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 £950,991 (2022: £914,872). The Circuit also benefitted from the receipt of rental income, which included rent received from shorthold tenancies from manses not occupied by ministers. Total rental income was £78,617 (2022: £90,127) and Investment income for the year totalled £20,541 (2022: £21,705).

The Circuit has continued to spend funds on upgrading the Circuit properties to a good and consistent standard. Stipends and employment costs were similar to the previous year and in line with budget. A lower amount of grants were given due to cash flow reasons, with a new manse being purchased before two existing manses were sold.

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

Sheffield Methodist Circuit

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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 benchmarks 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.

4.2 Pension Schemes

All the ministers are enrolled in the Methodist Ministers' Pension Scheme with employer contributions currently at 26.9%. 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 to replace the ministers leaving in August 2024.
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.

Trustees' Report and Financial Statements

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.

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 Tavistock Place, London WC1H 9SF 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 Superintendent Minister, all the Circuit Stewards and all the other Ministers meet bi-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.

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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.

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 include the Circuit Model Trust Fund balances which is in the region of £750,000.

The unrestricted reserves readily available total £537,295 of which £448,510 is held in the Circuit Model Trust Fund.

Shortly after the year end unrestricted reserves increased by £526,000 following the sale of a manse which was no longer required by the Circuit.

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.

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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.

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 19 March 2024

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 2023 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 2023, 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.

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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

2 April 2024

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 2023

	Note	General Fund (unrestricted) £	Circuit Model Trust Fund (unrestricted) £	Other Funds (restricted) £	Total 2023 £	Total 2022 £
Income						
Charitable activities						
Assessment or share		950,991	-	-	950,991	914,872
Rental income		78,617	-	-	78,617	90,127
Properties introduced		370,000	-	-	370,000	483,159
Investment income	2	8,784	11,757	-	20,541	21,705
Other income	3	3,816	-	26,938	30,754	12,855
Funds introduced		-	-	-	-	28,948
Total		1,412,208	11,757	26,938	1,450,903	1,551,666
Expenditure						
Stipends, salaries, NIC and pension	6	832,376	-	-	832,376	801,400
District assessment		242,462	-	-	242,462	242,462
Motor and travel		31,570	-	-	31,570	54,189
Insurance, telephone and utilities		97,991	-	-	97,991	94,383
Maintenance on manses		100,601	-	-	100,601	144,094
Administration	7	98,347	2,011	-	100,358	72,861
Expenditure on other Circuit property		23,460	-	-	23,460	19,028
Other expenditure	7	11,338	-	11,806	23,144	25,191
Grants and donations		17,045	22,179	-	39,224	127,287
Contributions to District Advance Fund		-	44,162	-	44,162	68,685
Methodist Church Fund levy		147,790	-	-	147,790	119,263
Total		1,602,980	68,352	11,806	1,683,138	1,768,843
Net (Losses) on investments		(2,185)	(5,125)	-	(7,310)	(42,930)
Net (expenditure) income		(192,957)	(61,720)	15,132	(239,545)	(260,107)
Transfers between funds		213,120	(213,120)	-	-	-
Other recognised gains / (losses)						
Gain on property disposal		18,500	-	-	18,500	-
Gains/(Losses) on revaluation of fixed assets		145,000	-	-	145,000	(62,000)
Net movement in funds		183,663	(274,840)	15,132	(76,045)	(322,107)
Total funds brought forward		9,393,792	723,350	1,088	10,118,230	10,440,337
Total funds carried forward		9,577,455	448,510	16,220	10,042,185	10,118,230

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

Sheffield Methodist Circuit

Balance Sheet

As at 31 August 2023

	Note	General Fund (unrestricted) £	Circuit Model Trust Fund (unrestricted) £	Other Funds (restricted) £	Total 2023 £	Total 2022 £
Fixed assets						
Tangible fixed assets	8	7,078,670	-	-	7,078,670	6,579,954
Investment properties	9	2,410,000	-	-	2,410,000	2,265,000
Investments	10	38,975	22,706	-	61,681	548,989
Total fixed assets		<u>9,527,645</u>	<u>22,706</u>	<u>-</u>	<u>9,550,351</u>	<u>9,393,943</u>
Current assets						
Debtors and prepayments	11	79,346	62,860	-	142,206	123,822
Cash at bank and in hand		126,995	405,768	16,220	548,983	798,854
Total current assets		<u>206,341</u>	<u>468,628</u>	<u>16,220</u>	<u>691,189</u>	<u>922,676</u>
Creditors: amounts falling due in less than one year	12	156,531	42,824	-	199,355	198,389
Net current assets		49,810	425,804	16,220	491,834	724,287
Net assets		<u>9,577,455</u>	<u>448,510</u>	<u>16,220</u>	<u>10,042,185</u>	<u>10,118,230</u>
Funds of the Circuit						
General Fund		9,577,455	-	-	9,577,455	9,393,792
Circuit Model Trust Fund		-	448,510	-	448,510	723,350
Other Funds		-	-	16,220	16,220	1,088
Total funds	13	<u>9,577,455</u>	<u>448,510</u>	<u>16,220</u>	<u>10,042,185</u>	<u>10,118,230</u>

The financial statements were approved and authorised for issue by the Trustees on 19 March 2024 and are signed on their behalf by:

Mr A Lyons - Treasurer

Revd R Pedro - Superintendent Minister

Sheffield Methodist Circuit

Statement of Cash Flows

For the Year ended 31 August 2023

	Note	2023	2022
		£	£
Net Cash flow from operating activities	15	<u>(638,910)</u>	<u>(666,411)</u>
Cash flow from investing activities			
Payments to acquire tangible fixed assets		(625,000)	-
Receipts from sale of tangible fixed assets		513,500	358,159
Proceeds from sale of investments		479,998	204,004
Interest received		20,541	21,705
Net cash flow from investing activities		<u>389,039</u>	<u>583,868</u>
Net (decrease) in cash and cash equivalents		(249,871)	(82,543)
Cash and cash equivalents brought forward		798,854	881,397
Cash and cash equivalents carried forward		<u><u>548,983</u></u>	<u><u>798,854</u></u>

Sheffield Methodist Circuit

Notes to the financial statements

Year ended 31 August 2023

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 2023

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 2023

	Unrestricted Funds 2023 £	Restricted Funds 2023 £	Total Funds 2023 £	Total Funds 2022 £
2. Interest and investment income				
Interest and dividends on CFB investments				
- General	15,349	-	15,349	2,250
- Circuit Model Trust Fund	5,192	-	5,192	19,455
	<u>20,541</u>	<u>-</u>	<u>20,541</u>	<u>21,705</u>
3. Other income				
Grants and donations	13	-	13	2,350
Project Income	-	26,938	26,938	10,401
Other	3,803	-	3,803	104
	<u>3,816</u>	<u>26,938</u>	<u>30,754</u>	<u>12,855</u>
4. Collections for and payments to external organisations				
There were no collections for or payments to External Organisations in the year (2022: Nil).				
5. Fees for audit of the accounts				
		2023 £	2022 £	
Audit		<u>13,400</u>	<u>10,000</u>	
6. Stipends and salaries				
Stipends and salaries		655,329	624,801	
National Insurance contributions		57,631	56,312	
Pension costs		<u>119,416</u>	<u>120,287</u>	
		<u>832,376</u>	<u>801,400</u>	

The average number of Ministers in receipt of stipends was 17. The average monthly number of employees during the year was 13 (2022: 14) including 9 lay workers. No employee earned over £60,000 during the year (2022: None).

The members of the Circuit Meeting are the trustees of the Circuit. The Circuit Superintendent Minister, all Circuit Stewards, all ministers and 6 lay workers 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 Superintendent Minister and other presbyters was £422,554 (2022: £408,173).

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

Sheffield Methodist Circuit

Notes to the financial statements

Year ended 31 August 2023

	Unrestricted Funds 2023 £	Restricted Funds 2023 £	Total Funds 2023 £	Total Funds 2022 £
7. Administration				
Legal and professional	78,211	-	78,211	47,013
Printing and stationery	7,975	-	7,975	7,733
Other office costs	11,701	-	11,701	14,740
TMCP Administration charge	2,471	-	2,471	3,375
	<u>100,358</u>	<u>-</u>	<u>100,358</u>	<u>72,861</u>
Other Expenditure				
Ministry resources	7,488	-	7,488	7,061
Project expenditure	36	11,806	11,842	15,990
Other	3,814	-	3,814	2,140
	<u>11,338</u>	<u>11,806</u>	<u>23,144</u>	<u>25,191</u>
8. Tangible fixed assets				
Cost / Valuation		Manses and other property £	Office Equipment £	Total £
1 September 2022		6,575,833	6,422	6,582,255
Additions		995,000	-	995,000
Disposals		(495,000)	-	(495,000)
31 August 2023		<u>7,075,833</u>	<u>6,422</u>	<u>7,082,255</u>
Depreciation				
1 September 2022		-	2,301	2,301
Depreciation charge for year		-	1,284	1,284
31 August 2023		<u>-</u>	<u>3,585</u>	<u>3,585</u>
Net Book Value				
31 August 2023		<u>7,075,833</u>	<u>2,837</u>	<u>7,078,670</u>
31 August 2022		<u>6,575,833</u>	<u>4,121</u>	<u>6,579,954</u>

Sheffield Methodist Circuit

Notes to the financial statements

Year ended 31 August 2023

9. Investment properties

Fair Value	£
1 September 2022	2,265,000
Revaluation	145,000
31 August 2023	<u>2,410,000</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 2022	548,989
Disposal proceeds	(479,998)
Loss on disposal	(4,118)
Loss on revaluation	(3,192)
31 August 2023	<u>61,681</u>

	Unrestricted Funds 2023 £	Restricted Funds 2023 £	Total Funds 2023 £	Total Funds 2022 £
11. Debtors				
Stipends paid in advance	35,761	-	35,761	33,323
Prepayments and sundry debtors	<u>106,445</u>	<u>-</u>	<u>106,445</u>	<u>90,499</u>
	<u>142,206</u>	<u>-</u>	<u>142,206</u>	<u>123,822</u>

Debtors includes £47,500 (2022: £48,440) recoverable after more than one year.

	Unrestricted Funds 2023 £	Restricted Funds 2023 £	Total Funds 2023 £	Total Funds 2022 £
12. Creditors: amounts falling due within one year				
General Fund (unrestricted)				
Deferred income - assessments	138,689	-	138,689	139,727
Accruals and Sundry creditors	<u>17,842</u>	<u>-</u>	<u>17,842</u>	<u>13,639</u>
	<u>156,531</u>	<u>-</u>	<u>156,531</u>	<u>153,366</u>
Circuit Model Trust Fund (unrestricted)				
Provisions re Grant Commitments	<u>42,824</u>	<u>-</u>	<u>42,824</u>	<u>45,023</u>
Total	<u>199,355</u>	<u>-</u>	<u>199,355</u>	<u>198,389</u>

Sheffield Methodist Circuit

Notes to the financial statements

Year ended 31 August 2023

13. Funds

2023	Brought Forward £	Income £	Expenditure £	Transfer £	Gains/ (losses) £	Carried Forward £
Unrestricted funds						
General Fund	9,393,792	1,412,208	(1,602,980)	213,120	161,315	9,577,455
Circuit Model Trust Fund	723,350	11,757	(68,352)	(213,120)	(5,125)	448,510
	<u>10,117,142</u>	<u>1,423,965</u>	<u>(1,671,332)</u>	<u>-</u>	<u>156,190</u>	<u>10,025,965</u>
Restricted						
Other	1,088	26,938	(11,806)	-	-	16,220
Total	<u>10,118,230</u>	<u>1,450,903</u>	<u>(1,683,138)</u>	<u>-</u>	<u>156,190</u>	<u>10,042,185</u>

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>

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 2023

14. Analysis of net assets between funds

2023	General Fund (unrestricted) £	Circuit Model Trust Fund (unrestricted) £	Other Funds (restricted) £	Total £
Fixed assets	9,527,645	22,706	-	9,550,351
Cash and current investments	126,995	405,768	16,220	548,983
Other current assets/(liabilities)	(77,185)	20,036	-	(57,149)
Total	<u>9,577,455</u>	<u>448,510</u>	<u>16,220</u>	<u>10,042,185</u>
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	<u>9,393,792</u>	<u>723,350</u>	<u>1,088</u>	<u>10,118,230</u>

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

	2023 £	2022 £
Net expenditure	(239,545)	(260,107)
Interest received	(20,541)	(21,705)
Properties introduced	(370,000)	(483,159)
Depreciation of tangible fixed assets	1,284	1,284
Losses on investment revaluation	7,310	42,930
(Increase)/Decrease in debtors	(18,384)	52,543
Increase/(Decrease) in creditors	966	1,803
Net cash flow from operating activities	<u>(638,910)</u>	<u>(666,411)</u>

Sheffield Methodist Circuit

Notes to the financial statements

Year ended 31 August 2023

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 £106,845 (2022: £107,674). No contributions were outstanding at the year end.

Defined contribution scheme

The pension charge for the year represents contributions payable to the Scheme of £12,571 (2022: £12,613). No contributions were outstanding at the year end.

17 Operating Lease commitments

2023	2022
£	£

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

Falling due within one year	2,606	1,507
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Falling due after more than one year	7,658	3,807
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<u>10,264</u>	<u>5,314</u>
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18. Related party transactions

There were no related party transactions during the year (2022: £nil).

Sheffield Methodist Circuit

Trustees' Report and Financial Statements

Appendix 1

Trustees of Sheffield Methodist Circuit as at 31 August 2023

Mr	John	Almond
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
Ms	Liz	Brook
Ms	Christine	Buckley
Mr	Jonathan	Buckley
Mr	David	Burton
Dr	Jenny	Bywaters
Mrs	Lynne	Capewell
Mrs	Jenny	Carpenter
Mr	Alec	Cartwright
Mr	Brian	Chapman
Miss	Anne	Clark
Mr	Iain	Cloke
Rev'd	Naomi	Cooke
Mrs	Jean	Cookson
Mr	Stephen	Cowley
Mrs	Ann	Croft
Mrs	Elsie	Cundy
Mrs	Bev	Dale
Rev'd	Michelle	Deans
Mr	Jon	Dilks
Mrs	Sue	Dilks
Mr	Steve	Dixon
Ms	Erica	Dunmow
Mr	John	Eaton
Mrs	Pam	Eaton
Miss	Louise	Etherington
Mr	Simon	Etty
Mrs	Jan	Fly
Mrs	Kay	Gilbert
Mr	Neil	Grant
Mrs	Sue	Griffiths
Ms	Mary	Grimes
Mrs	Katrin	Hackett
Rev'd	Jonathan	Haigh
Prof	John	Harding
Mrs	Brenda	Harrison
Mrs	Hazel	Harrison
Mrs	Judith	Hartley
Mr	Graham	Hill

Sheffield Methodist Circuit

Trustees' Report and Financial Statements

Dr	Anne	Hollows
Mr	Jeff	Hough
Mrs	Anne	Humphreys
Ms	Kate	Ibbeson
Mr	Matt	Irons
Mrs	Christine	Jackson
Rev'd	Judith	Jessop
Mr	Chris	Jones
Mr	Glyn	Jones
Rev'd	Mike	Jones
Mrs	Bridget	Kellett
Rev'd Dr	Claude	Kimpinde
Mr	Donald	King
Mr	Roger	Kite
Mr	Paul	Krzok
Mrs	Janet	Lawless
Mr	Peter	Lockwood
Mrs	Libby	Long
Rev'd	Ian	Lucraft
Mrs	Ann	Lyons
Mr	Arthur	Lyons
Ms	Janet	Malbon
Mrs	Bridget	Manley
Mrs	Audrey	Mann
Mrs	Sheila	Mappin
Rev'd	Debora	Marschner
Rev'd	Kim	Mason
Mr	Andrew	Maxfield
Mrs	Pam	Meek
Rev'd	Paul	Mellars
Mrs	Kath	Milner
Mrs	Sue	Monaghan
Rev'd	James	Morley
Ms	Heather	Morris
Rev'd	Tracey	Morris
Ms	Sue	Nuttall
Mrs	Jane	Offord
Mr	Neil	Offord
Mrs	Yvonne	Ogden
Mrs	Mary	Parker
Rev'd	Philip	Peacock
Rev'd	Romeo	Pedro
Rev'd	Jill	Pullan
Rev'd	Lisa	Quarmby
Rev'd	Carla	Quenet
Mrs	Melissa	Quinn
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

Sheffield Methodist Circuit

Trustees' Report and Financial Statements

Rev'd	Maurice	Stafford
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
Mr	Nick	Whitworth
Mrs	Carol	Wignell
Mrs	Joyce	Wiles
Mr	Nigel	Wiles
Mr	John	Wilkins
Mr	Richard	Wilshaw
Mrs	Evelyn	Windle
Mrs	Eileen	Woodthorpe
Mr	Ian	Wright
Deacon	Jackie	Wright