

DERBY CIRCUIT OF THE METHODIST CHURCH

England & Wales · Charity number 1142341

Details

Status Registered

Legal form Previously excepted

Registered 2011-06-09

Register [View on the Charity Commission register](#)

Contact

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Derby
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Activities

Objects: 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.

Activities: Administering the activities of the Methodist churches in Derby.

Classification

- **How:** Acts As An Umbrella Or Resource Body, Other Charitable Activities
- **What:** Religious Activities
- **Who:** The General Public/mankind

Geography

- Derby City
- Derbyshire

Finances

Period end	Income	Expenditure	Assets	Employees
2024-08-31	£539,560	£643,689	£4,349,386	5
2023-08-31	£602,427	£595,159	£4,232,698	5
2022-08-31	£1,060,004	£693,085	£4,230,876	4
2021-08-31	£463,625	£526,685	-	-
2020-08-31	£610,351	£567,615	£3,318,163	11

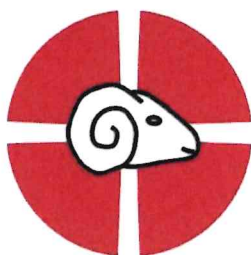
Trustees

Name	Role	Appointed
Tracey Jayne Harris	Chair	2024-09-01
ALAN DOUGLAS CASTLEDINE FCA		2011-04-29
ANN ELIZABETH SMITH		2011-04-29
Alison Stacey-Chapman		2024-09-01
Andrew John Moore		2020-06-23
Angela Davies		2023-09-01
Aubrey Herbert Boyes Morris		2020-09-01
BRENDA ELIZABETH WIGLEY		2016-03-17
BRENDA KATHLEEN LEEDS		2013-02-01
CHRISTINE ETHEL CAMERON BA HONS		2011-04-29
Christopher Ian Paynter		2023-09-01
Colin Young		2022-03-22
DAVID DANIEL MACDONALD		2011-04-29
DEACON ROSEMARY BELL		2022-10-05
DOREEN HINDS		2011-06-09
David Green		2024-09-01
Deacon Jane Rice		2019-09-01
Donald Stanley Olivant		2023-09-01
ERIC GRAHAM SMITH RGN		2014-09-01
FRANKIE KWOK WING WONG BDS		2013-10-11
Fiona Riley-Schnoor		2022-03-22
GWEN PETCH		2011-06-09
Graham Martin		2021-09-01
Guowei HONG		2013-10-11
HILARY LEONORA HANDLEY		2014-09-01
Hazel Ellison MEd		2020-06-23
IAN SANT		2011-06-09

Name	Role	Appointed
Ian Frearson		2022-06-13
JANET MARION PATMORE		2017-09-01
JOHN SPRAY		2013-10-11
JUDITH ELAINE SMITH NNEB		2011-06-09
Jenny Kilgour		2022-12-21
Joanna Marie Howie		2019-09-01
Judith Kathleen Neal		2016-09-15
KELVIN SMITH		2014-09-01
LINDA ANN SANDARS		2011-06-09
Lynette Nash		2021-09-01
MARIE HOLT		2016-02-25
MARY DIANA MURDEN		2011-04-29
MARY LILY CALLADINE		2011-06-09
MICHAEL BAGWORTH		2011-04-29
MICHAEL ROGER WILLIAMS		2011-06-09
Mairi Janet Radcliffe		2017-09-01
NEIL CLARKE		2011-06-09
NORMA FEARN		2011-06-09
PETER JOHN PRIESTLEY FCA		2011-06-09
Paul Jessop		2024-09-01
Peter John Middlehurst BSc		2019-03-20
REV NEIL DRAPER		2017-09-01
RICHARD EDWARD HUBBALL BSC HONS		2018-09-01
ROY EDWARD MILWARD FCCA		2013-10-12
Raymond John Forey		2024-09-01
Rev COLIN JOHN EMERSON		2013-02-01
Rev Calvin Cheung		2020-09-01
Rev Catherine Hollywell		2024-09-01

Name	Role	Appointed
Rev Christopher Briggs		2021-09-01
Rev David Rhys Owen		2019-09-01
Rev Jacqueline Quarmby		2021-09-01
Rev Jason Grant Kennedy		2023-12-01
Rev Moira Biggins		2022-09-01
Rev Paul Desborough		2021-09-01
Rev RAYMOND LUNT FCA		2011-06-09
Ruth Mollie Croft		2020-06-23
SALLY JEAN LEVITT		2013-10-11
STEPHEN LEE		2016-11-06
Susannah Simpson		2022-03-22
TED AGER		2011-06-09
Theresa Hartwright		2024-09-01
Tracy Draper		2024-09-01
Wendy Roome		2023-09-01

Accounts



DERBY CIRCUIT OF THE METHODIST CHURCH
Registered Charity No. 1142341

**FINANCIAL STATEMENTS
AND ANNUAL REPORT**

FOR THE YEAR ENDED

31 AUGUST 2024

DERBY CIRCUIT OF THE METHODIST CHURCH

ANNUAL REPORT FOR THE YEAR ENDED 31 AUGUST 2024

Introduction

The Trustees present their report and financial statements for the year ended 31 August 2024. The financial statements have been prepared in accordance with accounting policies set out in note 1 to the accounts and comply with the Charity's trust deed, the Charities Act 2011 and 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.

Objectives and Activities

The Circuit Meeting in March 2016 adopted the following vision statement:

"The people of God enabled to live out the mission of God"

As a means of helping to make this vision a reality, The Circuit, at the same meeting also adopted five aims for the Circuit:

We aim to enable people to...

- Meet with God and meet with people (WORSHIP)
- Tell our story (PREACHING/EVANGELISM)
- Make the most of what we have (SHARING RESOURCES – practical and people)
- Serve our city, locality and neighbourhood (SERVICE)
- Have confidence in making courageous decisions

The Circuit Meeting then agreed to the creation of focus groups which would meet to review the Circuit's work in the subject area of each aim. The Circuit Leadership Team drew up specific priorities for the Circuit to achieve out of the feedback received from the focus groups.

The Charity's objective is to act as a Resource provider within the area around Derby for the Methodist Church.

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

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

In support of these purposes, the Circuit carries out the following activities:

- a) The organisation and resourcing of regular public acts of worship open to members of the church and non-members alike.

DERBY CIRCUIT OF THE METHODIST CHURCH

ANNUAL REPORT FOR THE YEAR ENDED 31 AUGUST 2024 - CONTINUED

The teaching of Christianity through sermons, courses and small groups.

The resourcing of pastoral work including visiting the sick and bereaved.

Taking religious assemblies in local schools.

Promotion of Christianity through the staging of events and services.

Provision of chaplaincy services to the local university, airport and other institutions.

Public Benefit

We confirm the trustees have had regard to the Charity Commission's guidance on public benefit.

Brief financial review of the year

The Circuit made a financial deficit before gains on investments of 104,129 (2023: £7,268). Gains on investments converted this to a surplus of £116,819 (2023 gains: £1,821).

2024 Annual Report

Ministerial staff changes

The Rev'd Dr Stuart Bell continued in his role of Superintendent Minister while arrangements were made to appoint a new Superintendent commencing 1st September 2024. Dr Bell left the role on 31st August to make way for his successor.

In addition, the Rev'd Jason Kennedy was commissioned and licensed as the Enabling Minister of Haven Christian Centre, Heatherton (a Local Ecumenical Partnership). Mr Kennedy was recognised as an Associate Presbyter during the year by the Methodist Conference.

Changes in Circuit office holders

Circuit Stewards

During the year, Peter Nelson and Phil Royle stood down as Circuit Stewards while Angela Davies and Aubrey Morris joined the Team. As at 31st August 2024, the circuit had five Circuit Stewards. In addition to the two mentioned Alan Castledine (who serves as Treasurer), Hilary Handley, and Rev Dr Moira Biggins continued in the role.

Circuit lay workers

The circuit continued to employ the following lay workers

Jo Howie	-	Pioneer Missioner based at the Susanna Wesley House (SWH) project
Judith Neal	-	Lay Pastor in the Circuit
Mairi Radcliffe	-	Lay Pastor in the Circuit
Fiona Riley-Schnoor	-	Circuit Administrator and Safeguarding Officer

In addition, the Rev'd Cath Holliwell, Pioneer Missioner, commenced at the Susanna Wesley House Project, taking the place of her predecessor Mairi Nasr.

The Mission of the Circuit

The Circuit and its churches continued to implement its vision of 'Helping churches to share in the Mission Plan for the Circuit' which is that 'God wants all people to live lives that are whole and fulfilled'. This means being in relationship with God and with others, The Circuit's vision is to help our communities discover this truth.

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ANNUAL REPORT FOR THE YEAR ENDED 31 AUGUST 2024 - CONTINUED

Circuit Projects

Susanna Wesley House (SWH)

SHW has continued its focus on the locality of Castleward. This has included work with refugees and asylum seekers living close to SWH. Relationships have been developed, practical help has been given and guests have been signposted to other agencies and charities who might be able to help. Relationships with the more static community in the area have continued to develop through, for instance Christmas Carols in the square, and other opportunities for the Community to gather together. The Pioneer Missioners are active in the Community.

Ecumenical Matters

While Haven Christian Centre appointed an Enabling Minister (see above) the search for a United Reformed Church Minister to fill the appointment at the Local Ecumenical Partnership based at Ashbourne Road Church continued. This appointment is to be linked with additional United Reformed Churches in the area.

Reserves at the end of the year were:

Unrestricted	£4,070,695 (2023: £3,969,042)
Restricted	£142,770 (2023: £137,976)
Endowment	£135,921 (2023: £125,679)

Income trends

Circuit income is primarily drawn from the assessment paid by the Circuit churches. The rental income relates to the rental of manses which are not currently used by Circuit staff.

DERBY CIRCUIT OF THE METHODIST CHURCH

ANNUAL REPORT FOR THE YEAR ENDED 31 AUGUST 2024 - CONTINUED

Expenditure trends

Stipend expenditure has increased each financial year in line with conference approved increases. 20% of expenditure is the Circuit contribution to the District and Connexion, of which a significant part is used to fund the work of the wider Methodist Church.

Fund balances

As at 31 August 2024 the unrestricted net current assets of the Circuit (excluding properties, investments and Model Trust Fund but including designated funds) were £82,127, giving approximately 2 months cover for expenditure.

Reserves Policy

The Reserves Policy for the Circuit is to maintain sufficient free reserves equivalent to approximately 3 months' average expenditure. This should be sufficient to meet any unforeseen item of major expenditure on manses and / or to be able to continue, in the short term, funding planned activities in the event of any inability to raise the full Circuit Assessment from churches. Restricted and Endowment Funds represent bequests that have been left to the Circuit over many years. Income generated from these funds is used within the Circuit budget.

Grant making policy

Grants to local churches for property schemes and other purposes are accounted for as liabilities when they receive formal approval by the Circuit Meeting or the Finance & Grants Committee under delegated authority for awards of less than £5,000.

Grants awarded to other charitable bodies are accounted for as liabilities in the year in which the award is made.

Investment Policy and Performance

To comply with Methodist Standing Orders, monies for long term investment are lodged with the Trustees for Methodist Church Purposes (TMCP). TMCP acts as custodian trustee for all real estate held by the Circuit and for all large bequests and for the proceeds of sale of any property formerly owned by the Circuit. These sums are invested in unitised investments or held on deposit. The investment returns are close to tracking the movements in the FTSE100 index. The deposit income mirrors the deposit rates available elsewhere. The Derby Circuit trustees' investment policy is aligned with that of Central Finance Board (CFB) and TMCP because these organisations take into consideration the social, environmental and ethical issues, both negatively and positively, that make investments suitable for the Methodist Church.

Short term deposits are lodged directly with the CFB and attract good rates of interest.

There are no other benchmarks for the expected returns on investments at TMCP and CFB. The objective for the Circuit is a rate of return at least as good as market rate considering the trustees' low appetite for risk.

DERBY CIRCUIT OF THE METHODIST CHURCH

ANNUAL REPORT FOR THE YEAR ENDED 31 AUGUST 2024 - CONTINUED

Plans for 2024/25

Circuit financial plans for the coming year have been prepared on the basis that there will be 5 full time equivalent ordained staff with anticipated cost of living stipend increases combined with an increase in the assessment paid to the district

Administrative Information

Full Name of Charity:	Derby Circuit of the Methodist Church
Registration Charity Number:	1142341
Date of registration:	9 June 2011
Main communication address:	Circuit Office, Susanna Wesley House, 8 Liversage Square, Derby, DE1 2LT
Charity Contact Address	76 Blenheim Drive, Allestree, Derby DE22 2LE

The members of the Derby Methodist Circuit meeting are the Charity Trustees, membership being made up of Circuit office holders, ministers and representatives appointed by the local churches.
Full membership is shown below.

Ministers

Rev Dr Stuart Bell (Superintendent) – resigned 31.8.24
Rev Tracey Harris (Superintendent) – from 1.9.24
Rev Chris Briggs
Rev Calvin Cheung
Rev Paul Desborough
Rev Neil Draper
Rev Colin Emerson
Rev Dr Jacky Quarmby

Hospital Chaplain Derby Hospitals

Rev Lew Greaves

Supernumerary Ministers

Rev Ted Ager
Deacon Rosemary Bell
Rev Dr Moira Biggins
Rev Keith Burchell (died 6.9.23)
Rev Raymond Lunt
Rev David Owen
Deacon Pat Moore
Deacon Jane Rice

Circuit Stewards

Pete Nelson (resigned 31.8.24)
Phil Royle (resigned 31.8.24)
Hilary Handley
Rev Dr Moira Biggins
Angela Davies
Aubrey Morris (from 1.9.24)
Paul Jessop (from 1.9.24)

DERBY CIRCUIT OF THE METHODIST CHURCH

ANNUAL REPORT FOR THE YEAR ENDED 31 AUGUST 2024 - CONTINUED

Administrative Information – continued

Circuit Church Representatives

Mike Bagworth	Peter Middlehurst
Brenda Bennett (died 13.11.24)	Roy Milward
Mary Calladine	Andrew Moore
Christine Cameron	Mary Murden
Alan Castledine	Lynette Nash
Neil Clarke	Judith Neal
Ruth Croft	Donald Olivant
Chris Paynter	Janet Patmore
Hazel Ellison	Gwen Petch
Norma Fearn	Wendy Roome
Ray Forey (from 1.9.24)	Peter Priestley
Ian Frearson	Mairi Radcliffe
David Gaskin (resigned 31.8.24)	Fiona Riley-Schnoor
Hilary Handley	Linda Sandars
Theresa Hartwright (from 1.9.24)	Ian Sant
Doreen Hinds	Susannah Simpson
Jenny Kilgour	Ann Smith
Mairi Nasr (resigned 31.8.24)	Eric Smith
Marie Holt	Kelvin Smith
Guowei Hong	Judith Smith
Jo Howie	John Spray
Richard Hubball	Brenda Wigley
Stephen Lee	Mike Williams
Brenda Leeds	Frankie Wong
Sally Levitt	Colin Young
David MacDonald	
Graham Martin	

DERBY CIRCUIT OF THE METHODIST CHURCH

ANNUAL REPORT FOR THE YEAR ENDED 31 AUGUST 2024 - CONTINUED

Administrative Information – continued

Circuit Ministers and officers

Active Circuit Ministers: Rev Chris Briggs
 Rev Calvin Cheung
 Rev Neil Draper
 Rev Colin Emerson
 Rev David Owen
 Rev Dr Jacky Quarmby
 Rev Dr Stuart Bell

Circuit Lay Employees: Mrs Jo Howie
 Mrs Judith Neal
 Mrs Mairi Radcliffe
 Ms Mairi Nasr

Circuit Stewards Mr Pete Nelson
 Mr Phil Royle
 Rev Dr Moira Biggins
 Mrs Hilary Handley

Administrator: Mrs Fiona Riley-Schnoor

Mr Alan Castledine acted as the principal officer overseeing the day to day financial management and accounting for the Circuit during the year.

Independent auditor: TC Group, Registered Auditor
 10 Stadium Business Court
 Millennium Way
 Pride Park
 Derby
 DE24 8HP

Investment Bankers: Trustees for Methodist Church purposes

Bankers: Central Finance Board of the Methodist Church
 HSBC Bank plc
 CAF Bank Ltd

Structure, Governance and Management

The governing document for the Circuit is the Deed of Union (1932) and Methodist Church Act (1976)

Detailed governance arrangements are outlined within the Constitutional Practice and Discipline of the Methodist Church by order of the annual conference (CPD).

Day to day management of the Circuit is undertaken by the Circuit Leadership Team along with the Local Preachers meeting, the Circuit Finance and Property Committee and the Circuit Policy Committee.

DERBY CIRCUIT OF THE METHODIST CHURCH

ANNUAL REPORT FOR THE YEAR ENDED 31 AUGUST 2024 - CONTINUED

Appointment of Trustees

All ministers, presbyteral and diaconal, stationed in the Circuit by the Conference or who are residing for the purposes of the stations of the Methodist Church in the Circuit and who are in the active work (that is not retired), are ex-officio members of the Circuit Meeting (the Trustee Body). Other ministers who reside in the Circuit in accordance with the standing orders of the Church (including those who are retired) may choose to be members of the Circuit Meeting, and if they do so they are shown in the list of trustees.

Each church is represented by a Church Steward, the Church Treasurer and representatives appointed by the Church Council in relation to the number of Church members (one representative for every 50 members).

The Circuit Meeting has the power to co-opt other members including the lay workers in the Circuit.

Trustee Training

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

Related Parties

The Circuit is part of the Nottingham & Derby District and is also accountable to the Methodist Conference. The following Methodist Churches are linked to the Circuit: Alvaston, Ashbourne Road, Borrowash, Chinese Congregation, Chellaston, Dean Street, Draycott, Duffield, Findern, Haven, Littleover, Mayfield Road, Mickleover, Newmount, Oakwood, Sinfin Moor, Spondon, St John's and St Martin's.

Risk Management

The major risks have been identified and recorded by the Circuit Finance and Property Committee with professional advice taken as required. It has already enhanced its financial procedures and, in common with other churches, has developed robust procedures for safeguarding children, young people and vulnerable adults.

There is a regular annual review process undertaken and recorded.

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

Safeguarding

Every person has a value and dignity which comes directly from the creation of male and female in God's own image and likeness. Christians see this potential as fulfilled by God's re-creation of us in Christ. Among other things this implies a duty to value all people as bearing the image of God and therefore to protect them from harm.

DERBY CIRCUIT OF THE METHODIST CHURCH

ANNUAL REPORT FOR THE YEAR ENDED 31 AUGUST 2024 - CONTINUED

Methodist Connexional practice outlines commitment to the following principles:

- The care and nurture of, and respectful pastoral ministry with, all children, young people and adults.
- The safeguarding and protection of all children, young people and adults when they are vulnerable.
- The establishing of safe, caring communities which provide a loving environment where there is informed vigilance as to the dangers of abuse.
- We will carefully select and train all those with any responsibility within the Church, in line with Safer Recruitment principles, including the use of criminal records disclosures and registration with the relevant vetting and barring schemes.
- We will respond without delay to every complaint made which suggests that an adult, child or young person may have been harmed, cooperating with the police and local authority in any investigation.
- We will seek to work with anyone who has suffered abuse, developing with them an appropriate ministry of informed pastoral care.
- We will seek to challenge any abuse of power, especially by anyone in a position of trust.
- We will seek to offer pastoral care and support, including supervision and referral to the proper authorities, to any member of our church community known to have offended against a child, young person or vulnerable adult.
- In all these principles we will follow legislation, guidance and recognised good practice.

The Derby Circuit commits itself to ensuring the implementation of Connexional Safeguarding Policy; government legislation, guidance and safe practice in the Circuit and in the churches.

The Derby Circuit commits itself to the provision of support, advice and training for lay and ordained people that will ensure people are clear and confident about their roles and responsibilities in safeguarding and promoting the welfare of children and adults who may be vulnerable.

Statement of Trustees' Responsibilities

The Trustees are responsible for preparing the Report of the Trustees and the financial statements in accordance with applicable law and United Kingdom Generally Accepted Accounting Practice.

The law applicable to charities in England and Wales, the Charities Act 2011, Charity (Accounts and Reports) Regulations 2008 and the provision of the Trust Deed require 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, including the income and expenditure of the Charity for the financial year. In preparing those financial statements, the Trustees are required to:

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

The Trustees are responsible for maintaining the proper accounting records which disclose with reasonable accuracy at any time the financial position of the Charity and to enable them to ensure that the financial statements comply with the Charities Act 2011. 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.

DERBY CIRCUIT OF THE METHODIST CHURCH

ANNUAL REPORT FOR THE YEAR ENDED 31 AUGUST 2024 - CONTINUED

The trustees are responsible for the maintenance and integrity of the charity and financial information included on the charity's website in accordance with legislation in the United Kingdom governing the preparation and dissemination of financial statements.

This report has been prepared in accordance with the Statement of Recommended Practice; Accounting and Reporting by Charities.

AUDITORS

A resolution will be proposed at the Annual General Meeting that TC Group be re-appointed as auditors to the charity for the ensuing year.

Signed on behalf of the charity's trustees

T. J. Harris

Rev Tracey Harris – Superintendent Minister

Date: 18 June 2025

REPORT OF THE INDEPENDENT AUDITORS TO THE TRUSTEES OF DERBY CIRCUIT OF THE METHODIST CHURCH

Opinion

We have audited the financial statements of Derby Circuit of the Methodist Church (the charity) for the year ended 31 August 2024 on pages fourteen to thirty-two which comprise the Statement of Financial Activities, the Balance Sheet, the Cash Flow Statement and the related notes. 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 2024 and of its incoming resources and application of resources 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 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 the provisions available for small entities, 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

We have nothing to report in respect of the following matters in relation to which the ISA's (UK) require us to report to you where:

- The trustees use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- The trustees have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the charity's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

However, because not all future events or conditions can be predicted, this statement is not a guarantee as to the charity's ability to continue as a going concern. It is therefore difficult to evaluate all of the potential implications on the charity's finances and wider economy.

Other information

The trustees are responsible for the other information. The other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon.

- Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, 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 audit or otherwise appears to be materially misstated.

REPORT OF THE INDEPENDENT AUDITORS TO THE TRUSTEES OF DERBY CIRCUIT OF THE METHODIST CHURCH

If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. 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.

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 financial statements are not in agreement with the accounting records; or
- we have not received all the information and explanations we require for our audit.

Responsibilities of the trustees

As explained more fully in the trustees' responsibilities statement set out on page nine, the trustees are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and 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 charitable company or to cease operations, or has 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 the Act and relevant regulations made or having effect thereunder.

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 a Report of the Auditors that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISA's (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 aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below;

- Reviewing the financial statement disclosures and testing to supporting documentation to assess compliance with provisions of relevant laws and regulations described as having a direct effect on the financial statements. Specifically reviewing compliance with Charities SORP FRS102.
 - Performing substantive testing over income, including accounting entries made in respect of any income deferred.
 - Performing analytical procedures to identify any unusual or unexpected relationships that may indicate an increased risk of material misstatement as a result of fraud.
 - Performing substantive testing over a selection of journal entries made in the period, to address the risk of fraud due to management override of controls.
- Assessing material accounting estimates to determine if there are indications of management bias.

**REPORT OF THE INDEPENDENT AUDITORS TO THE TRUSTEES OF
DERBY CIRCUIT OF THE METHODIST CHURCH**

We also communicated relevant identified laws and regulations and potential fraud risks to all engagement team members, and remained alert to any indications of fraud or non-compliance with laws and regulations throughout the audit.

Despite the audit being planned and conducted in accordance with ISAs (UK) there remains an unavoidable risk that material misstatements in the financial statements may not be detected owing to the inherent limitations of the audit, and that by their very nature, any such instances of fraud or irregularity likely involve collusion, forgery, intentional misrepresentations, or the override of internal controls.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at www.frc.org.uk/auditorsresponsibilities. This description forms part of our Report of the Auditors.

Use of Our Report

This report is made solely to the charity's trustees, as a body, in accordance 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.

TC Group

TC Group, Statutory Auditor
10 Stadium Business Court
Millennium Way
Pride Park
Derby
DE24 8HP

Dated: 20/6/25

DERBY CIRCUIT OF THE METHODIST CHURCH

STATEMENT OF FINANCIAL ACTIVITIES FOR THE YEAR ENDED 31 AUGUST 2024

		Unrestricted Funds			Restricted & Endowment Funds			
		General	Circuit Model Trust	Designated	Restricted	Endowment	Total 2024	Restated Total 2023
Note s	£	£	£	£	£	£	£	£
Incoming Resources								
Income from Monetary Investments		6,990	26,326	1,018	5,061	3,122	42,517	32,049
Income from Investment Properties		48,220	-	13,000	-	-	61,220	55,890
Interest received		-	22,401	-	-	-	22,401	-
Assessments on Churches	2	408,517	-	-	-	-	408,517	390,739
Grants Received	3	800	-	-	-	-	800	5,120
Other Income	4	4,105	-	-	-	-	4,105	118,629
Total Incoming Resources		468,632	48,727	14,018	5,061	3,122	539,560	602,427
Expenditure								
Grants and Donations	5	16,490	73,699	-	-	-	90,189	51,688
Salaries and Associated Costs	6	331,746	-	4,757	-	-	336,503	304,835
Property Expenses	7	32,668	-	30,185	-	-	62,853	49,417
District and Connexional Levies	8	97,152	34,423	-	-	-	131,575	164,584
Support Costs	9	5,463	-	-	-	-	5,463	6,514
Other Outgoings	10	15,207	1,477	155	267	-	17,106	18,121
Total Expenditure		498,726	109,599	35,097	267	-	643,689	595,159
Net Income Before Investment Gains/(Losses)		(30,094)	(60,872)	(21,079)	4,794	3,122	(104,129)	7,268
Gains/(Losses) on Monetary Investments		-	-	-	-	10,240	10,240	(5,447)
Gains/(Losses) on Freehold Properties		93,708	-	-	-	-	93,708	-
- Revaluations	11	117,000	-	-	-	-	117,000	-
Net Incoming/ (Outgoing) Resources Before Transfers		180,614	(60,872)	(21,079)	4,794	13,362	116,819	1,821
Transfers Between Funds	19	378,602	(411,646)	36,164	-	(3,120)	-	-
Net Movements in Funds		559,216	(472,518)	15,085	4,794	10,242	116,819	1,821
Reconciliation of Funds								
Total Funds Brought Forward		3,242,774	518,411	207,857	137,976	125,679	4,232,697	4,230,876
Total Funds Carried Forward	19	3,801,860	45,893	222,942	142,770	135,921	4,349,386	4,232,697

DERBY CIRCUIT OF THE METHODIST CHURCH

BALANCE SHEET AS AT 31 AUGUST 2024

	Notes	Unrestricted Funds			Restricted & Endowment Funds		Total 2024	Restated Total 2023
		General	Circuit Model Trust	Designated	Restricted	Endowment		
		£	£	£	£	£	£	£
Fixed Assets								
Circuit Manse etc	11	1,526,317	-	-	-	-	1,526,317	1,676,670
Investments	12	-	-	19,249	43,997	135,921	199,167	188,926
Investment Properties	11	1,941,000					1,941,000	1,599,000
Total Fixed Assets		3,467,317	-	19,249	43,997	135,921	3,666,484	3,464,596
Current Assets								
Debtors	13	454,204	22,402	-	-	-	476,606	19,775
Outstanding Purchase Price	13a	50,000	-	-	-	-	50,000	55,000
Trustees for Methodist Church Purposes		-	27,783	-	98,452	-	126,235	612,069
Central Finance Board Deposits	14	(40,517)	-	181,302	321	-	141,104	199,018
Cash at Bank and In Hand	14	(11,898)	-	24,797	-	-	12,899	13,524
Total Current Assets		451,789	50,185	206,099	98,773	-	806,844	899,386
Creditors Due In Under One Year	15	117,246	4,292	2,406	-	-	123,942	131,284
Net Current Assets/(Liabilities)		334,543	45,893	203,693	98,773	-	682,902	2,367,102
Net Assets		3,801,860	45,893	222,942	142,770	135,921	4,349,386	4,232,697
Funds of the Circuit								
General Funds (Unrestricted)		3,095,860	-	-	-	-	3,095,860	2,653,774
Circuit Model Trust Fund (Unrestricted)		-	45,893	-	-	-	45,893	518,411
Designated Funds (Unrestricted)		-	-	222,942	-	-	222,944	207,857
Total Unrestricted Funds	17	3,095,860	45,893	222,942	-	-	3,364,695	3,380,042
Fair Value Reserve	17a	706,000	-	-	-	-	706,000	589,000
Restricted Funds	18	-	-	-	142,770	-	142,770	137,976
Endowment Fund	18	-	-	-	-	135,921	135,921	125,679
Total Funds		3,801,860	45,893	222,942	142,770	135,921	4,349,386	4,232,697

The notes on pages 17 to 32 form part of these financial statements.

Approved by the Circuit Meeting and authorised for issue on 18 June 2025

T. J. Harris
Rev Tracey Harris – Superintendent Minister

DERBY CIRCUIT OF THE METHODIST CHURCH

CASH FLOW STATEMENT FOR THE YEAR ENDED 31 AUGUST 2024

	Note	2024 £	Restated 2023 £
Cash used in operating activities	25	(689,570)	(76,326)
Cash flows from investing activities			
Dividends, interest and rents from investments		126,138	87,939
Sale of property		433,708	87,500
Purchase of Property		(414,647)	-
Net cash provided by/(used in) investing activities		<u>145,199</u>	<u>175,439</u>
Increase/(decrease) in cash and equivalents in the year		(544,371)	99,111
Cash and cash equivalents brought forward		<u>824,611</u>	<u>725,498</u>
Cash and cash equivalents carried forward		<u><u>280,238</u></u>	<u><u>824,611</u></u>
Cash and cash equivalents consist of:			
Cash at bank and in hand		<u><u>280,238</u></u>	<u><u>824,611</u></u>
 Analysis of change in Net Funds	At 1.9.23	Cash flow	At 31.8.24
	£	£	£
<u>Net Cash</u>			
Cash at Bank	<u>824,609</u>	<u>(544,371)</u>	<u>280,238</u>

1. Accounting policies

Basis of Accounting

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

Public benefit entity

The Derby Methodist Circuit meets the definition of a public benefit entity under FRS 102.

Basis

These accounts have been prepared on the basis of historical cost except that investments are shown at their market value at the end of the year. The accruals basis has been used and trustees present accounts that show a true and fair view of the Circuit's financial position and activities. Assets and liabilities are initially recognised at historical cost or transaction value unless otherwise stated in the relevant accounting policy note.

Content

The financial information presented is relevant, reliable, comparable and complete. Where estimates are used these are based on experience, research and judgement. The accounts are expressed in £Sterling, rounded to the nearest pound.

Going concern

Based on the monetary assets, reserves currently being held and human resources available at 31 August 2024, the trustees believe that the Circuit is a going concern with no material uncertainties being present.

Income recognition

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

In accordance with the Charities SORP (FRS 102), the time of volunteers is not recognised. Further information on this matter is provided in the Trustees' Annual Report. If goods are donated, a value will be shown in the SOFA or Notes where the value is considered material.

Grant income is recognised in the period that it becomes receivable.

Legacies

For legacies, entitlement is taken as the earlier of:

- the date on which the Circuit is aware that probate has been granted;
- the estate has been finalised and notification has been made by the executor(s) to the Trust that a distribution will be made; or
- when a distribution is received from the estate.

Receipt of a legacy, in whole or in part, is only considered probable when the amount can be measured reliably and the Circuit has been notified of the executor's intention to make a distribution. Where legacies have been notified to the Circuit or the Circuit is aware of the granting of probate, and the criteria for income recognition have not been met, then the legacy is treated as a contingent asset and disclosed if material.

Donated Services

Donated services and facilities are recognised as income when the Circuit has control over the item, any conditions associated with the donated item have been met, the receipt of economic benefit from the use by the Circuit of the item is probable and that economic benefit can be measured reliably. On receipt, donated services and facilities are recognised on the basis of the value of the gift to the Circuit which is the amount the Circuit would have been willing to pay to obtain services or facilities of equivalent economic benefit on the open market; a corresponding amount is then recognised in expenditure in the period of receipt, where this can be quantified.

Realised Gains and Losses

Realised gains or losses are recognised when investments are sold and are calculated as the difference between sales proceeds and the previous year end market value.

Unrealised gains or losses are accounted for on revaluation of investments at their year end market values.

Expenditure

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

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 the payment.

VAT

Since the Circuit is not VAT registered, all input VAT is charged with the expenses to which it refers.

Tangible Fixed Assets and Investment Assets

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

The freehold property is shown in the accounts at 2015 deemed values, or if acquired after that date at its cost price. The properties that are no longer used for the accommodation of the employees of the Derby Circuit of the Methodist Church have been revalued and reanalysed as investment properties as they are now commercially let. No depreciation is provided on the buildings because the trustees consider the current residual fair value of the manse buildings (on the assumption that it had reached the end of its useful economic life by the year end) to be not less than its current value. Any depreciation would not be material. The property has been reviewed for impairment.

DERBY CIRCUIT OF THE METHODIST CHURCH

NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 31 AUGUST 2024 - CONTINUED

From time to time the Circuit may be required to assume responsibility for Church premises following closure and cessation of worship. This results in the Circuit becoming Managing Trustees for the property. At that time the property is recognised as an investment asset at its anticipated net sale price as determined by a professional valuation and after taking into consideration the levy to be charged by the Connexion. Any expenditure on such assets, if held for reinvestment of the proceeds, as the trustees determine, that is likely to enhance sale value is capitalised at the time the expenditure is incurred.

The Circuit has made use of the deemed cost option in transitioning to FRS 102 as outlined above.

Monetary Investments

The Circuit's investments are in monetary assets classified as basic financial instruments under FRS 102 and are held by the Trustees for Methodist Church Purposes (TMCP) as custodian trustees. The valuations, at market value, are those provided by TMCP. The unrealised gains arising on investments at the end of the year are shown in the SOFA and in Note 12 below.

Receivables and Payables; Bank and Cash (Basic Financial Instruments)

Debtors are stated at the amounts owed to the Circuit or prepaid. Creditors are initially recognised at settlement amount or the amount advanced to the Circuit. Subsequently creditors that are current liabilities are measured at the cash or other consideration expected to be paid. The liquid funds of bank balances and deposit fund balances are shown at their realisable values.

Judgements and Key Sources of Estimation Uncertainty

The preparation of accounts using generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities at the date of the accounts and the reported amounts of revenues and expenses during the reporting period.

The key estimates and assumptions used in the Financial Statements are detailed in the accounting policies.

Methodist Connexional Funds

The Methodist Church Connexion raises assessments against Circuits and these are paid quarterly to their Districts. The Circuits raise assessments against churches in the Circuit. The District quarterly remits to the Methodist Church Fund most of the sum received from the Circuits. A small sum is retained by the District to meet its own costs. The Circuit may act as agents for ad hoc collections for various funds controlled and administered by The Methodist Church.

Designated Funds

Where the Circuit has agreed to use its reserves to meet revenue costs or to meet future capital costs it has designated the funds within unrestricted reserves.

Endowment Funds

Where the Circuit holds money that may not be spent and must be retained (as capital) to generate income the money or assets to be retained are classified as an Endowment Fund. The capital will be shown in the balance sheet in the column for endowment funds. The income may be restricted or unrestricted depending upon the terms of the endowment.

Unrestricted Funds

Unrestricted funds represent the funds that are not subject to any restrictions regarding their use.

Restricted Funds

The purpose of any restricted funds is noted in the accounts.

Ministers' manse costs

The Circuit is required to provide accommodation for each minister in the Circuit and their families and this is seen as a benefit to the Circuit. Ministers are expected to occupy the manse provided for them. The Circuit bears the cost of repairs, maintenance, buildings insurance, Council Tax and water rates. These figures are not separately disclosed as benefits-in-kind as HMRC does not seek to tax these receipts in the hands of the ministers.

Pension contributions

The Circuit participates in the following pension funds:

- **Methodist Ministers' Pension Fund**

The Circuit is a member of the Connexional pension scheme (MMPS) which covers presbyters and deacons of the Methodist Church. The contribution rates are set each year by the Methodist Conference, and for the year under review the employer contributions are 26.9% (2023 26.9%) of stipend.

The MMPS is a multi-employer scheme, and in accordance with the guidance issued by the Charity Commission, the Circuit accounts for those contributions as if it were a defined contribution scheme. It has done so because it is unable to identify its share of the underlying assets and liabilities on a consistent and reasonable basis. Contributions are charged to the SOFA in the period in which they are payable.

- **Standard Life Pension Scheme**

Other non-ordained members of the Circuit staff are given the opportunity of being included in this pension scheme. The employer's contribution rate is set at 6% of salary.

2. Assessments on Churches

The Circuit comprises 16 Churches together with a Chinese congregation and each is assessed for a contribution to meet the overall costs of the Circuit. In making its Assessment, budgeted income from investments (including property letting) and confirmed external grants is taken into account. The Circuit aims to cover its net core costs from the Assessment.

An Assessment on churches is annually determined by the Circuit using a formulaic method which takes into account the relevant net income of each church after deducting all expenses other than the Assessment. Assessments are quarterly in advance.

DERBY CIRCUIT OF THE METHODIST CHURCH

NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 31 AUGUST 2024 - CONTINUED

3. Grants Receivable

	2024 £	Restated 2023 £
District	-	2,620
Susanna Wesley House	800	2,500
	<u>800</u>	<u>5,120</u>

4. Other Income

	2024 £	Restated 2023 £
Sale of Churches	-	76,938
Recovered insurance premiums	573	707
Legacy	-	5,085
Miscellaneous	3,532	35,899
	<u>4,105</u>	<u>118,629</u>
Unrestricted Total	<u>4,105</u>	<u>118,629</u>

5. Grants and Donations

	2024 £	Restated 2023 £
Grants to churches and other institutions	90,189	51,688
Grants and donations to individuals	-	-
	<u>90,189</u>	<u>51,688</u>

6. Salaries and associated costs

Stipends

Stipends were paid to 6 Presbyters and 4 lay employees (2022/23: 10) and were as follows:-

	General £	Designated £	Total £	Restated 2023 £
Stipends	227,139	-	227,139	209,886
National Insurance Contributions	19,182	-	19,182	17,691
Pension Fund Contributions	45,868	-	45,868	42,758
Telephone	4,582	-	4,582	4,543
Travelling	8,016	-	8,016	5,523
Removal and Relocation Costs	-	4,757	4,757	-
	<u>304,787</u>	<u>4,757</u>	<u>309,544</u>	<u>280,401</u>

DERBY CIRCUIT OF THE METHODIST CHURCH

NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 31 AUGUST 2024 - CONTINUED

Administration	General	Designated	Total	Restated 2023
	£	£	£	£
Salary	20,074	-	20,074	17,807
National Insurance Contributions	1,930	-	1,930	1,921
Pension Fund Contributions	1,204	-	1,204	1,167
Travel	3,751	-	3,751	3,539
	26,959	-	26,959	24,434
Stipends and Salaries totals	331,746	4,757	336,503	304,835

No employees received employee benefits of more than £60,000. There is no accrual for holiday pay as it is immaterial. The holiday year ends on 31 August. All staff are paid at or above the living wage.

Salaries were paid to 1 part time administrator (2022/23: 1).

Pensions

Most ordained presbyters and deacons are members of the Methodist Ministers' Pension Scheme (MMPS). This is a defined benefit scheme. The Supreme Court held in 2014 that Methodist ministers (which terms includes presbyters and deacons) are not employees of the Church. For simplicity, however, when dealing with National Insurance Contributions and pension contributions, the terms "employer" and "employee" are used as they would be in an employing body.

On the other hand, Lay employees are contractually employees and have the option of joining a pension scheme that the Circuit has arranged with Standard Life. This is a defined contribution scheme and the Circuit contributes as employer to the scheme.

The Connexion accounts for the MMPS and shows the figures in the annual Methodist Church in Great Britain accounts. The MMPS is in deficit but a plan for removal of the deficit has been proposed and is being implemented.

The payments to the Methodist Ministers Pension Scheme in the year amounted to £42,183 (2022/23: £39,116).

Cost of Superintendent, Presbyters and Trustees

The Superintendent of the Circuit, the other Presbyters and the remaining members of the CLT are considered as Key Management Personnel. The Superintendent chairs meetings of the CLT and Circuit Meetings. The members of the Circuit Meeting are the trustees of the Circuit. The stipends, employer's NIC and employer's pension contributions and other expenses of the Presbyters of the Circuit are paid by the Circuit.

The manses are provided by the Circuit and the Circuit maintains the property. The value of the Council Tax and water charges paid by the Circuit is not disclosed here as HMRC does not regard this as a benefit-in-kind in the hands of the minister.

DERBY CIRCUIT OF THE METHODIST CHURCH

NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 31 AUGUST 2024 - CONTINUED

Payments to the Trustees

It is generally Circuit policy to reimburse the non-Presbyteral ministers of the CLT, Circuit Meeting and others involved in the administration of Circuit affairs for expenditure properly incurred in carrying out their duties. The Presbyters of the Circuit undertake the primary executive roles within the Circuit. Apart from the Presbyters, Circuit Administrator (not a Trustee) and Circuit Lay Worker (not a Trustee), no member of the Circuit Meeting or CLT was in receipt of any payment for work undertaken on behalf of the Circuit, although certain travelling and administration costs were reimbursed. The travel costs of Presbyters who attended CLT and Circuit Meetings are included within the overall travel expenses and are not separately determined.

Payments to Trustees	2024	£13,961 (15 Trustees)
	2023	£12,561 (16 Trustees)

7. Property Expenses

The Circuit is Managing Trustee for nine manses, four of which are occupied by ministers stationed in the Circuit. Five manses are let on Assured Shorthold tenancies. With the exception of the let manses, the Circuit is responsible for the payment of Council Tax, utilities, water rates and insurance.

The cost of ongoing maintenance and improvements to all properties is funded through a Designated "Manses" Fund and a transfer of £3,000 pa per manse is made from the General Fund. The level of transfer is reviewed by the trustees each year.

Expenditure on Manses

	General	Designated	Total	Restated 2023
	£	£	£	£
Council Tax	9,067	-	9,067	10,786
Water rates	2,377	-	2,377	2,500
Insurance	8,344	1,046	9,390	8,163
Maintenance	-	11,590	11,590	16,205
Furnishings	-	15,979	15,979	460
	19,788	28,615	48,403	38,114

Letting Expenses

Agents' charges	4,780	1,570	6,350	7,703
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Other Property Expenses

	General	Designated	Total	Restated 2023
	£	£	£	£
Quinquennial Reports	8,100	-	8,100	3,600
Property Totals	32,668	30,185	62,853	49,417

DERBY CIRCUIT OF THE METHODIST CHURCH

NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 31 AUGUST 2024 - CONTINUED

8. District & Connexional Levies

The District Assessment is calculated relative to the proportion of church members and staffing (Presbyters and Mission staff only) of all Circuits in the Nottingham and Derby District.

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

	General £	CMTF £	Total £	Restated 2023 £
District Expenses	14,082	-	14,082	12,942
Methodist Church Fund	83,070	-	83,070	85,854
Levy on CMTF Funds	-	34,423	34,423	65,788
	97,152	34,423	131,575	164,584

9. Support Costs

	General £	Total £	Restated 2023 £
Stationery and Postages	1,123	1,123	1,513
Office Telephone	920	920	1,041
Audit Fee	3,420	3,420	3,960
	5,463	5,463	6,514

10. Other Expenses

	General £	CMTF £	Designated £	Restricted £	Total £	Restated 2023 £
Preaching Fees & Travel	502	-	-	-	502	720
TMCP Charges	-	1,477	55	267	1,799	1,505
Training Costs	-	-	100	-	100	282
Recoverable Insurance Premiums	574	-	-	-	574	707
Miscellaneous	14,131	-	-	-	14,131	14,907
	15,207	1,477	155	267	17,106	18,121

DERBY CIRCUIT OF THE METHODIST CHURCH

NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 31 AUGUST 2024 - CONTINUED

11. Tangible Fixed Assets

	Land £	Manse	Other Buildings £	Total £
Balance Brought Forward	200,000	1,238,835	237,835	1,676,670
Additions	-	414,647	-	414,647
Disposals	-	(340,000)	-	(340,000)
Transfer to Investment Property	-	(225,000)	-	(225,000)
Balance Carried Forward	200,000	1,088,482	237,835	1,526,317

Investment Properties (currently let to tenants not linked to the Church)

	2024 £	Restated 2023 £
Balance Brought Forward	1,599,000	1,686,500
Additions	-	-
Disposals	-	87,500
Transfer from fixed assets	225,000	-
Revaluations	117,000	-
	1,941,000	1,599,000

The restatement in investment properties is detailed in note 28.

12. Investment Assets

The funds that support the Circuit Model Trust Fund and the Circuit's other funds are held by TMCP in Trustees Interest and/or Managed Equity Funds on which interest and dividends are credited to the accounts each month/quarter. These are regarded as medium and long-term investments.

TMCP is the legal owner and custodian trustee of all Methodist model trust property, including legacies, endowments and accumulated funds. Trust property is held for and on behalf of local managing trustees who are responsible for the day-to-day management of trust property. TMCP ensure that, through providing guidance and acting under their direction, the managing trustees comply with charity law and Methodist law and policy as determined by the Methodist Conference.

The historical cost of investments were £177,437 (2023: £177,437).

	2024 £	Restated 2023 £
Market Value Brought Forward	188,926	194,374
Net Gain/Loss on Revaluation	10,240	(5,448)
Market Value Carried Forward	199,166	188,926

Investments at fair value comprise:

CFB Managed Mixed Fund	126,632	117,539
Royal Bank of Scotland plc	4,170	3,023
Trustees Interest Fund	68,364	68,364
	199,166	188,926

DERBY CIRCUIT OF THE METHODIST CHURCH

NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 31 AUGUST 2024 - CONTINUED

12. Investment Assets – continued

	Designated Funds		Restricted Funds		Endowment Funds	
	2024	Restated	2024	Restated	2024	Restated
	£	2023	£	2023	£	2023
		£		£		£
Market Value Brought Forward	19,249	19,249	43,997	43,997	125,681	131,127
Net Gain/(Loss) on Revaluation	-	-	-	-	10,240	(5,448)
Market Value Carried Forward	19,249	19,249	43,997	43,997	135,921	125,679
CFB Managed Mixed Fund	-	-	-	-	126,633	117,539
Royal Bank of Scotland plc Trustees	-	-	-	-	4,170	3,023
Interest Fund	19,249	19,249	43,997	43,997	5,117	5,117
	19,249	19,249	43,997	43,997	135,920	125,679

13. Debtors and Prepayments

All sums shown as debtors at 1 September 2023 were received during the following year. All sums paid in advance at 1 September 2023 were for activities that have been held during 2024. Similarly, it is expected that payments in advance at 1 September 2024 will be expensed in 2025.

	2024	Restated
	£	2023
		£
Debtors		
Recoverable Expenses	92	917
Sale of Manse	456,109	-
Prepayments		
Stipends, Pension and NIC	17,268	16,219
Methodist Insurance	3,137	2,639
	476,606	19,775

13a. Outstanding Purchase Price

Part of the sale proceeds on the sale of Darley Abbey Methodist Church are classified as outstanding purchase price. This is to be repaid over 6 years with interest being charged at 3% over bank base rate. Therefore, included in current assets are debtors due in more than one year of £35,000.

There is a legal charge over the building in favour of Trustees for Methodist Church Purposes (TMCP).

DERBY CIRCUIT OF THE METHODIST CHURCH

NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 31 AUGUST 2024 - CONTINUED

14. Central Finance Board (CFB) and Bank Balance

Monetary balances held at the Central Finance Board of the Methodist Church, HSBC Bank plc and at CAF Bank Plc are all available on demand without loss of interest. The split of these balances across General, Designated and Restricted Funds is arbitrary but, wherever possible, balances are not shown as negative.

	General £	Designated £	Restricted £	Total £	Restated 2023 £
Central Finance Board	(40,517)	181,302	321	141,104	199,018
HSBC Bank plc	11,246	-	-	11,246	10,829
CAF Bank Ltd	(23,215)	24,797	-	1,582	2,683
Cash	71	-	-	71	12
	(52,415)	206,099	321	154,003	212,542

15. Creditors, Accruals and Income in Advance

It is expected that all sums accrued at 31 August 2024 will be paid during the year ended 31 August 2025.

	General £	Model Trust Fund £	Designated £	Total £	Restated 2023 £
Income in Advance					
Assessments in Advance	88,400	-	-	88,400	97,706
Grant in Advance	-	-	-	-	-
Rent in Advance	-	-	-	-	3,750
Creditors and Accruals					
Ministers' Expenses	1,083	-	-	1,083	1,128
Audit Fee	3,780	-	-	3,780	3,960
CPF Levy	20,000	4,292	-	24,292	22,000
Others	3,983	-	2,406	6,387	2,740
	117,246	4,292	2,406	123,942	131,284

16. Capital Commitments and Contingent Liabilities

At 31 August 2024 the Circuit had no capital commitments.

17. Unrestricted Funds

General Fund	2024 £	Restated 2023 £
Balance	3,095,860	2,653,774
17a. Fair Value Reserve	2024 £	Restated 2023 £
Fair Value Reserve	706,000	589,000

This represents the revaluation of five properties originally held as fixed assets now commercially let as investment properties which have been revalued at current market value.

DERBY CIRCUIT OF THE METHODIST CHURCH

NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 31 AUGUST 2024 - CONTINUED

The purpose of the fund is for use at the discretion of the trustees in the furtherance of the general objectives of the Circuit and which have not been designated for other purposes.

About 98% of this fund is held as freehold property, being manses for ministers and a sports ground and, from time to time, redundant Chapels in the Circuit.

The Circuit meeting is aware that grant applications must demonstrate public benefit and this is true for the fund.

Circuit Model Trust Fund

	2024	Restated 2023
	£	£
Balance	45,893	518,411

The purpose of the fund is for use at the discretion of the trustees in the furtherance of the general objectives of the Circuit. Its main source of income is legacies and formulaically determined contributions from the sale of manses and church buildings in the Circuit. Although this is technically an Unrestricted Fund under the control of the Circuit Meeting, prior approval is still required from the District to utilise these funds. Methodist Standing Orders 930,931 and 917(2) are applicable.

Designated Funds

	2024	Restated 2023
	£	£
Balance	222,942	207,857

These funds are to serve specific purposes but are not restricted by any document or deed to that purpose alone. Movements in these funds are set out in Note 18 below and the details of the specific funds are as follows:

Manses – Receives an annual transfer from the General Fund based on the number of functional and investment manses and against this is charged routine maintenance, repairs and, as the need arises, refurbishments.

Removal and Relocation Fund – Receives an annual transfer from the General Fund and is used as a sinking fund to meet the removal costs and relocation expenses of new presbyters joining the Circuit.

Training – Used to meet the costs of relevant training courses. A formal application process is in place and the fund is also open to applications from members of churches within the Circuit as well as Circuit staff.

Dunkirk and Greenhill Bursary – These are funds from old closed churches which are used as part of the Training Fund.

Susanna Wesley House – This was a donation to be used to further the work of this project.

Prison – This money had been raised by Deacon Jane Rice in her previous Circuit for use in prison chaplaincy work.

Ukraine – Net income from the letting of one of the manses is being set aside to support the Ukrainian refugees as appropriate.

DERBY CIRCUIT OF THE METHODIST CHURCH

NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 31 AUGUST 2024 – CONTINUED

18. Restricted and Endowment Funds

	2024 £	Restated 2023 £
Restricted Funds Balance	142,770	137,976
Endowment Funds Balance	135,921	125,679

The Restricted and Endowment Funds exist to support the causes listed below. All the funds' assets (except those restricted funds which are managed locally) are managed by TMCP and the net income (after charges) is paid direct to the administrators of the fund.

Benevolent Fund – Is restricted to provide support for the poor and needy of the Circuit.

Borrowwash House Fund – This represents the transfer of funds from Borrowwash House Women's Hostel (now closed) and will be used to support vulnerable people in Derby City Centre.

19. Summary of Fund Movements

	Restated Balance at 1.9.2023 £	Income £	Expenditure £	Transfers £	Gains/ (Losses) £	Balance at 31.8.2024 £
General	3,242,774	468,632	498,726	378,602	210,708	3,801,858
Circuit Model Trust	518,411	48,727	109,599	(411,646)	-	45,893
Total Unrestricted & Undesignated	3,761,185	517,359	608,325	(33,046)	210,708	3,847,751
Susanna Wesley House	2,124	-	-	-	-	2,124
Manse	144,955	-	26,747	25,000	-	143,208
Removal & Relocation	6,664	-	4,755	1,500	-	3,409
Quinquennial	(5,915)	-	-	5,916	-	-
Prison	142	-	-	-	-	142
Training	5,353	1,018	155	-	-	6,216
Dunkirk	23,799	-	-	-	-	23,799
Greenhill Bursary	19,249	-	-	-	-	19,249
Ukraine	11,486	13,000	3,439	3,750	-	24,797
Total Designated	207,857	14,018	35,098	36,166	-	222,944
Total Unrestricted	3,969,042	531,377	643,422	3,120	210,708	4,070,695
Benevolent	319	-	-	-	-	319
Borrowwash House	93,658	5,061	267	-	-	98,452
Queen's Hall	-	-	-	-	-	-
Bequests	43,999	-	-	-	-	43,999
Total Restricted	137,976	5,061	267	-	-	142,770
Bequests	125,679	3,122	-	(3,120)	10,240	135,921
Total Restricted & Endowment	263,655	8,183	267	(3,120)	10,240	278,691
Total of All Funds	4,232,697	539,560	643,690	-	220,948	4,349,386

DERBY CIRCUIT OF THE METHODIST CHURCH

NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 31 AUGUST 2024 – CONTINUED

20. Analysis of Net Assets between Funds

Fund balance at 31 August 2024 are represented by:

	General	CMTF	Designated	Restricted	Endowment	Total	Restated 2023
	£	£	£	£	£	£	£
Tangible Fixed Assets	1,526,317	-	-	-	-	1,526,317	1,676,670
Fixed Asset Investments	-	-	19,249	43,997	135,921	199,167	188,926
Properties	1,941,000	-	-	-	-	1,941,000	-
Current Assets	451,789	50,185	206,099	98,773	-	806,844	2,498,386
Current Liabilities	(117,246)	(4,292)	(2,406)	-	-	(123,942)	(131,284)
	<u>3,801,860</u>	<u>45,893</u>	<u>222,942</u>	<u>142,770</u>	<u>135,921</u>	<u>4,349,386</u>	<u>4,232,697</u>

Fund balance at 31 August 2023 are represented by:

	General	CMTF	Designated	Restricted	Endowment	Restated Total	2022
	£	£	£	£	£	£	£
Tangible Fixed Assets	1,676,670	-	-	-	-	1,676,670	1,676,670
Fixed Asset Investments	-	-	19,249	43,997	125,679	188,925	194,374
Current Assets	1,691,124	518,411	194,872	93,979	-	2,498,386	2,499,487
Current Liabilities	(125,020)	-	(6,264)	-	-	(131,284)	(139,655)
	<u>3,242,774</u>	<u>518,411</u>	<u>207,857</u>	<u>137,976</u>	<u>125,679</u>	<u>4,232,697</u>	<u>4,230,876</u>

21. Related Parties

None of the Circuit trustees made donations direct to the Circuit during the year or in the preceding year. All of the Circuit trustees are members of one or another Church within the Circuit and may be trustees in their Churches.

22. Volunteer Contributions

Every entity (Connexion, District, Circuit, Church) within the Methodist Church in Great Britain is heavily reliant on volunteers who contribute their skills, time and money in the furtherance of the work of the Church. In the Circuit the principal contribution is the serving on committees of the Circuit that deal with mission, manses, finance, policy, grants, training and safeguarding. We are grateful to all of them for their help and commitment. No attempt has been made by this Circuit to value the non-monetary contributions to the Circuit in monetary terms.

23. Taxation

The Circuit is a registered charity and is entitled to claim annual exemption from UK corporation tax.

24. Lease Commitments

The Circuit has contracts and obligations for the following:

- Telephones at the Circuit manses. The total annual cost of these is not considered material.

DERBY CIRCUIT OF THE METHODIST CHURCH

NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 31 AUGUST 2024 - CONTINUED

25. Reconciliation of Net Income to Net Cash Flow from Operating Activities

	2024 £	Restated 2023 £
Net Income/(Expenditure) Before Transfers	116,819	1,821
Deduct gain on revaluations and sale	(210,708)	-
Add Loss(Deduct Gains) on Investments	(10,240)	5,447
Add Cash from sale of investments	-	-
Deduct Dividends, Interest and Rents from Investments	(126,138)	(87,939)
Decrease/(Increase) in Debtors	(451,831)	12,716
Increase/(Decrease) in Creditors	(7,342)	(8,371)
Net Cash Used in Operating Activities	(689,570)	(76,326)

26. Comparative SOFA

	Unrestricted Funds			Restricted & Endowment Funds		Restated Total 2023
	General	Circuit Model Trust	Designated	Restricted	Endowment	
	£	£	£	£	£	£
Incoming Resources						
Income from						
Monetary Investments	5,028	18,089	609	2,936	5,387	32,049
Income from						
Investment Properties	41,440	-	14,450	-	-	55,890
Assessments						
on Churches	390,739	-	-	-	-	390,739
Grants Received	5,120	-	-	-	-	5,120
Other Income	118,629	-	-	-	-	118,629
Total Incoming Resources	560,956	18,089	15,059	2,936	5,387	602,427
Expenditure						
Grants and Donations	8,145	43,043	-	500	-	51,688
Salaries and						
Associated Costs	304,835	-	-	-	-	304,835
Property Expenses	26,380	-	23,037	-	-	49,417
District & Connexial Levies	140,571	24,013	-	-	-	164,584
Office Expenses	6,514	-	-	-	-	6,514
Other Outgoings	16,334	1,244	282	261	-	18,121
Total Expenditure	502,779	68,300	23,319	761	-	595,159
Net Income Before Investment Gains/(Losses)	58,177	(50,211)	(8,260)	2,175	5,387	7,268
Gains/(Losses) on						
Monetary Investments	-	-	-	-	(5,447)	(5,447)
Gains/(Losses) on						
Investment Properties	-	-	-	-	-	-
Net Incoming/(Outgoing) Resources Before Transfers	58,177	(50,211)	(8,260)	2,175	(60)	1,821
Transfers Between Funds	(153,336)	131,662	30,000	(2,938)	(5,388)	-
Net Movements in Funds	(95,159)	81,451	21,740	(763)	(5,448)	1,821
Reconciliation of Funds						
Total Funds						
Brought Forward	3,337,933	436,960	186,117	138,739	131,127	4,230,876
Total Funds Carried Forward	3,242,774	518,411	207,857	137,976	125,679	4,232,697

DERBY CIRCUIT OF THE METHODIST CHURCH

NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 31 AUGUST 2024 - CONTINUED

27. Comparative Summary of Fund Movements

	Balance at 1.9.2022 £	Income £	Expenditure £	Transfers £	Gains/ (Losses) £	Restated Balance at 31.8.2023 £
General	3,337,933	560,956	502,779	(153,336)	35,163	3,242,774
Circuit Model Trust	436,960	18,089	58,300	96,499	-	518,411
Total Unrestricted & Undesignated	3,774,893	579,045	571,079	(56,837)	35,163	3,761,185
Susanna Wesley House	2,124	-	-	-	-	2,124
Manse	134,428	-	16,473	27,000	-	144,955
Removal & Relocation	5,164	-	3,600	1,500	-	6,664
Quinquennial	(3,815)	-	-	1,500	-	(5,914)
Prison	142	-	-	-	-	142
Training	5,026	609	282	-	-	5,353
Dunkirk	23,799	-	-	-	-	23,799
Greenhill Bursary	19,249	-	-	-	-	19,249
Ukraine	-	14,450	2,964	-	-	11,486
Total Designated	186,117	15,059	23,319	30,000	-	207,857
Total Unrestricted	3,961,010	594,105	594,398	(26,837)	35,163	3,969,042
Benevolent	319	-	-	-	-	319
Borrowash House	91,483	2,936	761	-	-	93,658
Queen's Hall	2,938	-	-	(2,938)	-	-
Bequests	43,999	-	-	-	-	43,999
Total Restricted	138,739	2,936	761	(2,938)	-	137,976
Bequests	131,127	5,387	-	(5,388)	(5,488)	125,679
Total Restricted & Endowment	269,866	8,323	761	8,326	(5,488)	263,657
Total of All Funds	4,230,876	602,428	595,159	(35,163)	29,716	4,232,697

28. Prior Year Adjustment – Investment Properties

During the year, it was discovered that investment properties had been incorrectly recorded as current assets, rather than fixed assets in the comparative year. The reclassification has been actioned in this year's accounts and comparative year balances have been restated as below: -

Balance Sheet Items	Previously Reported £	Adjustment £	Restated Balance £
Fixed Assets	1,865,596	1,599,000	3,464,596
Current Assets	2,498,386	(1,599,000)	899,386

The Statement of Financial Activities for the comparative year remains unaffected.

Accounts



DERBY CIRCUIT OF THE METHODIST CHURCH
Registered Charity No. 1142341

**FINANCIAL STATEMENTS
AND ANNUAL REPORT**

FOR THE YEAR ENDED

31 AUGUST 2023

DERBY CIRCUIT OF THE METHODIST CHURCH

ANNUAL REPORT FOR THE YEAR ENDED 31 AUGUST 2023

Introduction

The Trustees present their report and financial statements for the year ended 31 August 2023. The financial statements have been prepared in accordance with accounting policies set out in note 1 to the accounts and comply with the Charity's trust deed, the Charities Act 2011 and 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.

Objectives and Activities

The Circuit Meeting in March 2016 adopted the following vision statement:

"The people of God enabled to live out the mission of God"

As a means of helping to make this vision a reality, The Circuit, at the same meeting also adopted five aims for the Circuit:

We aim to enable people to...

- Meet with God and meet with people (WORSHIP)
- Tell our story (PREACHING/EVANGELISM)
- Make the most of what we have (SHARING RESOURCES – practical and people)
- Serve our city, locality and neighbourhood (SERVICE)
- Have confidence in making courageous decisions

The Circuit Meeting then agreed to the creation of focus groups which would meet to review the Circuit's work in the subject area of each aim. The Circuit Leadership Team drew up specific priorities for the Circuit to achieve out of the feedback received from the focus groups.

The Charity's objective is to act as a Resource provider within the area around Derby for the Methodist Church.

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

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

In support of these purposes, the Circuit carries out the following activities:

- a) The organisation and resourcing of regular public acts of worship open to members of the church and non-members alike.

DERBY CIRCUIT OF THE METHODIST CHURCH

ANNUAL REPORT FOR THE YEAR ENDED 31 AUGUST 2023 - CONTINUED

The teaching of Christianity through sermons, courses and small groups.

The resourcing of pastoral work including visiting the sick and bereaved.

Taking religious assemblies in local schools.

Promotion of Christianity through the staging of events and services.

Provision of chaplaincy services to the local university, airport and other institutions.

Public Benefit

We confirm the trustees have had regard to the Charity Commission's guidance on public benefit.

Brief financial review of the year

The Circuit made a financial surplus before losses on investments of £7,268 (2022: £366,919). Losses on investments converted this to a surplus of £1,821 (2022 gains: £518,046).

2023 Annual Report

Ministerial staff changes

As anticipated in last year's report, the Rev Dr Stuart Bell was stationed as superintendent minister with effect from 1st September 2022. It had been expected that his appointment would be for one year only, but with no minister being matched with the circuit in the national stationing processes, he was invited by the circuit meeting to serve for a further year to August 2024.

Changes in Circuit office holders

Circuit Stewards

During the year, Hilary Jones and John McCartney resigned as Circuit Stewards. As at August 31st 2023, the circuit had five Circuit Stewards: Alan Castledine (who serves as treasurer), Peter Nelson, Philip Royle Hilary Handley and Rev Dr Moira Biggins.

Circuit lay workers

The circuit continued to employ the following lay workers

Jo Howie	-	Based at the Susanna Wesley House project
Judith Neal	-	Supporting the Rev David Owen
Mairi Radcliffe	-	Supporting St Martin's Methodist Church
Fiona Riley-Schnoor	-	Circuit Administrator and Safeguarding Officer

Mairi Nasr – Based at the SWH Project, started during the year

Covid-19

While all churches have returned to patterns of worship similar to those before the lockdown – albeit with a number of evening services ceasing – several churches continue to use various platforms to give on-line access to their worship.

As anticipated last year, the Chester Green premises were sold.

DERBY CIRCUIT OF THE METHODIST CHURCH

ANNUAL REPORT FOR THE YEAR ENDED 31 AUGUST 2023 - CONTINUED

Circuit Projects

Susanna Wesley House

Over the last year, the work of SWH has predominantly focussed on the locality of Castleward. This has included work with refugees and asylum seekers who are now being housed in three hotels situated a few minutes' walk from SWH, a development during the year being the opening of a hotel for women and children. The weekly drop-in that started in September 2021 has grown to include shared meals, trips and informal English lessons. Jo and Mairi are active in the community and highlights during the last year include Christmas carols on the square, and community Coronation celebrations. SWH continues to be a safe place for people to receive a warm welcome and encounter God's love.

Ecumenical Matters

Last year it was reported that both ***The Haven Christian Centre*** church and ***Ashbourne Road*** (Methodist-URC) church were without a minister with pastoral oversight. During the year, work by both the Methodist District and the Anglican Diocese led to the creation of the role of an "Enabling Minister" at the Haven, a post that was filled early in 2023-24. Similarly, a profile was created for a URC minister to serve 6 churches in the area including Ashbourne Road, and was at the point of approval in August 2023. At ***Oakwood***, the main act of worship was moved to 4.00pm, supported by its minister, the Rev Neil Draper, and Revd Dr Jason Ward, Vicar of St Mary's Chaddesden with members of the St Mary's congregation.

Reserves at the end of the year were:

Unrestricted	£ 3,969,042 (2022: £3,961,010)
Restricted	£ 137,976 (2022: £138,739)
Endowment	£ 125,680 (2022: £131,127)

Income trends

Circuit income is primarily drawn from the assessment paid by the Circuit churches. The rental income relates to the rental of manses which are not currently used by Circuit staff.

DERBY CIRCUIT OF THE METHODIST CHURCH

ANNUAL REPORT FOR THE YEAR ENDED 31 AUGUST 2023 - CONTINUED

Expenditure trends

Stipend expenditure has increased each financial year in line with conference approved increases. 20% of expenditure is the Circuit contribution to the District and Connexion, of which a significant part is used to fund the work of the wider Methodist Church.

Fund balances

As at 31 August 2023 the unrestricted net current assets of the Circuit (excluding properties, investments and Model Trust Fund but including designated funds) were £155,712, giving approximately 4 months cover for expenditure.

Reserves Policy

The Reserves Policy for the Circuit is to maintain sufficient free reserves equivalent to approximately 3 months' average expenditure. This should be sufficient to meet any unforeseen item of major expenditure on manses and / or to be able to continue, in the short term, funding planned activities in the event of any inability to raise the full Circuit Assessment from churches. Restricted and Endowment Funds represent bequests that have been left to the Circuit over many years. Income generated from these funds is used within the Circuit budget.

Grant making policy

Grants to local churches for property schemes and other purposes are accounted for as liabilities when they receive formal approval by the Circuit Meeting or the Finance & Grants Committee under delegated authority for awards of less than £5,000.

Grants awarded to other charitable bodies are accounted for as liabilities in the year in which the award is made.

Investment Policy and Performance

To comply with Methodist Standing Orders, monies for long term investment are lodged with the Trustees for Methodist Church Purposes (TMCP). TMCP acts as custodian trustee for all real estate held by the Circuit and for all large bequests and for the proceeds of sale of any property formerly owned by the Circuit. These sums are invested in unitised investments or held on deposit. The investment returns are close to tracking the movements in the FTSE100 index. The deposit income mirrors the deposit rates available elsewhere. The Derby Circuit trustees' investment policy is aligned with that of Central Finance Board (CFB) and TMCP because these organisations take into consideration the social, environmental and ethical issues, both negatively and positively, that make investments suitable for the Methodist Church.

Short term deposits are lodged directly with the CFB and attract good rates of interest.

There are no other bench marks for the expected returns on investments at TMCP and CFB. The objective for the Circuit is a rate of return at least as good as market rate considering the trustees' low appetite for risk.

DERBY CIRCUIT OF THE METHODIST CHURCH

ANNUAL REPORT FOR THE YEAR ENDED 31 AUGUST 2023 - CONTINUED

Plans for 2023/24

Circuit financial plans for the coming year have been prepared on the basis that there will be 6 full time equivalent ordained staff with anticipated cost of living stipend increases combined with an increase in the assessment paid to the district

Administrative Information

Full Name of Charity:	Derby Circuit of the Methodist Church
Registration Charity Number:	1142341
Date of registration:	9 June 2011
Main communication address:	Circuit Office, Borrowash Methodist Church Hall, Chapel Row, Borrowash, Derby DE72 3LR
Charity Contact Address	76 Blenheim Drive, Allestree, Derby DE22 2LE

The members of the Derby Methodist Circuit meeting are the Charity Trustees, membership being made up of Circuit office holders, ministers and representatives appointed by the local churches.
Full membership is shown below.

Ministers

Rev Dr Stuart Bell (Superintendent)
Rev Chris Briggs
Rev Calvin Cheung
Rev Paul Desborough
Rev Neil Draper
Rev Colin Emerson
Rev David Owen
Rev Dr Jacky Quarmby

Hospital Chaplain Derby Hospitals

Rev Lew Greaves

Supernumerary Ministers

Rev Ted Ager
Deacon Rosemary Bell (from 5.10.22)
Rev Dr Moira Biggins
Rev Keith Burchell (died 6.9.23)
Rev Donald Cross (died 8.11.22)
Rev Raymond Lunt
Deacon Pat Moore
Deacon Jane Rice

Circuit Stewards

Hilary Jones (resigned 30.6.23)
John McCartney (resigned 31.12.22)
Pete Nelson
Phil Royle
Hilary Handley (from 21.12.22)
Rev Dr Moira Biggins (from 21.12.22)
Angela Davies (from 1.9.23)

DERBY CIRCUIT OF THE METHODIST CHURCH

ANNUAL REPORT FOR THE YEAR ENDED 31 AUGUST 2023 - CONTINUED

Administrative Information – continued

Circuit Church Representatives

Mike Bagworth	Peter Middlehurst
Barrie Barber (resigned 31.8.23)	Roy Milward
Jean Bell (resigned 31.8.23)	Andrew Moore
Brenda Bennett	Aubrey Morris
Mary Calladine	Mary Murden
Christine Cameron	Lynette Nash
Alan Castledine	Judith Neal
Neil Clarke	Janet Patmore
Ruth Croft	Gwen Petch
Chris Paynter (from 1.9.23)	Wendy Rome (from 1.9.23)
Rosemary Peel (from 21.12.22)	Julie Potter (resigned 31.8.22)
Hazel Ellison	Peter Priestley
Norma Fearn	Mairi Radcliffe
Ian Frearson	Fiona Riley-Schnoor
David Gaskin	Dorothy Robinson
Hilary Handley	Linda Sandars
Mick Hardwick (resigned 1.8.23)	Ian Sant
Doreen Hinds	Jonathon Shepherd (resigned 31.8.23)
Jenny Kilgour (from 21.12.22)	Ann Smith
Mairi Nasr (from 21.12.22)	Eric Smith
Marie Holt	Kelvin Smith
Guowei Hong	Judith Smith
Jo Howie	John Spray
Richard Hubball	Derrick Tuplin (resigned 31.8.23)
Peter Knott (resigned 31.8.23)	Alf Wall (resigned 14.6.23)
Stephen Lee	Brenda Wigley
Brenda Leeds	Mike Williams
Sally Levitt	Frankie Wong
David MacDonald	Rita Wright (resigned 31.8.23)
Graham Martin	Colin Young

DERBY CIRCUIT OF THE METHODIST CHURCH

ANNUAL REPORT FOR THE YEAR ENDED 31 AUGUST 2023 - CONTINUED

Administrative Information – continued

Circuit Ministers and officers

Active Circuit Ministers:	Rev Chris Briggs Rev Calvin Cheung Rev Neil Draper Rev Colin Emerson Rev David Owen Rev Dr Jacky Quarmby Rev Dr Stuart Bell
Circuit Lay Employees:	Mrs Jo Howie Mrs Judith Neal Mrs Mairi Radcliffe Ms Mairi Nasr
Circuit Stewards	Mrs Hilary Jones Mr John McCartney Mr Pete Nelson Mr Phil Royle Rev Dr Moira Biggins
Administrators:	Mrs Fiona Riley-Schnoor

Mr Alan Castledine acted as the principal officer overseeing the day to day financial management and accounting for the Circuit during the year.

Independent auditor:	Haines Watts, Chartered Accountants and Registered Auditor 10 Stadium Business Court Millennium Way Pride Park Derby DE24 8HP
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Investment Bankers:	Trustees for Methodist Church purposes
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Bankers:	Central Finance Board of the Methodist Church HSBC Bank plc CAF Bank Ltd
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Structure, Governance and Management

The governing document for the Circuit is the Deed of Union (1932) and Methodist Church Act (1976)

Detailed governance arrangements are outlined within the Constitutional Practice and Discipline of the Methodist Church by order of the annual conference (CPD).

Day to day management of the Circuit is undertaken by the Circuit Leadership Team along with the Local Preachers meeting, the Circuit Finance and Property Committee and the Circuit Policy Committee.

DERBY CIRCUIT OF THE METHODIST CHURCH

ANNUAL REPORT FOR THE YEAR ENDED 31 AUGUST 2023 - CONTINUED

Appointment of Trustees

All ministers, presbyteral and diaconal, stationed in the Circuit by the Conference or who are residing for the purposes of the stations of the Methodist Church in the Circuit and who are in the active work (that is not retired), are ex-officio members of the Circuit Meeting (the Trustee Body). Other ministers who reside in the Circuit in accordance with the standing orders of the Church (including those who are retired) may choose to be members of the Circuit Meeting, and if they do so they are shown in the list of trustees.

Each church is represented by a Church Steward, the Church Treasurer and representatives appointed by the Church Council in relation to the number of Church members (one representative for every 50 members).

The Circuit Meeting has the power to co-opt other members including the lay workers in the Circuit.

Trustee Training

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

Related Parties

The Circuit is part of the Nottingham & Derby District and is also accountable to the Methodist Conference. The following Methodist Churches are linked to the Circuit: Alvaston, Ashbourne Road, Borrowash, Chinese Congregation, Chellaston, Dean Street, Draycott, Duffield, Findern, Haven, Littleover, Mayfield Road, Mickleover, Newmount, Oakwood, Sinfin Moor, Spondon, St John's and St Martin's.

Risk Management

The major risks have been identified and recorded by the Circuit Finance and Property Committee with professional advice taken as required. It has already enhanced its financial procedures and, in common with other churches, has developed robust procedures for safeguarding children, young people and vulnerable adults.

There is a regular annual review process undertaken and recorded.

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

Safeguarding

Every person has a value and dignity which comes directly from the creation of male and female in God's own image and likeness. Christians see this potential as fulfilled by God's re-creation of us in Christ. Among other things this implies a duty to value all people as bearing the image of God and therefore to protect them from harm.

DERBY CIRCUIT OF THE METHODIST CHURCH

ANNUAL REPORT FOR THE YEAR ENDED 31 AUGUST 2023 - CONTINUED

Methodist Connexional practice outlines commitment to the following principles:

- The care and nurture of, and respectful pastoral ministry with, all children, young people and adults.
- The safeguarding and protection of all children, young people and adults when they are vulnerable.
- The establishing of safe, caring communities which provide a loving environment where there is informed vigilance as to the dangers of abuse.
- We will carefully select and train all those with any responsibility within the Church, in line with Safer Recruitment principles, including the use of criminal records disclosures and registration with the relevant vetting and barring schemes.
- We will respond without delay to every complaint made which suggests that an adult, child or young person may have been harmed, cooperating with the police and local authority in any investigation.
- We will seek to work with anyone who has suffered abuse, developing with them an appropriate ministry of informed pastoral care.
- We will seek to challenge any abuse of power, especially by anyone in a position of trust.
- We will seek to offer pastoral care and support, including supervision and referral to the proper authorities, to any member of our church community known to have offended against a child, young person or vulnerable adult.
- In all these principles we will follow legislation, guidance and recognised good practice.

The Derby Circuit commits itself to ensuring the implementation of Connexional Safeguarding Policy; government legislation, guidance and safe practice in the Circuit and in the churches.

The Derby Circuit commits itself to the provision of support, advice and training for lay and ordained people that will ensure people are clear and confident about their roles and responsibilities in safeguarding and promoting the welfare of children and adults who may be vulnerable.

Statement of Trustees' Responsibilities

The Trustees are responsible for preparing the Report of the Trustees and the financial statements in accordance with applicable law and United Kingdom Generally Accepted Accounting Practice.

The law applicable to charities in England and Wales, the Charities Act 2011, Charity (Accounts and Reports) Regulations 2008 and the provision of the Trust Deed require 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, including the income and expenditure of the Charity for the financial year. In preparing those financial statements, the Trustees are required to:

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

The Trustees are responsible for maintaining the proper accounting records which disclose with reasonable accuracy at any time the financial position of the Charity and to enable them to ensure that the financial statements comply with the Charities Act 2011. 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.

DERBY CIRCUIT OF THE METHODIST CHURCH

ANNUAL REPORT FOR THE YEAR ENDED 31 AUGUST 2023 - CONTINUED

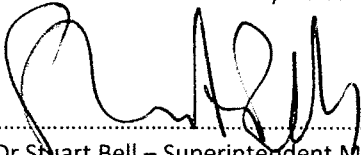
The trustees are responsible for the maintenance and integrity of the charity and financial information included on the charity's website in accordance with legislation in the United Kingdom governing the preparation and dissemination of financial statements.

This report has been prepared in accordance with the Statement of Recommended Practice; Accounting and Reporting by Charities.

AUDITORS

A resolution will be proposed at the Annual General Meeting that Haines Watts be re-appointed as auditors to the charity for the ensuing year.

Signed on behalf of the charity's trustees



Rev Dr Stuart Bell – Superintendent Minister

Date: 25/06/2024.

REPORT OF THE INDEPENDENT AUDITORS TO THE TRUSTEES OF DERBY CIRCUIT OF THE METHODIST CHURCH

Opinion

We have audited the financial statements of Derby Circuit of the Methodist Church (the charity) for the year ended 31 August 2023 on pages fourteen to thirty-two which comprise the Statement of Financial Activities, the Balance Sheet, the Cash Flow Statement and the related notes. 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 its incoming resources and application of resources 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 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 the provisions available for small entities, 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

We have nothing to report in respect of the following matters in relation to which the ISA's (UK) require us to report to you where:

- The trustees use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- The trustees have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the charity's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

However, because not all future events or conditions can be predicted, this statement is not a guarantee as to the charity's ability to continue as a going concern. It is therefore difficult to evaluate all of the potential implications on the charity's finances and wider economy.

Other information

The trustees are responsible for the other information. The other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon.

- Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, 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 audit or otherwise appears to be materially misstated.

REPORT OF THE INDEPENDENT AUDITORS TO THE TRUSTEES OF DERBY CIRCUIT OF THE METHODIST CHURCH

If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. 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.

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 financial statements are not in agreement with the accounting records; or
- we have not received all the information and explanations we require for our audit.

Responsibilities of the trustees

As explained more fully in the trustees' responsibilities statement set out on page nine, the trustees are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and 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 charitable company or to cease operations, or has 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 the Act and relevant regulations made or having effect thereunder.

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 a Report of the Auditors that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISA's (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 aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below;

- Reviewing the financial statement disclosures and testing to supporting documentation to assess compliance with provisions of relevant laws and regulations described as having a direct effect on the financial statements. Specifically reviewing compliance with Charities SORP FRS102.
 - Performing substantive testing over income, including accounting entries made in respect of any income deferred.
 - Performing analytical procedures to identify any unusual or unexpected relationships that may indicate an increased risk of material misstatement as a result of fraud.
 - Performing substantive testing over a selection of journal entries made in the period, to address the risk of fraud due to management override of controls.
- Assessing material accounting estimates to determine if there are indications of management bias.

REPORT OF THE INDEPENDENT AUDITORS TO THE TRUSTEES OF DERBY CIRCUIT OF THE METHODIST CHURCH

We also communicated relevant identified laws and regulations and potential fraud risks to all engagement team members, and remained alert to any indications of fraud or non-compliance with laws and regulations throughout the audit.

Despite the audit being planned and conducted in accordance with ISAs (UK) there remains an unavoidable risk that material misstatements in the financial statements may not be detected owing to the inherent limitations of the audit, and that by their very nature, any such instances of fraud or irregularity likely involve collusion, forgery, intentional misrepresentations, or the override of internal controls.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at www.frc.org.uk/auditorsresponsibilities. This description forms part of our Report of the Auditors.

Use of Our Report

This report is made solely to the charity's trustees, as a body, in accordance 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.

Haines Watts

Haines Watts (East Midlands) Ltd Statutory Auditor
10 Stadium Business Court
Millennium Way
Pride Park
Derby
DE24 8HP

Dated: 26/06/2024.

DERBY CIRCUIT OF THE METHODIST CHURCH

STATEMENT OF FINANCIAL ACTIVITIES FOR THE YEAR ENDED 31 AUGUST 2023

		Unrestricted Funds			Restricted & Endowment Funds			
		General	Circuit Model Trust	Designated	Restricted	Endowment	Total 2023	Total 2022
	Note s	£	£	£	£	£	£	£
Incoming Resources								
Income from Monetary Investments		5,028	18,089	609	2,936	5,387	32,049	8,212
Income from Investment Properties		41,440	-	14,450	-	-	55,890	39,465
Assessments on Churches	2	390,739	-	-	-	-	390,739	395,579
Grants Received	3	5,120	-	-	-	-	5,120	3,397
Other Income	4	118,629	-	-	-	-	118,629	613,351
Total Incoming Resources		560,956	18,089	15,059	2,936	5,387	602,427	1,060,004
Expenditure								
Grants and Donations	5	8,145	43,043	-	500	-	51,688	25,460
Salaries and Associated Costs	6	304,835	-	-	-	-	304,835	294,851
Property Expenses	7	26,380	-	23,037	-	-	49,417	43,779
District and Connexional Levies	8	140,571	24,013	-	-	-	164,584	307,065
Support Costs	9	6,514	-	-	-	-	6,514	6,802
Other Outgoings	10	16,334	1,244	282	261	-	18,121	15,128
Total Expenditure		502,779	68,300	23,319	761	-	595,159	693,085
Net Income Before Investment Gains/(Losses)		58,177	(50,211)	(8,260)	2,175	5,387	7,268	366,919
Gains/(Losses) on Monetary Investments		-	-	-	-	(5,447)	(5,447)	(8,873)
Gains/(Losses) on Investment Properties - Revaluations	11	-	-	-	-	-	-	160,000
Net Incoming/ (Outgoing) Resources Before Transfers		58,177	(50,211)	(8,260)	2,175	(60)	1,821	518,046
Transfers Between Funds	19	(153,336)	131,662	30,000	(2,938)	(5,388)	-	-
Net Movements in Funds		(95,159)	81,451	21,740	(763)	(5,448)	1,821	518,046
Reconciliation of Funds								
Total Funds Brought Forward		3,337,933	436,960	186,117	138,739	131,127	4,230,876	3,712,830
Total Funds Carried Forward	19	3,242,774	518,411	207,857	137,976	125,679	4,232,697	4,230,876

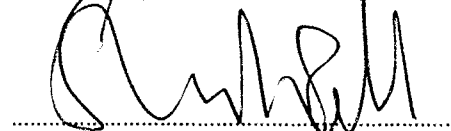
DERBY CIRCUIT OF THE METHODIST CHURCH

BALANCE SHEET AS AT 31 AUGUST 2023

	Notes	Unrestricted Funds			Restricted & Endowment Funds		Total 2023	Total 2022
		General	Circuit Model Trust	Designated	Restricted	Endowment		
		£	£	£	£	£	£	£
Fixed Assets								
Circuit Manses etc	11	1,676,670	-	-	-	-	1,676,670	1,676,670
Investments	12	-	-	19,249	43,997	125,679	188,926	194,374
Total Fixed Assets		1,676,670	-	19,249	43,997	125,679	1,865,596	1,871,044
Current Assets								
Investment Properties	11	1,599,000	-	-	-	-	1,599,000	1,686,500
Debtors	13	19,775	-	-	-	-	19,775	17,489
Outstanding Purchase Price	13a	55,000	-	-	-	-	55,000	70,000
Trustees for Methodist Church Purposes		-	518,411	-	93,658	-	612,069	528,322
Central Finance Board Deposits	14	19,061	-	179,636	321	-	199,018	174,238
Cash at Bank and In Hand	14	(1,712)	-	15,236	-	-	13,524	22,938
Total Current Assets		1,691,124	518,411	194,872	93,979	-	2,498,386	2,499,487
Creditors Due In Under One Year	15	125,020	-	6,264	-	-	131,284	139,655
Net Current Assets/(Liabilities)		1,566,104	518,411	188,608	93,979	-	2,367,102	2,359,832
Net Assets		3,242,774	518,411	207,857	137,976	125,679	4,232,698	4,230,876
Funds of the Circuit								
General Funds (Unrestricted)		2,653,774	-	-	-	-	2,653,774	2,748,933
Circuit Model Trust Fund (Unrestricted)		-	518,411	-	-	-	518,411	436,960
Designated Funds (Unrestricted)		-	-	207,857	-	-	207,857	186,117
Total								
Unrestricted Funds	17	2,653,774	518,411	207,857	-	-	3,380,042	3,372,010
Fair Value Reserve	17a	589,000	-	-	-	-	589,000	589,000
Restricted Funds	18	-	-	-	137,976	-	137,976	138,739
Endowment Fund	18	-	-	-	-	125,679	125,679	131,127
Total Funds		3,242,774	518,411	207,857	137,976	125,679	4,232,697	4,230,876

The notes on pages 17 to 32 form part of these financial statements.

Approved by the Circuit Meeting and authorised for issue on 25/06/2024



Rev Dr Stuart Bell – Superintendent Minister

DERBY CIRCUIT OF THE METHODIST CHURCH

CASH FLOW STATEMENT FOR THE YEAR ENDED 31 AUGUST 2023

	Note	2023 £	2022 £
Cash used in operating activities	25	(76,328)	392,766
Cash flows from investing activities			
Dividends, interest and rents from investments		87,939	47,677
Sale of property		87,500	-
Net cash provided by/(used in) investing activities		175,439	47,677
Increase/(decrease) in cash and equivalents in the year		99,111	440,443
Cash and cash equivalents brought forward		725,498	285,055
Cash and cash equivalents carried forward		824,609	725,498
Cash and cash equivalents consist of:			
Cash at bank and in hand		824,609	725,498
Analysis of change in Net Funds	At 1.9.22 £	Cash flow £	At 31.8.23 £
<u>Net Cash</u>			
Cash at Bank	725,498	99,111	824,609

DERBY CIRCUIT OF THE METHODIST CHURCH

NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 31 AUGUST 2023

1. Accounting policies

Basis of Accounting

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

Public benefit entity

The Derby Methodist Circuit meets the definition of a public benefit entity under FRS 102.

Basis

These accounts have been prepared on the basis of historical cost except that investments are shown at their market value at the end of the year. The accruals basis has been used and trustees present accounts that show a true and fair view of the Circuit's financial position and activities. Assets and liabilities are initially recognised at historical cost or transaction value unless otherwise stated in the relevant accounting policy note.

Content

The financial information presented is relevant, reliable, comparable and complete. Where estimates are used these are based on experience, research and judgement. The accounts are expressed in £Sterling, rounded to the nearest pound.

Going concern

Based on the monetary assets and human resources available at 31 August 2023, the trustees believe that the Circuit is a going concern.

Income recognition

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

In accordance with the Charities SORP (FRS 102), the time of volunteers is not recognised. Further information on this matter is provided in the Trustees' Annual Report. If goods are donated, a value will be shown in the SOFA or Notes where the value is considered material.

Legacies

For legacies, entitlement is taken as the earlier of:

- the date on which the Circuit is aware that probate has been granted;
- the estate has been finalised and notification has been made by the executor(s) to the Trust that a distribution will be made; or
- when a distribution is received from the estate.

DERBY CIRCUIT OF THE METHODIST CHURCH

NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 31 AUGUST 2023 CONTINUED

Receipt of a legacy, in whole or in part, is only considered probable when the amount can be measured reliably and the Circuit has been notified of the executor's intention to make a distribution. Where legacies have been notified to the Circuit or the Circuit is aware of the granting of probate, and the criteria for income recognition have not been met, then the legacy is treated as a contingent asset and disclosed if material.

Donated Services

Donated services and facilities are recognised as income when the Circuit has control over the item, any conditions associated with the donated item have been met, the receipt of economic benefit from the use by the Circuit of the item is probable and that economic benefit can be measured reliably. On receipt, donated services and facilities are recognised on the basis of the value of the gift to the Circuit which is the amount the Circuit would have been willing to pay to obtain services or facilities of equivalent economic benefit on the open market; a corresponding amount is then recognised in expenditure in the period of receipt, where this can be quantified.

Realised Gains and Losses

Realised gains or losses are recognised when investments are sold and are calculated as the difference between sales proceeds and the previous year end market value.

Unrealised gains or losses are accounted for on revaluation of investments at their year end market values.

Expenditure

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

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 the payment.

VAT

Since the Circuit is not VAT registered, all input VAT is charged with the expenses to which it refers.

Tangible Fixed Assets and Investment Assets

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

The freehold property is shown in the accounts at 2015 deemed values, or if acquired after that date at its cost price. The properties that are no longer used for the accommodation of the employees of the Derby Circuit of the Methodist Church have been revalued and reanalysed as investment properties as they are now commercially let. The sports ground was revalued in June 2019 to its current market value. No depreciation is provided on the buildings because the trustees consider the current residual fair value of the manse buildings (on the assumption that it had reached the end of its useful economic life by the year end) to be not less than its current value. Any depreciation would not be material. The property has been reviewed for impairment.

DERBY CIRCUIT OF THE METHODIST CHURCH

NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 31 AUGUST 2023 - CONTINUED

From time to time the Circuit may be required to assume responsibility for Church premises following closure and cessation of worship. This results in the Circuit becoming Managing Trustees for the property. At that time the property is recognised as an investment asset at its anticipated net sale price as determined by a professional valuation and after taking into consideration the levy to be charged by the Connexion. Any expenditure on such assets, if held for reinvestment of the proceeds, as the trustees determine, that is likely to enhance sale value is capitalised at the time the expenditure is incurred. Where the proceeds are intended to be spent on activities, the property is included in current assets at the lower of cost and realisable value.

The Circuit has made use of the deemed cost option in transitioning to FRS 102 as outlined above.

Monetary Investments

The Circuit's investments are in monetary assets classified as basic financial instruments under FRS 102 and are held by the Trustees for Methodist Church Purposes (TMCP) as custodian trustees. The valuations, at market value, are those provided by TMCP. The unrealised gains arising on investments at the end of the year are shown in the SOFA and in Note 12 below.

Receivables and Payables; Bank and Cash (Basic Financial Instruments)

Debtors are stated at the amounts owed to the Circuit or prepaid. Creditors are initially recognised at settlement amount or the amount advanced to the Circuit. Subsequently creditors that are current liabilities are measured at the cash or other consideration expected to be paid. The liquid funds of bank balances and deposit fund balances are shown at their realisable values.

Judgements and Key Sources of Estimation Uncertainty

The preparation of accounts using generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities at the date of the accounts and the reported amounts of revenues and expenses during the reporting period.

The key estimates and assumptions used in the Financial Statements are detailed in the accounting policies.

Methodist Connexional Funds

The Methodist Church Connexion raises assessments against Circuits and these are paid quarterly to their Districts. The Circuits raise assessments against churches in the Circuit. The District quarterly remits to the Methodist Church Fund most of the sum received from the Circuits. A small sum is retained by the District to meet its own costs. The Circuit may act as agents for ad hoc collections for various funds controlled and administered by The Methodist Church.

Designated Funds

Where the Circuit has agreed to use its reserves to meet revenue costs or to meet future capital costs it has designated the funds within unrestricted reserves.

Endowment Funds

Where the Circuit holds money that may not be spent and must be retained (as capital) to generate income the money or assets to be retained are classified as an Endowment Fund. The capital will be shown in the balance sheet in the column for endowment funds. The income may be restricted or unrestricted depending upon the terms of the endowment.

DERBY CIRCUIT OF THE METHODIST CHURCH

NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 31 AUGUST 2023 - CONTINUED

Unrestricted Funds

Unrestricted funds represent the funds that are not subject to any restrictions regarding their use.

Restricted Funds

The purpose of any restricted funds is noted in the accounts.

Ministers' manse costs

The Circuit is required to provide accommodation for each minister in the Circuit and their families and this is seen as a benefit to the Circuit. Ministers are expected to occupy the manse provided for them. The Circuit bears the cost of repairs, maintenance, buildings insurance, Council Tax and water rates. These figures are not separately disclosed as benefits-in-kind as HMRC does not seek to tax these receipts in the hands of the ministers.

Pension contributions

The Circuit participates in the following pension funds:

- **Methodist Ministers' Pension Fund**

The Circuit is a member of the Connexional pension scheme (MMPS) which covers presbyters and deacons of the Methodist Church. The contribution rates are set each year by the Methodist Conference, and for the year under review the employer contributions are 26.9% (2022 26.9%) of stipend.

The MMPS is a multi-employer scheme, and in accordance with the guidance issued by the Charity Commission, the Circuit accounts for those contributions as if it were a defined contribution scheme. It has done so because it is unable to identify its share of the underlying assets and liabilities on a consistent and reasonable basis. Contributions are charged to the SOFA in the period in which they are payable.

- **Standard Life Pension Scheme**

Other non-ordained members of the Circuit staff are given the opportunity of being included in this pension scheme. The employer's contribution rate is set at 6% of salary.

2. Assessments on Churches

The Circuit comprises 18 Churches together with a Chinese congregation and each is assessed for a contribution to meet the overall costs of the Circuit. In making its Assessment, budgeted income from investments (including property letting) and confirmed external grants is taken into account. The Circuit aims to cover its net core costs from the Assessment.

An Assessment on churches is annually determined by the Circuit using a formulaic method which takes into account the relevant net income of each church after deducting all expenses other than the Assessment. Assessments are quarterly in advance.

DERBY CIRCUIT OF THE METHODIST CHURCH

NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 31 AUGUST 2023 - CONTINUED

3. Grants Receivable

	2023	2022
	£	£
Towards costs of Chinese Ministry		
District	2,620	3,397
Susanna Wesley House	2,500	-
	<u>5,120</u>	<u>3,397</u>

4. Other Income

	2023	2022
	£	£
Sale of Churches	76,938	610,321
Recovered insurance premiums	707	532
Legacy	5,085	-
Miscellaneous	35,899	2,498
	<u>118,629</u>	<u>613,351</u>
Unrestricted Total		

5. Grants and Donations

	2023	2022
	£	£
Grants to churches and other institutions	51,688	25,265
Grants and donations to individuals	-	195
	<u>51,688</u>	<u>25,460</u>

6. Salaries and associated costs

Stipends

Stipends were paid to 6 Presbyters and 4 lay employees (2021/22: 9) and were as follows:-

	General	Designated	Total	2022
	£	£	£	£
Stipends	209,886	-	209,886	200,189
National Insurance Contributions	17,691	-	17,691	17,840
Pension Fund Contributions	42,758	-	42,758	44,230
Telephone	4,543	-	4,543	4,389
Travelling	5,523	-	5,523	6,265
Removal and Relocation Costs	-	-	-	71
	<u>280,401</u>	<u>-</u>	<u>280,401</u>	<u>272,984</u>

DERBY CIRCUIT OF THE METHODIST CHURCH

NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 31 AUGUST 2023 - CONTINUED

Administration

	General	Designated	Total	2022
	£	£	£	£
Salary	17,807	-	17,807	17,073
National Insurance Contributions	1,921	-	1,921	1,345
Pension Fund Contributions	1,167	-	1,167	971
Travel	3,539	-	3,539	2,478
	24,434	-	24,434	21,867
Stipends and Salaries totals	304,835	-	304,835	294,851

No employees received employee benefits of more than £60,000. There is no accrual for holiday pay as it is immaterial. The holiday year ends on 31 August. All staff are paid at or above the living wage.

Salaries were paid to 1 part time administrator (2021/22: 2).

Pensions

Most ordained presbyters and deacons are members of the Methodist Ministers' Pension Scheme (MMPS). This is a defined benefit scheme. The Supreme Court held in 2014 that Methodist ministers (which terms includes presbyters and deacons) are not employees of the Church. For simplicity, however, when dealing with National Insurance Contributions and pension contributions, the terms "employer" and "employee" are used as they would be in an employing body.

On the other hand, Lay employees are contractually employees and have the option of joining a pension scheme that the Circuit has arranged with Standard Life. This is a defined contribution scheme and the Circuit contributes as employer to the scheme.

The Connexion accounts for the MMPS and shows the figures in the annual Methodist Church in Great Britain accounts. The MMPS is in deficit but a plan for removal of the deficit has been proposed and is being implemented.

The payments to the Methodist Ministers Pension Scheme in the year amounted to £39,116 (2021/22: £41,680).

Cost of Superintendent, Presbyters and Trustees

The Superintendent of the Circuit, the other Presbyters and the remaining members of the CLT are considered as Key Management Personnel. The Superintendent chairs meetings of the CLT and Circuit Meetings. The members of the Circuit Meeting are the trustees of the Circuit. The stipends, employer's NIC and employer's pension contributions and other expenses of the Presbyters of the Circuit are paid by the Circuit.

The manses are provided by the Circuit and the Circuit maintains the property. The value of the Council Tax and water charges paid by the Circuit is not disclosed here as HMRC does not regard this as a benefit-in-kind in the hands of the minister.

DERBY CIRCUIT OF THE METHODIST CHURCH

NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 31 AUGUST 2023 - CONTINUED

Payments to the Trustees

It is generally Circuit policy to reimburse the non-Presbyteral ministers of the CLT, Circuit Meeting and others involved in the administration of Circuit affairs for expenditure properly incurred in carrying out their duties. The Presbyters of the Circuit undertake the primary executive roles within the Circuit. Apart from the Presbyters, Circuit Administrator (not a Trustee) and Circuit Lay Worker (not a Trustee), no member of the Circuit Meeting or CLT was in receipt of any payment for work undertaken on behalf of the Circuit, although certain travelling and administration costs were reimbursed. The travel costs of Presbyters who attended CLT and Circuit Meetings are included within the overall travel expenses and are not separately determined.

Payments to Trustees	2023	£12,561 (16 Trustees)
	2022	£7,684 (11 Trustees)

7. Property Expenses

The Circuit is Managing Trustee for nine manses, four of which are occupied by ministers stationed in the Circuit. Five manses are let on Assured Shorthold tenancies. With the exception of the let manses, the Circuit is responsible for the payment of Council Tax, utilities, water rates and insurance.

The cost of ongoing maintenance and improvements to all properties is funded through a Designated "Manses" Fund and a transfer of £3,000 pa per manse is made from the General Fund. The level of transfer is reviewed by the trustees each year.

Expenditure on Manses

	General	Designated	Total	2022
	£	£	£	£
Council Tax	10,786	-	10,786	11,787
Water rates	2,500	-	2,500	3,046
Insurance	8,163	-	8,163	7,192
Maintenance	-	16,205	16,205	14,523
Furnishings	-	460	460	430
	21,449	16,665	38,114	36,978

Letting Expenses

Agents' charges	4,931	2,772	7,703	5,261
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Other Property Expenses

	General	Designated	Total	2022
	£	£	£	£
Quinquennial Reports	-	3,600	3,600	1,540
Property Totals	26,380	23,037	49,417	43,779

DERBY CIRCUIT OF THE METHODIST CHURCH

NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 31 AUGUST 2023 - CONTINUED

8. District & Connexional Levies

The District Assessment is calculated relative to the proportion of church members and staffing (Presbyters and Mission staff only) of all Circuits in the Nottingham and Derby District.

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

	General £	CMTF £	Total £	2022 £
District Expenses	12,942	-	12,942	13,337
Methodist Church Fund	85,854	-	85,854	97,700
Levy on CMTF Funds	41,775	24,013	65,788	196,028
	140,571	24,013	164,584	307,065

9. Support Costs

	General £	Total £	2022 £
Stationery and Postages	1,513	1,513	2,324
Office Telephone	1,041	1,041	548
Audit Fee	3,960	3,960	3,930
	6,514	6,514	6,802

10. Other Expenses

	General £	CMTF £	Designated £	Restricted £	Total £	2022 £
Preaching Fees & Travel	720	-	-	-	720	579
TMCP Charges	-	1,244	-	261	1,505	415
Training Costs	-	-	282	-	282	80
Recoverable Insurance Premiums	707	-	-	-	707	533
Miscellaneous	14,907	-	-	-	14,907	13,521
	16,334	1,244	282	261	18,121	15,128

DERBY CIRCUIT OF THE METHODIST CHURCH

NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 31 AUGUST 2023 - CONTINUED

11. Tangible Fixed Assets

	Land £	Manse	Other Buildings £	Total £
Balance Brought Forward	200,000	1,238,835	237,835	1,676,670
Additions	-	-	-	-
Disposals	-	-	-	-
Balance Carried Forward	200,000	1,238,835	237,835	1,676,670

Investment Properties (currently let to tenants not linked to the Church)

Balance Brought Forward	1,686,500	1,686,500
Additions	-	-
Disposals	87,500	87,500
	1,599,000	1,599,000

12. Investment Assets

The funds that support the Circuit Model Trust Fund and the Circuit's other funds are held by TMCP in Trustees Interest and/or Managed Equity Funds on which interest and dividends are credited to the accounts each month/quarter. These are regarded as medium and long-term investments.

TMCP is the legal owner and custodian trustee of all Methodist model trust property, including legacies, endowments and accumulated funds. Trust property is held for and on behalf of local managing trustees who are responsible for the day-to-day management of trust property. TMCP ensure that, through providing guidance and acting under their direction, the managing trustees comply with charity law and Methodist law and policy as determined by the Methodist Conference.

	2023 £	2022 £
Market Value Brought Forward	194,374	250,860
Net Gain/Loss on Revaluation	(5,448)	(8,873)
Disposal during the year	-	(47,613)
Market Value Carried Forward	188,926	194,374

Investments at fair value comprise:

CFB Managed Mixed Fund	117,539	122,753
Royal Bank of Scotland plc	3,023	3,257
Trustees Interest Fund	68,364	68,364
	188,926	194,374

DERBY CIRCUIT OF THE METHODIST CHURCH

NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 31 AUGUST 2023 - CONTINUED

12. Investment Assets – continued

	Designated Funds		Restricted Funds		Endowment Funds	
	2023	2022	2023	2022	2023	2022
	£	£	£	£	£	£
Market Value Brought Forward	19,249	19,249	43,997	92,673	131,127	138,938
Net Gain/(Loss) on Revaluation	-	-	-	(1,061)	(5,448)	(7,811)
Disposal during the year	-	-	-	(47,614)	-	-
Market Value Carried Forward	19,249	19,249	43,997	43,998	125,679	131,127
CFB Managed Mixed Fund	-	-	-	-	117,539	122,753
Royal Bank of Scotland plc Trustees Interest Fund	-	-	-	-	3,023	3,257
	19,249	19,249	43,997	43,998	5,117	5,117
	19,249	19,249	43,997	43,998	125,679	131,127

13. Debtors and Prepayments

All sums shown as debtors at 1 September 2022 were received during the following year. All sums paid in advance at 1 September 2022 were for activities that have been held during 2022/23. Similarly, it is expected that payments in advance at 1 September 2023 will be expensed in 2023/24.

	2023	2022
	£	£
Debtors		
Recoverable Expenses	917	205
Prepayments		
Stipends, Pension and NIC	16,219	15,084
Methodist Insurance	2,639	2,200
	19,775	17,489

13a. Outstanding Purchase Price

Part of the sale proceeds on the sale of Darley Abbey Methodist Church are classified as outstanding purchase price. This is to be repaid over 6 years with interest being charged at 3% over bank base rate. Therefore, included in current assets are debtors due in more than one year of £30,000.

There is a legal charge over the building in favour of Trustees for Methodist Church Purposes (TMCP).

DERBY CIRCUIT OF THE METHODIST CHURCH

NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 31 AUGUST 2023 - CONTINUED

14. Central Finance Board (CFB) and Bank Balance

Monetary balances held at the Central Finance Board of the Methodist Church, HSBC Bank plc and at CAF Bank Plc are all available on demand without loss of interest. The split of these balances across General, Designated and Restricted Funds is arbitrary but, wherever possible, balances are not shown as negative.

	General £	Designated £	Restricted £	Total £	2022 £
Central Finance Board	19,061	179,636	321	199,018	174,238
HSBC Bank plc	(4,407)	15,236	-	10,829	17,458
CAF Bank Ltd	2,683	-	-	2,683	5,339
Cash	12	-	-	12	141
	17,349	194,872	321	212,542	197,176

15. Creditors, Accruals and Income in Advance

It is expected that all sums accrued at 31 August 2023 will be paid during the year ended 31 August 2024.

	General £	Designated £	Total £	2022 £
Income in Advance				
Assessments in Advance	97,706	-	97,706	95,085
Grant in Advance	-	-	-	2,620
Rent in Advance	-	3,750	3,750	-
Creditors and Accruals				
Ministers' Expenses	1,128	-	1,128	1,086
Audit Fee	3,960	-	3,960	3,780
CPF Levy	22,000	-	22,000	28,080
Others	226	2,514	2,740	9,004
	125,020	6,264	131,284	139,655

16. Capital Commitments and Contingent Liabilities

At 31 August 2023 the Circuit had no capital commitments.

17. Unrestricted Funds

General Fund

	2023 £	2022 £
Balance	2,653,774	2,748,933

17a. Fair Value Reserve

	2023 £	2022 £
Fair Value Reserve	589,000	589,000

This represents the revaluation of four properties originally held as fixed assets now commercially let as investment properties which have been revalued in 2021 and 2022 at current market value.

DERBY CIRCUIT OF THE METHODIST CHURCH

NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 31 AUGUST 2023 - CONTINUED

The purpose of the fund is for use at the discretion of the trustees in the furtherance of the general objectives of the Circuit and which have not been designated for other purposes.

About 98% of this fund is held as freehold property, being manses for ministers and a sports ground and, from time to time, redundant Chapels in the Circuit.

The Circuit meeting is aware that grant applications must demonstrate public benefit and this is true for the fund.

Circuit Model Trust Fund

	2023	2022
	£	£
Balance	518,411	436,960

The purpose of the fund is for use at the discretion of the trustees in the furtherance of the general objectives of the Circuit. Its main source of income is legacies and formulaically determined contributions from the sale of manses and church buildings in the Circuit. Although this is technically an Unrestricted Fund under the control of the Circuit Meeting, prior approval is still required from the District to utilise these funds. Methodist Standing Orders 930,931 and 917(2) are applicable.

Designated Funds

	2023	2022
	£	£
Balance	207,857	186,117

These funds are to serve specific purposes but are not restricted by any document or deed to that purpose alone. Movements in these funds are set out in Note 18 below and the details of the specific funds are as follows:

Manses – Receives an annual transfer from the General Fund based on the number of functional and investment manses and against this is charged routine maintenance, repairs and, as the need arises, refurbishments.

Removal and Relocation Fund – Receives an annual transfer from the General Fund and is used as a sinking fund to meet the removal costs and relocation expenses of new presbyters joining the Circuit.

Training – Used to meet the costs of relevant training courses. A formal application process is in place and the fund is also open to applications from members of churches within the Circuit as well as Circuit staff.

Dunkirk and Greenhill Bursary – These are funds from old closed churches which are used as part of the Training Fund.

Quinquennial - The Circuit is responsible for arranging an inspection of all its own properties, as well as those of its churches, every five years. Such inspections are carried out by a Qualified Surveyor. The cost of all inspections is met by the Circuit. The frequency and cost of individual inspections is not uniform, therefore the five year cost is assessed at the start of each cycle and one fifth of the estimated cost is transferred from the General Fund each year. It is therefore possible for this fund to show a negative balance.

Susanna Wesley House – This was a donation to be used to further the work of this project.

Prison – This money had been raised by Deacon Jane Rice in her previous Circuit for use in prison chaplaincy work.

Ukraine – Net income from the letting of one of the manses is being set aside to support the Ukrainian refugees as appropriate.

DERBY CIRCUIT OF THE METHODIST CHURCH

NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 31 AUGUST 2023 - CONTINUED

18. Restricted and Endowment Funds

	2023 £	2022 £
Restricted Funds Balance	137,976	138,739
Endowment Funds Balance	125,679	131,127

The Restricted and Endowment Funds exist to support the causes listed below. All the funds' assets (except those restricted funds which are managed locally) are managed by TMCP and the net income (after charges) is paid direct to the administrators of the fund.

Benevolent Fund – Is restricted to provide support for the poor and needy of the Circuit.

Borrowwash House Fund – This represents the transfer of funds from Borrowwash House Women's Hostel (now closed) and will be used to support vulnerable people in Derby City Centre.

19. Summary of Fund Movements

	Balance at 1.9.2022 £	Income £	Expenditure £	Transfers £	Gains/ (Losses) £	Balance at 31.8.2023 £
General	3,337,933	560,956	502,779	(153,336)	-	3,242,774
Circuit Model Trust	436,960	18,089	68,300	96,499	35,163	518,411
Total Unrestricted & Undesignated	3,774,893	579,045	571,079	(56,837)	35,163	3,761,185
Susanna Wesley House	2,124	-	-	-	-	2,124
Manses	134,428	-	16,473	27,000	-	144,955
Removal & Relocation	5,164	-	-	1,500	-	6,664
Quinquennial	(3,815)	-	3,600	1,500	-	(5,915)
Prison	142	-	-	-	-	142
Training	5,026	609	282	-	-	5,353
Dunkirk	23,799	-	-	-	-	23,799
Greenhill Bursary	19,249	-	-	-	-	19,249
Ukraine	-	14,450	2,964	-	-	11,486
Total Designated	186,117	15,059	23,319	30,000	-	207,857
Total Unrestricted	3,961,010	594,105	594,398	(26,837)	35,163	3,969,042
Benevolent	319	-	-	-	-	319
Borrowwash House	91,483	2,936	761	-	-	93,658
Queen's Hall	2,938	-	-	(2,938)	-	-
Bequests	43,999	-	-	-	-	43,999
Total Restricted	138,739	2,936	761	(2,938)	-	137,976
Bequests	131,127	5,387	-	(5,388)	(5,448)	125,679
Total Restricted & Endowment	269,866	8,323	761	(8,326)	(5,448)	263,657
Total of All Funds	4,230,876	602,428	595,159	(35,163)	29,716	4,232,697

DERBY CIRCUIT OF THE METHODIST CHURCH

NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 31 AUGUST 2023 – CONTINUED

20. Analysis of Net Assets between Funds

Fund balance at 31 August 2023 are represented by:

	General	CMTF	Designated	Restricted	Endowment	Total	2022
	£	£	£	£	£	£	£
Tangible Fixed Assets	1,676,670	-	-	-	-	1,676,670	1,676,670
Fixed Asset Investments	-	-	19,249	43,997	125,680	188,926	194,374
Current Assets	1,691,124	518,411	194,872	93,979	-	2,498,386	2,499,487
Current Liabilities	(125,020)	-	(6,264)	-	-	(131,284)	(139,655)
	<u>3,242,774</u>	<u>518,411</u>	<u>207,857</u>	<u>137,976</u>	<u>125,680</u>	<u>4,232,698</u>	<u>4,230,876</u>

Fund balance at 31 August 2022 are represented by:

	General	CMTF	Designated	Restricted	Endowment	Total	2021
	£	£	£	£	£	£	£
Tangible Fixed Assets	1,676,670	-	-	-	-	1,676,670	1,961,670
Fixed Asset Investments	-	-	19,249	43,998	131,127	194,374	250,860
Current Assets	1,800,838	437,040	166,868	94,741	-	2,498,487	1,634,442
Current Liabilities	(139,575)	(80)	-	-	-	(139,655)	(134,142)
	<u>3,337,933</u>	<u>436,960</u>	<u>186,117</u>	<u>138,739</u>	<u>131,127</u>	<u>4,230,876</u>	<u>3,712,830</u>

21. Related Parties

None of the Circuit trustees made donations direct to the Circuit during the year or in the preceding year. All of the Circuit trustees are members of one or another Church within the Circuit and may be trustees in their Churches.

22. Volunteer Contributions

Every entity (Connexion, District, Circuit, Church) within the Methodist Church in Great Britain is heavily reliant on volunteers who contribute their skills, time and money in the furtherance of the work of the Church. In the Circuit the principal contribution is the serving on committees of the Circuit that deal with mission, manses, finance, policy, grants, training and safeguarding. We are grateful to all of them for their help and commitment. No attempt has been made by this Circuit to value the non-monetary contributions to the Circuit in monetary terms.

23. Taxation

The Circuit is a registered charity and is entitled to claim annual exemption from UK corporation tax.

24. Lease Commitments

The Circuit has contracts and obligations for the following:

- Telephones at the Circuit manses. The total annual cost of these is not considered material.

DERBY CIRCUIT OF THE METHODIST CHURCH

NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 31 AUGUST 2023 - CONTINUED

25. Reconciliation of Net Income to Net Cash Flow from Operating Activities

	2023 £	2022 £
Net Income/(Expenditure) Before Transfers	1,821	518,046
Deduct gain on revaluations	-	(160,000)
Add Loss/(Deduct Gains) on Investments	5,447	8,873
Add Cash from sale of investments	-	47,613
Deduct Dividends, Interest and Rents from Investments	(87,939)	(47,677)
Decrease/(Increase) in Debtors	12,714	20,398
Increase/(Decrease) in Creditors	(8,371)	5,513
Net Cash Used in Operating Activities	(76,328)	392,766

26. Comparative SOFA

	Unrestricted Funds			Restricted & Endowment Funds		Total 2022
	General	Circuit Model Trust	Designated	Restricted	Endowment	
	£	£	£	£	£	£
Incoming Resources						
Income from						
Monetary Investments	551	3,842	93	1,140	2,586	8,212
Income from						
Investment Properties	2,500	-	36,965	-	-	39,465
Assessments						
on Churches	395,579	-	-	-	-	395,579
Grants Received	3,397	-	-	-	-	3,397
Other Income	3,030	610,321	-	-	-	613,351
Total Incoming Resources	405,057	614,163	37,058	1,140	2,586	1,060,004
Expenditure						
Grants and Donations	20	25,265	175	-	-	25,460
Salaries and						
Associated Costs	294,780	-	71	-	-	294,851
Property Expenses	27,286	-	16,493	-	-	43,779
District & Connexial Levies	105,036	202,029	-	-	-	307,065
Office Expenses	6,802	-	-	-	-	6,802
Other Outgoings	14,633	100	135	260	-	15,128
Total Expenditure	448,557	227,394	16,874	260	-	693,085
Net Income Before Investment Gains/(Losses)	(43,500)	386,769	20,184	880	2,586	366,919
Gains/(Losses) on						
Monetary Investments	-	-	-	(1,060)	(7,813)	(8,873)
Gains/(Losses) on						
Investment Properties	160,000	-	-	-	-	160,000
Net Incoming/(Outgoing) Resources Before Transfers	116,500	386,769	20,184	(180)	(5,227)	518,046
Transfers Between Funds	3,198	15,000	32,000	(47,614)	(2,584)	-
Net Movements in Funds	119,698	401,769	52,184	(47,794)	(7,811)	518,046
Reconciliation of Funds						
Total Funds						
Brought Forward	3,218,235	35,191	133,933	186,533	138,938	3,712,830
Total Funds Carried Forward	3,337,933	436,960	186,117	138,739	131,127	4,230,876

DERBY CIRCUIT OF THE METHODIST CHURCH

NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 31 AUGUST 2023 - CONTINUED

27. Comparative Summary of Fund Movements

	Balance at 1.9.2021 £	Income £	Expenditure £	Transfers £	Gains/ (Losses) £	Balance at 31.8.2022 £
General	3,218,235	405,057	448,557	3,198	160,000	3,337,933
Circuit Model Trust	35,191	614,163	227,394	15,000	-	436,960
Total Unrestricted & Undesignated	3,253,426	1,019,220	675,951	18,198	160,000	3,774,893
Susanna Wesley House	2,124	-	-	-	-	2,124
Manses	84,417	36,965	14,954	28,000	-	134,428
Removal & Relocation	2,735	-	71	2,500	-	5,164
Quinquennial	(3,776)	-	1,539	1,500	-	(3,815)
Prison	142	-	-	-	-	142
Training	5,243	93	310	-	-	5,026
Dunkirk	23,799	-	-	-	-	23,799
Greenhill Bursary	19,249	-	-	-	-	19,249
Total Designated	133,933	37,058	16,874	32,000	-	186,117
Total Unrestricted	3,387,359	1,056,278	692,825	50,198	-	3,961,010
Benevolent	319	-	-	-	-	319
Borrowwash House	91,315	428	260	-	-	91,483
Queen's Hall	50,900	712	-	(47,614)	(1,060)	2,938
Bequests	43,999	-	-	-	-	43,999
Total Restricted	186,533	1,140	260	(47,614)	(1,060)	138,739
Bequests	138,938	2,586	-	(2,584)	(7,813)	131,127
Total Restricted & Endowment	325,471	3,726	260	(50,198)	(8,873)	269,866
Total of All Funds	3,712,830	1,060,004	693,085	-	151,127	4,230,876

DERBY CIRCUIT OF THE METHODIST CHURCH

England & Wales - Charity number 1142341

Accounts



DERBY CIRCUIT OF THE METHODIST CHURCH
Registered Charity No. 1142341

**FINANCIAL STATEMENTS
AND ANNUAL REPORT**

FOR THE YEAR ENDED

31 AUGUST 2022

DERBY CIRCUIT OF THE METHODIST CHURCH

ANNUAL REPORT FOR THE YEAR ENDED 31 AUGUST 2022

Introduction

The Trustees present their report and financial statements for the year ended 31 August 2022. The financial statements have been prepared in accordance with accounting policies set out in note 1 to the accounts and comply with the Charity's trust deed, the Charities Act 2011 and 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.

Objectives and Activities

The Circuit Meeting in March 2016 adopted the following vision statement:

"The people of God enabled to live out the mission of God"

As a means of helping to make this vision a reality, The Circuit, at the same meeting also adopted five aims for the Circuit:

We aim to enable people to...

- Meet with God and meet with people (WORSHIP)
- Tell our story (PREACHING/EVANGELISM)
- Make the most of what we have (SHARING RESOURCES – practical and people)
- Serve our city, locality and neighbourhood (SERVICE)
- Have confidence in making courageous decisions

The Circuit Meeting then agreed to the creation of focus groups which would meet to review the Circuit's work in the subject area of each aim. The Circuit Leadership Team is in the process of drawing specific priorities for the Circuit to achieve out of the feedback received from the focus groups.

The Charity's objective is to act as a Resource provider within the area around Derby for the Methodist Church.

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

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

The organisation and resourcing of regular public acts of worship open to members of the church and non-members alike.

DERBY CIRCUIT OF THE METHODIST CHURCH

ANNUAL REPORT FOR THE YEAR ENDED 31 AUGUST 2022 - CONTINUED

The teaching of Christianity through sermons, courses and small groups.

The resourcing of pastoral work including visiting the sick and bereaved.

Taking religious assemblies in local schools.

Promotion of Christianity through the staging of events and services.

Provision of chaplaincy services to the local university and other institutions.

Public Benefit

We confirm the trustees have had regard to the Charity Commission's guidance on public benefit.

Brief financial review of the year

The Circuit made a financial surplus before losses on investments of £366,919 (2021: Deficit £63,060) following the sale of two churches. Losses on investments and the revaluation of assets converted this to a surplus of £518,046(2021: Surplus £394,667).

2022 Annual Report

Ministerial staff changes

As anticipated in last year's report the Rev Chris Briggs, District Mission Enabler, joined the circuit staff team with the agreement that half his working time would be spent on his District role and half in the circuit. As also anticipated, the Rev Dr Jacky Quarmby was stationed in the circuit from September 2021. During the year, the Rev Gillian Sharp sought a curtailment of her appointment and this was agreed. Due to the illness of the Rev Colin Emerson, the Rev Andrew Charlesworth, Deputy District Chair, assumed the role of acting superintendent. The Methodist Conference in June 2022 stationed the Rev Dr Stuart Bell as superintendent minister with effect from 1st September 2022.

Changes in Circuit office holders

Circuit Stewards

The circuit currently has 5 Circuit Stewards: Alan Castledine (who serves as treasurer), Hilary Jones, John McCartney, Peter Nelson and Philip Royle.

Circuit lay workers

The circuit continued to employ the following lay workers

Jo Howie	-	Based at the Susanna Wesley House project
Judith Neal	-	Supporting the Rev Colin Emerson
Mairi Radcliffe	-	Supporting St Martin's Methodist Church
Fiona Riley-Schnoor	-	Circuit Administrator and Safeguarding Officer

DERBY CIRCUIT OF THE METHODIST CHURCH

ANNUAL REPORT FOR THE YEAR ENDED 31 AUGUST 2022 - CONTINUED

Circuit office

The move of the circuit office to Borrowash Methodist Church was completed.

Covid-19

This year saw a return to in-person worship across the circuit, with a number of churches continuing to use various platforms to give on-line access to their worship. Some meetings took place on Zoom, not least in the hot spell in August when everyone was advised to stay at home if possible.

In addition to the two church closures reported last year, it was agreed that the Chester Green premises should be sold.

Circuit Projects

Susanna Wesley House

Over the last year, the work of SWH has predominantly focussed on the locality of Castleward. This has included work with refugees and asylum seekers who are being housed in 2 hotels situated a few minutes' walk from SWH. The weekly drop-in that started in September 2021 has grown to include shared meals, trips and informal English lessons. Jo is active in the community and highlights during the last year include Christmas carols on the square, an Easter Trail and Afternoon Tea, and a Jubilee Fun Day. SWH continues to be a safe place for people to receive a warm welcome and encounter God's love.

Ecumenical Matters

Sinfin Moor had been without an incumbent ordained person for a number of years, but in July 2021, the Rev Paul Desborough (Anglican) was licensed. Paul is working 50% with Sinfin Moor enabling ministry and 50% as the bishop's advisor on new housing in Derby.

The Haven church and **Ashbourne Road** (Methodist-URC) church remain without a minister with pastoral oversight. **Oakwood** remains under the pastoral charge of Methodist presbyter, the Rev Neil Draper.

Reserves at the end of the year were:

Unrestricted	£ 3,961,010 (2021: £3,387,359)
Restricted	£ 138,739 (2021: £186,533)
Endowment	£ 131,127 (2021: £138,938)

Income trends

Circuit income is primarily drawn from the assessment paid by the Circuit churches. The rental income relates to the rental of manses which are not currently used by Circuit staff. Costs related to work in the city centre are covered by a transfer from an external fund.

DERBY CIRCUIT OF THE METHODIST CHURCH

ANNUAL REPORT FOR THE YEAR ENDED 31 AUGUST 2022 - CONTINUED

Expenditure trends

Stipend expenditure has increased each financial year in line with conference approved increases. circa 20% of expenditure is the Circuit contribution to the District and Connexion, of which a significant part is used to fund the work of the wider Methodist Church.

Fund balances

As at 31 August 2022 the unrestricted net current assets of the Circuit (excluding investment properties but including designated funds) were £141,631, giving approximately 4 months cover for expenditure.

Reserves Policy

The Reserves Policy for the Circuit is to maintain sufficient free reserves equivalent to approximately 3 months' average expenditure. This should be sufficient to meet any unforeseen item of major expenditure on manses and / or to be able to continue, in the short term, funding planned activities in the event of any inability to raise the full Circuit Assessment from churches. Restricted and Endowment Funds represent bequests that have been left to the Circuit over many years. Income generated from these funds is used within the Circuit budget.

Grant making policy

Grants to local churches for property schemes and other purposes are accounted for as liabilities when they receive formal approval by the Circuit Meeting or the Finance & Grants Committee under delegated authority for awards of less than £5,000.

Grants awarded to other charitable bodies are accounted for as liabilities in the year in which the award is made.

Investment Policy and Performance

To comply with Methodist Standing Orders, monies for long term investment are lodged with the Trustees for Methodist Church Purposes (TMCP). TMCP acts as custodian trustee for all real estate held by the Circuit and for all large bequests and for the proceeds of sale of any property formerly owned by the Circuit. These sums are invested in unitised investments or held on deposit. The investment returns are close to tracking the movements in the FTSE100 index. The deposit income mirrors the deposit rates available elsewhere. The Derby Circuit trustees' investment policy is aligned with that of Central Finance Board (CFB) and TMCP because these organisations take into consideration the social, environmental and ethical issues, both negatively and positively, that make investments suitable for the Methodist Church.

Short term deposits are lodged directly with the CFB and attract good rates of interest.

There are no other bench marks for the expected returns on investments at TMCP and CFB. The objective for the Circuit is a rate of return at least as good as market rate considering the trustees' low appetite for risk.

DERBY CIRCUIT OF THE METHODIST CHURCH

ANNUAL REPORT FOR THE YEAR ENDED 31 AUGUST 2022 - CONTINUED

Plans for 2022/23

Circuit financial plans for the coming year have been prepared on the basis that there will be 6 full time equivalent ordained staff with anticipated cost of living stipend increases combined with an increase in the assessment paid to the district

Administrative Information

Full Name of Charity:	Derby Circuit of the Methodist Church
Registration Charity Number:	1142341
Date of registration:	9 June 2011
Main communication address:	Circuit Office, Borrowash Methodist Church Hall, Chapel Row, Borrowash, Derby DE72 3LR
Charity Contact Address	76 Blenheim Drive, Allestree, Derby DE22 2LE

The members of the Derby Methodist Circuit meeting are the Charity Trustees, membership being made up of Circuit office holders, ministers and representatives appointed by the local churches.
Full membership is shown below.

Ministers

Rev Dr Stuart Bell (from 1.9.22)
Rev Chris Briggs
Rev Andrew Charlesworth (Acting Superintendent)
Rev Calvin Cheung
Rev Paul Desborough
Rev Neil Draper
Rev Colin Emerson
Rev Martin Knight
Rev David Owen
Rev Jacky Quarmby (from 1.9.21)
Rev Gill Sharp (resigned 31.8.22)

Hospital Chaplain Derby Hospitals

Rev Lew Greaves

Supernumerary Ministers

Rev Ted Ager
Deacon Rosemary Bell (from 5.10.22)
Rev Dr Moira Biggins (from 1.9.22)
Rev Keith Burchell
Rev Donald Cross (died 8.11.22)
Rev Raymond Lunt
Deacon Pat Moore
Deacon Jane Rice

Circuit Stewards

Hilary Jones
John McCartney
Pete Nelson
Phil Royle

DERBY CIRCUIT OF THE METHODIST CHURCH

ANNUAL REPORT FOR THE YEAR ENDED 31 AUGUST 2022 - CONTINUED

Administrative Information – continued

Circuit Church Representatives

Mike Bagworth	Peter Middlehurst
Barrie Barber	Roy Milward
Jean Bell	Andrew Moore
Brenda Bennett	Aubrey Morris
Mary Calladine	Mary Murden
Christine Cameron	Lynette Nash
Alan Castledine	Judith Neal
Neil Clarke	Janet Patmore
Ruth Croft	Gwen Petch
John Digger (resigned 31.8.22)	Geoffrey Petch (died 11.4.22)
Colin Dorman (died 20.4.22)	Julie Potter (resigned 31.8.22)
Hazel Ellison	Peter Priestley
Norma Fearn	Mairi Radcliffe
Ian Frearson (from 13.6.22)	Fiona Riley-Schnoor
David Gaskin	Dorothy Robinson
Hilary Handley	Linda Sandars
Mick Hardwick	Ian Sant
Doreen Hinds	Jonathon Shepherd
Linda Hobday	Ann Smith
Brian Hollingworth (resigned 31.8.22)	Eric Smith
Marie Holt	Kelvin Smith
Guowei Hong	Judith Smith
Jo Howie	John Spray
Richard Hubball	Derrick Tuplin
Peter Knott	Alf Wall
Stephen Lee	Brenda Wigley
Brenda Leeds	Mike Williams
Sally Levitt	Frankie Wong
David MacDonald	Rita Wright
Graham Martin	Colin Young (from 22.3.22)

DERBY CIRCUIT OF THE METHODIST CHURCH

ANNUAL REPORT FOR THE YEAR ENDED 31 AUGUST 2022 - CONTINUED

Administrative Information – continued

Circuit Ministers and officers

Active Circuit Ministers: Rev Chris Briggs
 Rec Calvin Cheung
 Rev Neil Draper
 Rev Colin Emerson
 Rev David Owen
 Rev Dr Jacky Quarmby
 Rev Gill Sharp (resigned 31.8.22)

Circuit Lay Employees: Mrs Jo Howie
 Mrs Judith Neal
 Mrs Mairi Radcliffe

Circuit Stewards Mrs Hilary Jones
 Mr John McCartney
 Mr Pete Nelson
 Mr Phil Royle

Administrators: Mrs Fiona Riley-Schnoor
 Mrs Ying Qian

Mr Alan Castledine acted as the principal officer overseeing the day to day financial management and accounting for the Circuit during the year.

Independent auditor: Haines Watts, Chartered Accountants and Registered Auditor
 10 Stadium Business Court
 Millennium Way
 Pride Park
 Derby
 DE24 8HP

Investment Bankers: Trustees for Methodist Church purposes

Bankers: Central Finance Board of the Methodist Church
 HSBC Bank plc
 CAF Bank Ltd

Structure, Governance and Management

The governing document for the Circuit is the Deed of Union (1932) and Methodist Church Act (1976)

Detailed governance arrangements are outlined within the Constitutional Practice and Discipline of the Methodist Church by order of the annual conference (CPD).

Day to day management of the Circuit is undertaken by the Circuit Leadership Team along with the Local Preachers meeting, the Circuit Finance and Property Committee and the Circuit Policy Committee.

DERBY CIRCUIT OF THE METHODIST CHURCH

ANNUAL REPORT FOR THE YEAR ENDED 31 AUGUST 2022 - CONTINUED

Appointment of Trustees

All ministers, presbyteral and diaconal, stationed in the Circuit by the Conference or who are residing for the purposes of the stations of the Methodist Church in the Circuit and who are in the active work (that is not retired), are ex-officio members of the Circuit Meeting (the Trustee Body). Other ministers who reside in the Circuit in accordance with the standing orders of the Church (including those who are retired) may choose to be members of the Circuit Meeting, and if they do so they are shown in the list of trustees.

Each church is represented by a Church Steward, the Church Treasurer and representatives appointed by the Church Council in relation to the number of Church members (one representative for every 50 members).

The Circuit Meeting has the power to co-opt other members including the lay workers in the Circuit.

Trustee Training

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

Related Parties

The Circuit is part of the Nottingham & Derby District and is also accountable to the Methodist Conference. The following Methodist Churches are linked to the Circuit: Alvaston, Ashbourne Road, Borrowash, Chinese Congregation, Chellaston, Dean Street, Draycott, Duffield, Findern, Haven, Littleover, Mayfield Road, Mickleover, Newmount, Oakwood, Sinfin Moor, Spondon, St John's and St Martin's.

Risk Management

The major risks have been identified and recorded by the Circuit Finance and Property Committee with professional advice taken as required. It has already enhanced its financial procedures and, in common with other churches, has developed robust procedures for safeguarding children, young people and vulnerable adults.

There is a regular annual review process undertaken and recorded.

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

Safeguarding

Every person has a value and dignity which comes directly from the creation of male and female in God's own image and likeness. Christians see this potential as fulfilled by God's re-creation of us in Christ. Among other things this implies a duty to value all people as bearing the image of God and therefore to protect them from harm.

DERBY CIRCUIT OF THE METHODIST CHURCH

ANNUAL REPORT FOR THE YEAR ENDED 31 AUGUST 2022 - CONTINUED

Methodist Connexional practice outlines commitment to the following principles:

- The care and nurture of, and respectful pastoral ministry with, all children, young people and adults.
- The safeguarding and protection of all children, young people and adults when they are vulnerable.
- The establishing of safe, caring communities which provide a loving environment where there is informed vigilance as to the dangers of abuse.
- We will carefully select and train all those with any responsibility within the Church, in line with Safer Recruitment principles, including the use of criminal records disclosures and registration with the relevant vetting and barring schemes.
- We will respond without delay to every complaint made which suggests that an adult, child or young person may have been harmed, cooperating with the police and local authority in any investigation.
- We will seek to work with anyone who has suffered abuse, developing with them an appropriate ministry of informed pastoral care.
- We will seek to challenge any abuse of power, especially by anyone in a position of trust.
- We will seek to offer pastoral care and support, including supervision and referral to the proper authorities, to any member of our church community known to have offended against a child, young person or vulnerable adult.
- In all these principles we will follow legislation, guidance and recognised good practice.

The Derby Circuit commits itself to ensuring the implementation of Connexional Safeguarding Policy; government legislation, guidance and safe practice in the Circuit and in the churches.

The Derby Circuit commits itself to the provision of support, advice and training for lay and ordained people that will ensure people are clear and confident about their roles and responsibilities in safeguarding and promoting the welfare of children and adults who may be vulnerable.

Statement of Trustees' Responsibilities

The Trustees are responsible for preparing the Report of the Trustees and the financial statements in accordance with applicable law and United Kingdom Generally Accepted Accounting Practice.

The law applicable to charities in England and Wales, the Charities Act 2011, Charity (Accounts and Reports) Regulations 2008 and the provision of the Trust Deed require 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, including the income and expenditure of the Charity for the financial year. In preparing those financial statements, the Trustees are required to:

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

The Trustees are responsible for maintaining the proper accounting records which disclose with reasonable accuracy at any time the financial position of the Charity and to enable them to ensure that the financial statements comply with the Charities Act 2011. 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.

DERBY CIRCUIT OF THE METHODIST CHURCH

ANNUAL REPORT FOR THE YEAR ENDED 31 AUGUST 2022 - CONTINUED

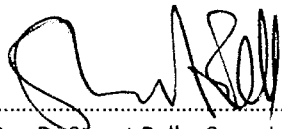
The trustees are responsible for the maintenance and integrity of the charity and financial information included on the charity's website in accordance with legislation in the United Kingdom governing the preparation and dissemination of financial statements.

This report has been prepared in accordance with the Statement of Recommended Practice; Accounting and Reporting by Charities.

AUDITORS

A resolution will be proposed at the Annual General Meeting that Haines Watts be re-appointed as auditors to the charity for the ensuing year.

Signed on behalf of the charity's trustees



Rev Dr Stuart Bell – Superintendent Minister

Date:

15/3/2023

REPORT OF THE INDEPENDENT AUDITORS TO THE TRUSTEES OF DERBY CIRCUIT OF THE METHODIST CHURCH

Opinion

We have audited the financial statements of Derby Circuit of the Methodist Church (the charity) for the year ended 31 August 2022 on pages fourteen to thirty-two which comprise the Statement of Financial Activities, the Balance Sheet, the Cash Flow Statement and the related notes. 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 its incoming resources and application of resources 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 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 the provisions available for small entities, 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

We have nothing to report in respect of the following matters in relation to which the ISA's (UK) require us to report to you where:

- The trustees use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- The trustees have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the charity's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

However, because not all future events or conditions can be predicted, this statement is not a guarantee as to the charity's ability to continue as a going concern. It is therefore difficult to evaluate all of the potential implications on the charity's finances and wider economy.

Other information

The trustees are responsible for the other information. The other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon.

- Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, 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 audit or otherwise appears to be materially misstated.

REPORT OF THE INDEPENDENT AUDITORS TO THE TRUSTEES OF DERBY CIRCUIT OF THE METHODIST CHURCH

If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. 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.

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 financial statements are not in agreement with the accounting records; or
- we have not received all the information and explanations we require for our audit.

Responsibilities of the trustees

As explained more fully in the trustees' responsibilities statement set out on page nine, the trustees are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and 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 charitable company or to cease operations, or has 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 the Act and relevant regulations made or having effect thereunder.

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 a Report of the Auditors that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISA's (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 aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below;

- Reviewing the financial statement disclosures and testing to supporting documentation to assess compliance with provisions of relevant laws and regulations described as having a direct effect on the financial statements. Specifically reviewing compliance with Charities SORP FRS102.
 - Performing substantive testing over income, including accounting entries made in respect of any income deferred.
 - Performing analytical procedures to identify any unusual or unexpected relationships that may indicate an increased risk of material misstatement as a result of fraud.
 - Performing substantive testing over a selection of journal entries made in the period, to address the risk of fraud due to management override of controls.
- Assessing material accounting estimates to determine if there are indications of management bias.

**REPORT OF THE INDEPENDENT AUDITORS TO THE TRUSTEES OF
DERBY CIRCUIT OF THE METHODIST CHURCH**

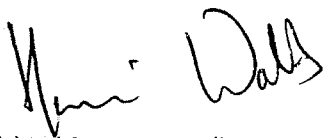
We also communicated relevant identified laws and regulations and potential fraud risks to all engagement team members, and remained alert to any indications of fraud or non-compliance with laws and regulations throughout the audit.

Despite the audit being planned and conducted in accordance with ISAs (UK) there remains an unavoidable risk that material misstatements in the financial statements may not be detected owing to the inherent limitations of the audit, and that by their very nature, any such instances of fraud or irregularity likely involve collusion, forgery, intentional misrepresentations, or the override of internal controls.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at www.frc.org.uk/auditorsresponsibilities. This description forms part of our Report of the Auditors.

Use of Our Report

This report is made solely to the charity's trustees, as a body, in accordance 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.



Haines Watts (East Midlands) Ltd Statutory Auditor
10 Stadium Business Court
Millennium Way
Pride Park
Derby
DE24 8HP

Dated:

23/12/23

DERBY CIRCUIT OF THE METHODIST CHURCH

STATEMENT OF FINANCIAL ACTIVITIES FOR THE YEAR ENDED 31 AUGUST 2022

		Unrestricted Funds			Restricted & Endowment Funds			As restated
		General	Circuit Model Trust	Designated	Restricted	Endowment	Total 2022	Total 2021
	Note s	£	£	£	£	£	£	£
Incoming Resources								
Income from Monetary Investments		551	3,842	93	1,140	2,586	8,212	7,623
Income from Investment Properties Assessments on Churches	2	2,500	-	36,965	-	-	39,465	27,383
Grants Received	3	395,579	-	-	-	-	395,579	402,416
Other Income	4	3,397	-	-	-	-	3,397	19,380
		3,030	610,321	-	-	-	613,351	6,823
Total Incoming Resources		405,057	614,163	37,058	1,140	2,586	1,060,004	463,625
Expenditure								
Grants and Donations	5	20	25,265	175	-	-	25,460	36,678
Salaries and Associated Costs	6	294,780	-	71	-	-	294,851	311,012
Property Expenses	7	27,286	-	16,493	-	-	43,779	41,123
District and Connexional Levies	8	105,036	202,029	-	-	-	307,065	106,920
Support Costs	9	6,802	-	-	-	-	6,802	6,353
Other Outgoings	10	14,633	100	135	260	-	15,128	24,599
Total Expenditure		448,557	227,394	16,874	260	-	693,085	526,685
Net Income Before Investment Gains/(Losses)		(43,500)	386,769	20,184	880	2,586	366,919	(63,060)
Gains/(Losses) on Monetary Investments		-	-	-	(1,060)	(7,813)	(8,873)	28,727
Gains/(Losses) on Investment Properties - Revaluations	11	160,000	-	-	-	-	160,000	429,000
Net Incoming/ (Outgoing) Resources Before Transfers		116,500	386,769	20,184	(180)	(5,227)	518,046	394,667
Transfers Between Funds	19	3,198	15,000	32,000	(47,614)	(2,584)	-	-
Net Movements in Funds		119,698	401,769	52,184	(47,794)	(7,811)	518,046	394,667
Reconciliation of Funds								
Total Funds Brought Forward		3,218,235	35,191	133,933	186,533	138,938	3,712,830	3,318,163
Total Funds Carried Forward	19	3,337,933	436,960	186,117	138,739	131,127	4,230,876	3,712,830

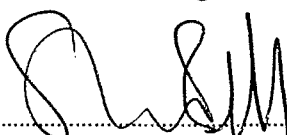
DERBY CIRCUIT OF THE METHODIST CHURCH

BALANCE SHEET AS AT 31 AUGUST 2022

	Notes	Unrestricted Funds			Restricted & Endowment Funds		Total 2022	As restated Total 2021
		General	Circuit Model Trust	Designated	Restricted	Endowment		
		£	£	£	£	£	£	£
Fixed Assets								
Circuit Manses etc	11	1,676,670	-	-	-	-	1,676,670	1,961,670
Investments	12	-	-	19,249	43,998	131,127	194,374	250,860
Total Fixed Assets		1,676,670	-	19,249	43,998	131,127	1,871,044	2,212,530
Current Assets								
Investment Properties	11	1,686,500	-	-	-	-	1,686,500	1,241,500
Debtors	13	17,289	200	-	-	-	17,489	22,887
Outstanding Purchase Price	13a	70,000	-	-	-	-	70,000	85,000
Trustees for Methodist Church Purposes		-	436,840	-	91,482	-	528,322	126,504
Central Finance Board Deposits	14	4,111	-	166,868	3,259	-	174,238	148,341
Cash at Bank and In Hand	14	22,938	-	-	-	-	22,938	10,210
Total Current Assets		1,800,838	437,040	166,868	94,741	-	2,499,487	1,634,442
Creditors Due In Under One Year	15	139,575	80	-	-	-	139,655	134,142
Net Current Assets/(Liabilities)		1,661,263	436,960	166,868	94,741	-	2,359,832	1,500,300
Net Assets		3,337,933	436,960	186,117	138,739	131,127	4,230,876	3,712,830
Funds of the Circuit								
General Funds (Unrestricted)		2,748,933	-	-	-	-	2,748,933	2,789,235
Circuit Model Trust Fund (Unrestricted)		-	436,960	-	-	-	436,960	35,191
Designated Funds (Unrestricted)		-	-	186,117	-	-	186,117	133,933
Total								
Unrestricted Funds	17	2,748,933	436,960	186,117	-	-	3,372,010	2,958,359
Fair Value Reserve	17a	589,000	-	-	-	-	589,000	429,000
Restricted Funds	18	-	-	-	138,739	-	138,739	186,533
Endowment Fund	18	-	-	-	-	131,127	131,127	138,938
Total Funds		3,337,933	436,960	186,117	138,739	131,127	4,230,876	3,712,830

The notes on pages 17 to 32 form part of these financial statements.

Approved by the Circuit Meeting and authorised for issue on 15/3/2023


 Rev Dr Stuart Bell – Superintendent Minister

DERBY CIRCUIT OF THE METHODIST CHURCH

CASH FLOW STATEMENT FOR THE YEAR ENDED 31 AUGUST 2022

	Note	2022 £	2021 £
Cash used in operating activities	25	392,766	(92,296)
Cash flows from investing activities			
Dividends, interest and rents from investments		<u>47,677</u>	<u>32,506</u>
Net cash provided by/(used in) investing activities		<u>47,677</u>	<u>32,506</u>
Increase/(decrease) in cash and equivalents in the year		440,443	(59,790)
Cash and cash equivalents brought forward		<u>285,055</u>	<u>344,845</u>
Cash and cash equivalents carried forward		<u><u>725,498</u></u>	<u><u>285,055</u></u>
Cash and cash equivalents consist of:			
Cash at bank and in hand		<u><u>725,498</u></u>	<u><u>285,055</u></u>
 Analysis of change in Net Funds			
	At 1.9.21 £	Cash flow £	At 31.8.22 £
<u>Net Cash</u>			
Cash at Bank	<u>285,055</u>	<u>440,443</u>	<u>725,498</u>

DERBY CIRCUIT OF THE METHODIST CHURCH

NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 31 AUGUST 2022

1. Accounting policies

Basis of Accounting

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

Public benefit entity

The Derby Methodist Circuit meets the definition of a public benefit entity under FRS 102.

Basis

These accounts have been prepared on the basis of historical cost except that investments are shown at their market value at the end of the year. The accruals basis has been used and trustees present accounts that show a true and fair view of the Circuit's financial position and activities. Assets and liabilities are initially recognised at historical cost or transaction value unless otherwise stated in the relevant accounting policy note.

Content

The financial information presented is relevant, reliable, comparable and complete. Where estimates are used these are based on experience, research and judgement. The accounts are expressed in £Sterling, rounded to the nearest pound.

Going concern

Based on the monetary assets and human resources available at 31 August 2022, the trustees believe that the Circuit is a going concern.

Income recognition

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

In accordance with the Charities SORP (FRS 102), the time of volunteers is not recognised. Further information on this matter is provided in the Trustees' Annual Report. If goods are donated, a value will be shown in the SOFA or Notes where the value is considered material.

Legacies

For legacies, entitlement is taken as the earlier of:

- the date on which the Circuit is aware that probate has been granted;
- the estate has been finalised and notification has been made by the executor(s) to the Trust that a distribution will be made; or
- when a distribution is received from the estate.

DERBY CIRCUIT OF THE METHODIST CHURCH

NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 31 AUGUST 2022 CONTINUED

Receipt of a legacy, in whole or in part, is only considered probable when the amount can be measured reliably and the Circuit has been notified of the executor's intention to make a distribution. Where legacies have been notified to the Circuit or the Circuit is aware of the granting of probate, and the criteria for income recognition have not been met, then the legacy is treated as a contingent asset and disclosed if material.

Donated Services

Donated services and facilities are recognised as income when the Circuit has control over the item, any conditions associated with the donated item have been met, the receipt of economic benefit from the use by the Circuit of the item is probable and that economic benefit can be measured reliably. On receipt, donated services and facilities are recognised on the basis of the value of the gift to the Circuit which is the amount the Circuit would have been willing to pay to obtain services or facilities of equivalent economic benefit on the open market; a corresponding amount is then recognised in expenditure in the period of receipt, where this can be quantified.

Realised Gains and Losses

Realised gains or losses are recognised when investments are sold and are calculated as the difference between sales proceeds and the previous year end market value.

Unrealised gains or losses are accounted for on revaluation of investments at their year end market values.

Expenditure

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

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 the payment.

VAT

Since the Circuit is not VAT registered, all input VAT is charged with the expenses to which it refers.

Tangible Fixed Assets and Investment Assets

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

The freehold property is shown in the accounts at 2015 deemed values, or if acquired after that date at its cost price. The properties that are no longer used for the accommodation of the employees of the Derby Circuit of the Methodist Church have been revalued and reanalysed as investment properties as they are now commercially let. The sports ground was revalued in June 2019 to its current market value. No depreciation is provided on the buildings because the trustees consider the current residual fair value of the manse buildings (on the assumption that it had reached the end of its useful economic life by the year end) to be not less than its current value. Any depreciation would not be material. The property has been reviewed for impairment.

DERBY CIRCUIT OF THE METHODIST CHURCH

NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 31 AUGUST 2022 - CONTINUED

From time to time the Circuit may be required to assume responsibility for Church premises following closure and cessation of worship. This results in the Circuit becoming Managing Trustees for the property. At that time the property is recognised as an investment asset at its anticipated net sale price as determined by a professional valuation and after taking into consideration the levy to be charged by the Connexion. Any expenditure on such assets, if held for reinvestment of the proceeds, as the trustees determine, that is likely to enhance sale value is capitalised at the time the expenditure is incurred. Where the proceeds are intended to be spent on activities, the property is included in current assets at the lower of cost and realisable value.

The Circuit has made use of the deemed cost option in transitioning to FRS 102 as outlined above.

Monetary Investments

The Circuit's investments are in monetary assets classified as basic financial instruments under FRS 102 and are held by the Trustees for Methodist Church Purposes (TMCP) as custodian trustees. The valuations, at market value, are those provided by TMCP. The unrealised gains arising on investments at the end of the year are shown in the SOFA and in Note 12 below.

Receivables and Payables; Bank and Cash (Basic Financial Instruments)

Debtors are stated at the amounts owed to the Circuit or prepaid. Creditors are initially recognised at settlement amount or the amount advanced to the Circuit. Subsequently creditors that are current liabilities are measured at the cash or other consideration expected to be paid. The liquid funds of bank balances and deposit fund balances are shown at their realisable values.

Judgements and Key Sources of Estimation Uncertainty

The preparation of accounts using generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities at the date of the accounts and the reported amounts of revenues and expenses during the reporting period.

The key estimates and assumptions used in the Financial Statements are detailed in the accounting policies.

Methodist Connexional Funds

The Methodist Church Connexion raises assessments against Circuits and these are paid quarterly to their Districts. The Circuits raise assessments against churches in the Circuit. The District quarterly remits to the Methodist Church Fund most of the sum received from the Circuits. A small sum is retained by the District to meet its own costs. The Circuit may act as agents for ad hoc collections for various funds controlled and administered by The Methodist Church.

Designated Funds

Where the Circuit has agreed to use its reserves to meet revenue costs or to meet future capital costs it has designated the funds within unrestricted reserves.

Endowment Funds

Where the Circuit holds money that may not be spent and must be retained (as capital) to generate income the money or assets to be retained are classified as an Endowment Fund. The capital will be shown in the balance sheet in the column for endowment funds. The income may be restricted or unrestricted depending upon the terms of the endowment.

DERBY CIRCUIT OF THE METHODIST CHURCH

NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 31 AUGUST 2022 - CONTINUED

Unrestricted Funds

Unrestricted funds represent the funds that are not subject to any restrictions regarding their use.

Restricted Funds

The purpose of any restricted funds is noted in the accounts.

Ministers' manse costs

The Circuit is required to provide accommodation for each minister in the Circuit and their families and this is seen as a benefit to the Circuit. Ministers are expected to occupy the manse provided for them. The Circuit bears the cost of repairs, maintenance, buildings insurance, Council Tax and water rates. These figures are not separately disclosed as benefits-in-kind as HMRC does not seek to tax these receipts in the hands of the ministers.

Pension contributions

The Circuit participates in the following pension funds:

- **Methodist Ministers' Pension Fund**

The Circuit is a member of the Connexional pension scheme (MMPS) which covers presbyters and deacons of the Methodist Church. The contribution rates are set each year by the Methodist Conference, and for the year under review the employer contributions are 26.9% (2021 26.9%) of stipend.

The MMPS is a multi-employer scheme, and in accordance with the guidance issued by the Charity Commission, the Circuit accounts for those contributions as if it were a defined contribution scheme. It has done so because it is unable to identify its share of the underlying assets and liabilities on a consistent and reasonable basis. Contributions are charged to the SOFA in the period in which they are payable.

- **Standard Life Pension Scheme**

Other non-ordained members of the Circuit staff are given the opportunity of being included in this pension scheme. The employer's contribution rate is set at 6% of salary.

2. Assessments on Churches

The Circuit comprises 18 Churches together with a Chinese congregation and each is assessed for a contribution to meet the overall costs of the Circuit. In making its Assessment, budgeted income from investments (including property letting) and confirmed external grants is taken into account. The Circuit aims to cover its net core costs from the Assessment.

An Assessment on churches is annually determined by the Circuit using a formulaic method which takes into account the relevant net income of each church after deducting all expenses other than the Assessment. Assessments are quarterly in advance.

DERBY CIRCUIT OF THE METHODIST CHURCH

NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 31 AUGUST 2022 - CONTINUED

3. Grants Receivable

	2022	2021
	£	£
Towards costs of Chinese Ministry		
District	3,397	4,180
Hong Kong Methodist Church	-	2,000
Chinese congregation	-	13,200
	<u>3,397</u>	<u>19,380</u>

4. Other Income

	2022	2021
	£	£
Sale of Churches	610,321	-
Recovered insurance premiums	532	496
Chester Green Legacy	-	2,204
Miscellaneous	2,498	3,498
	<u>613,351</u>	<u>6,198</u>
Unrestricted Total		
Designated – Susanna Wesley House Fund	-	625

5. Grants and Donations

	2022	2021
	£	£
Grants to churches and other institutions	25,265	35,149
Grants and donations to individuals	195	1,529
	<u>25,460</u>	<u>36,678</u>

6. Salaries and associated costs

Stipends

Stipends were paid to 6 Presbyters and 3 lay employees (2020/21: 10) and were as follows:-

	General	Designated	Total	2021
	£	£	£	£
Stipends	200,189	-	200,189	212,940
National Insurance Contributions	17,840	-	17,840	18,417
Pension Fund Contributions	44,230	-	44,230	47,937
Telephone	4,389	-	4,389	5,095
Travelling	6,265	-	6,265	944
Removal and Relocation Costs	-	71	71	1,950
	<u>272,913</u>	<u>71</u>	<u>272,984</u>	<u>287,283</u>

DERBY CIRCUIT OF THE METHODIST CHURCH

NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 31 AUGUST 2022 - CONTINUED

Administration

	General	Designated	Total	2021
	£	£	£	£
Salary	17,073	-	17,073	21,047
National Insurance Contributions	1,345	-	1,345	1,275
Pension Fund Contributions	971	-	971	951
Travel	2,478	-	2,478	456
	21,867	-	21,867	23,729
Stipends and Salaries totals	294,780	71	294,851	311,012

No employees received employee benefits of more than £60,000. There is no accrual for holiday pay as it is immaterial. The holiday year ends on 31 August. All staff are paid at or above the living wage.

Salaries were paid to 2 part time administrators (2020/21: 2).

Pensions

Most ordained presbyters and deacons are members of the Methodist Ministers' Pension Scheme (MMPS). This is a defined benefit scheme. The Supreme Court held in 2014 that Methodist ministers (which terms includes presbyters and deacons) are not employees of the Church. For simplicity, however, when dealing with National Insurance Contributions and pension contributions, the terms "employer" and "employee" are used as they would be in an employing body.

On the other hand, Lay employees are contractually employees and have the option of joining a pension scheme that the Circuit has arranged with Standard Life. This is a defined contribution scheme and the Circuit contributes as employer to the scheme.

The Connexion accounts for the MMPS and shows the figures in the annual Methodist Church in Great Britain accounts. The MMPS is in deficit but a plan for removal of the deficit has been proposed and is being implemented.

The payments to the Methodist Ministers Pension Scheme in the year amounted to £41,680 (2020/21: £45,944).

Cost of Superintendent, Presbyters and Trustees

The Superintendent of the Circuit, the other Presbyters and the remaining members of the CLT are considered as Key Management Personnel. The Superintendent chairs meetings of the CLT and Circuit Meetings. The members of the Circuit Meeting are the trustees of the Circuit. The stipends, employer's NIC and employer's pension contributions and other expenses of the Presbyters of the Circuit are paid by the Circuit.

The manses are provided by the Circuit and the Circuit maintains the property. The value of the Council Tax and water charges paid by the Circuit is not disclosed here as HMRC does not regard this as a benefit-in-kind in the hands of the minister.

DERBY CIRCUIT OF THE METHODIST CHURCH

NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 31 AUGUST 2022 - CONTINUED

Payments to the Trustees

It is generally Circuit policy to reimburse the non-Presbyteral ministers of the CLT, Circuit Meeting and others involved in the administration of Circuit affairs for expenditure properly incurred in carrying out their duties. The Presbyters of the Circuit undertake the primary executive roles within the Circuit. Apart from the Presbyters, Circuit Administrator (not a Trustee) and Circuit Lay Worker (not a Trustee), no member of the Circuit Meeting or CLT was in receipt of any payment for work undertaken on behalf of the Circuit, although certain travelling and administration costs were reimbursed. The travel costs of Presbyters who attended CLT and Circuit Meetings are included within the overall travel expenses and are not separately determined.

Payments to Trustees	2022	£7,684 (11 Trustees)
	2021	£2,859 (10 Trustees)

7. Property Expenses

The Circuit is Managing Trustee for 9 manses, 5 of which are occupied by ministers stationed in the Circuit. Four manses are let on Assured Shorthold tenancies. With the exception of the let manses, the Circuit is responsible for the payment of Council Tax, utilities, water rates and insurance.

The cost of ongoing maintenance and improvements to all properties is funded through a Designated "Manses" Fund and a transfer of £3,111 pa per manse is made from the General Fund. The level of transfer is reviewed by the trustees each year.

Expenditure on Manses

	General	Designated	Total	2021
	£	£	£	£
Council Tax	11,787	-	11,787	13,589
Water rates	3,046	-	3,046	3,474
Insurance	7,192	-	7,192	6,883
Maintenance	-	14,523	14,523	7,790
Furnishings	-	430	430	1,382
	22,025	14,953	36,978	33,118

Letting Expenses

Agents' charges	5,261	-	5,261	4,925
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Other Property Expenses

	General	Designated	Total	2021
	£	£	£	£
Quinquennial Reports	-	1,540	1,540	3,080
	-	1,540	1,540	3,080
Property Totals	27,286	16,493	43,779	41,123

DERBY CIRCUIT OF THE METHODIST CHURCH

NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 31 AUGUST 2022 - CONTINUED

8. District & Connexional Levies

The District Assessment is calculated relative to the proportion of church members and staffing (Presbyters and Mission staff only) of all Circuits in the Nottingham and Derby District.

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

	General £	CMTF £	Total £	2021 £
District Expenses	7,336	6,001	13,337	18,059
Methodist Church Fund	97,700	-	97,700	87,596
Levy on CMTF Funds	-	196,028	196,028	1,265
	105,036	202,029	307,065	106,920

9. Support Costs

	General £	Total £	2021 £
Stationery and Postages	2,324	2,324	2,239
Office Telephone	548	548	664
Audit Fee	3,930	3,930	3,450
	6,802	6,802	6,353

10. Other Expenses

	General £	CMTF £	Designated £	Restricted £	Total £	2021 £
Preaching Fees & Travel	579	-	-	-	579	170
TMCP Charges	-	100	55	260	415	283
Training Costs	-	-	80	-	80	38
Recoverable Insurance						
Premiums	533	-	-	-	533	496
Miscellaneous	13,521	-	-	-	13,521	23,612
	14,633	100	135	260	15,128	24,599

DERBY CIRCUIT OF THE METHODIST CHURCH

NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 31 AUGUST 2022 - CONTINUED

11. Tangible Fixed Assets

	Land £	Manse	Other Buildings £	Total £
Balance Brought Forward	200,000	1,523,835	237,835	1,961,670
Additions	-	-	-	-
Disposals	-	-	-	-
Transfer to Investment Property	-	(285,000)	-	(285,000)
Balance Carried Forward	200,000	1,238,835	237,835	1,676,670

Investment Properties (currently let to tenants not linked to the Church)

Balance Brought Forward	1,241,500	1,241,500
Additions	-	-
Disposals	-	-
Transfer from fixed assets		
- Revaluation of 2A Balmoral Close	445,000	445,000
	1,686,500	1,686,500

During 2021 and 2022 four properties were transferred from fixed assets to be held as investment properties as they are now commercially let, 3 properties were revalued in 2021 and the figures for 2021 now detail their re-statement, the property re-valued in 2022 is shown within the 2022 figures.

All properties have been revalued by the Trustees at their current market value.

12. Investment Assets

The funds that support the Circuit Model Trust Fund and the Circuit's other funds are held by TMCP in Trustees Interest and/or Managed Equity Funds on which interest and dividends are credited to the accounts each month/quarter. These are regarded as medium and long-term investments.

TMCP is the legal owner and custodian trustee of all Methodist model trust property, including legacies, endowments and accumulated funds. Trust property is held for and on behalf of local managing trustees who are responsible for the day-to-day management of trust property. TMCP ensure that, through providing guidance and acting under their direction, the managing trustees comply with charity law and Methodist law and policy as determined by the Methodist Conference.

	2022 £	2021 £
Market Value Brought Forward	250,860	222,133
Net Gain/Loss on Revaluation	(8,873)	28,727
Disposal during the year	(47,613)	-
Market Value Carried Forward	194,374	250,860

Investments at fair value comprise:

CFB Managed Mixed Fund	122,753	179,655
Royal Bank of Scotland plc	3,257	2,839
Trustees Interest Fund	68,364	68,366
	194,374	250,860

DERBY CIRCUIT OF THE METHODIST CHURCH

NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 31 AUGUST 2022 - CONTINUED

12. Investment Assets – continued

	Designated Funds		Restricted Funds		Endowment Funds	
	2022	2021	2022	2021	2022	2021
	£	£	£	£	£	£
Market Value						
Brought Forward	19,249	19,249	92,673	85,124	138,938	117,760
Net Gain/(Loss)						
on Revaluation	-	-	(1,061)	7,549	(7,811)	21,178
Disposal during the year	-	-	(47,614)	-	-	-
Market Value						
Carried Forward	19,249	19,249	43,998	92,673	131,127	138,938
CFB Managed						
Mixed Fund	-	-	-	48,674	122,753	130,981
Royal Bank of						
Scotland plc	-	-	-	-	3,257	2,839
Trustees						
Interest Fund	19,249	19,249	43,998	43,999	5,117	5,118
	19,249	19,249	43,998	92,673	131,127	138,938

13. Debtors and Prepayments

All sums shown as debtors at 1 September 2021 were received during the following year. All sums paid in advance at 1 September 2021 were for activities that have been held during 2021/22. Similarly, it is expected that payments in advance at 1 September 2022 will be expensed in 2022/23.

	2022	2021
	£	£
Debtors		
Recoverable Expenses	205	1,561
Prepayments		
Stipends, Pension and NIC	15,084	19,265
Methodist Insurance	2,200	2,061
	17,489	22,887

13a. Outstanding Purchase Price

Part of the sale proceeds on the sale of Darley Abbey Methodist Church are classified as outstanding purchase price. This is to be repaid over 6 years with interest being charged at 3% over bank base rate. Therefore, included in current assets are debtors due within more than one year of £45,000.

There is a legal charge over the building in favour of Trustees for Methodist Church Purposes (TMCP).

DERBY CIRCUIT OF THE METHODIST CHURCH

NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 31 AUGUST 2022 - CONTINUED

14. Central Finance Board (CFB) and Bank Balance

Monetary balances held at the Central Finance Board of the Methodist Church, HSBC Bank plc and at CAF Bank Plc are all available on demand without loss of interest. The split of these balances across General, Designated and Restricted Funds is arbitrary but, wherever possible, balances are not shown as negative.

	General £	Designated £	Restricted £	Total £	2021 £
Central Finance Board	4,111	166,868	3,259	174,238	148,341
HSBC Bank plc	17,458	-	-	17,458	5,807
CAF Bank Ltd	5,339	-	-	5,339	4,247
Cash	141	-	-	141	156
	<u>27,049</u>	<u>166,868</u>	<u>3,259</u>	<u>197,176</u>	<u>158,551</u>

15. Creditors, Accruals and Income in Advance

It is expected that all sums accrued at 31 August 2022 will be paid during the year ended 31 August 2023.

	General £	Circuit Model Trust £	Total £	2021 £
Income in Advance				
Assessments in Advance	95,085	-	95,085	87,458
Grant in Advance	2,620	-	2,620	6,876
Creditors and Accruals				
Ministers' Expenses	1,086	-	1,086	1,421
Audit Fee	3,780	-	3,780	3,450
CPF Levy	28,000	80	28,080	34,000
Others	9,004	-	9,004	937
	<u>139,575</u>	<u>80</u>	<u>139,655</u>	<u>134,142</u>

16. Capital Commitments and Contingent Liabilities

At 31 August 2022 the Circuit had no capital commitments.

17. Unrestricted Funds

General Fund

	2022 £	2021 £
Balance	<u>2,748,933</u>	<u>2,789,235</u>

17a. Fair Value Reserve

	2022 £	2021 £
Fair Value Reserve	<u>589,000</u>	<u>429,000</u>

This represents the revaluation of four properties originally held as fixed assets now commercially let as investment properties which have been revalued in 2021 and 2022 at current market value.

DERBY CIRCUIT OF THE METHODIST CHURCH

NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 31 AUGUST 2022 - CONTINUED

The purpose of the fund is for use at the discretion of the trustees in the furtherance of the general objectives of the Circuit and which have not been designated for other purposes.

About 98% of this fund is held as freehold property, being manses for ministers and a sports ground and, from time to time, redundant Chapels in the Circuit.

The Circuit meeting is aware that grant applications must demonstrate public benefit and this is true for the fund.

Circuit Model Trust Fund

	2022	2021
	£	£
Balance	436,960	35,191

17. Unrestricted Funds – continued

The purpose of the fund is for use at the discretion of the trustees in the furtherance of the general objectives of the Circuit. Its main source of income is legacies and formulaically determined contributions from the sale of manses and church buildings in the Circuit. Although this is technically an Unrestricted Fund under the control of the Circuit Meeting, prior approval is still required from the District to utilise these funds. Methodist Standing Orders 930,931 and 917(2) are applicable.

Designated Funds

	2022	2021
	£	£
Balance	186,117	133,933

These funds are to serve specific purposes but are not restricted by any document or deed to that purpose alone. Movements in these funds are set out in Note 18 below and the details of the specific funds are as follows:

Manses – Receives an annual transfer from the General Fund based on the number of functional and investment manses and against this is charged routine maintenance, repairs and, as the need arises, refurbishments.

Removal and Relocation Fund – Receives an annual transfer from the General Fund and is used as a sinking fund to meet the removal costs and relocation expenses of new presbyters joining the Circuit.

Training – Used to meet the costs of relevant training courses. A formal application process is in place and the fund is also open to applications from members of churches within the Circuit as well as Circuit staff.

Dunkirk and Greenhill Bursary – These are funds from old closed churches which are used as part of the Training Fund.

Quinquennial - The Circuit is responsible for arranging an inspection of all its own properties, as well as those of its churches, every five years. Such inspections are carried out by a Qualified Surveyor. The cost of all inspections is met by the Circuit. The frequency and cost of individual inspections is not uniform, therefore the five year cost is assessed at the start of each cycle and one fifth of the estimated cost is transferred from the General Fund each year. It is therefore possible for this fund to show a negative balance.

Susanna Wesley House – This was a donation to be used to further the work of this project.

Prison – This money had been raised by Deacon Jane Rice in her previous Circuit for use in prison chaplaincy work.

DERBY CIRCUIT OF THE METHODIST CHURCH

NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 31 AUGUST 2022 - CONTINUED

18. Restricted and Endowment Funds

	2022 £	2021 £
Restricted Funds Balance	138,739	186,533
Endowment Funds Balance	131,127	138,938

The Restricted and Endowment Funds exist to support the causes listed below. All the funds' assets (except those restricted funds which are managed locally) are managed by TMCP and the net income (after charges) is paid direct to the administrators of the fund.

Benevolent Fund – Is restricted to provide support for the poor and needy of the Circuit.

Borrowwash House Fund – This represents the transfer of funds from Borrowwash House Women's Hostel (now closed) and will be used to support vulnerable people in Derby City Centre.

Queen's Hall Fund – This represents a legacy to Queen's Hall Methodist Church (now closed) which will be used for work in Derby City Centre.

19. Summary of Fund Movements

	As restated Balance at 1.9.2021 £	Income £	Expenditure £	Transfers £	Gains/ (Losses) £	Balance at 31.8.2022 £
General	3,218,235	405,057	448,557	3,198	160,000	3,337,933
Circuit Model Trust	35,191	614,163	227,394	15,000	-	436,960
Total Unrestricted & Undesignated	3,253,426	1,019,220	675,951	18,198	160,000	3,774,893
Susanna Wesley House	2,124	-	-	-	-	2,124
Manses	84,417	36,965	14,954	28,000	-	134,428
Removal & Relocation	2,735	-	71	2,500	-	5,164
Quinquennial	(3,776)	-	1,539	1,500	-	(3,815)
Prison	142	-	-	-	-	142
Training	5,243	93	310	-	-	5,026
Dunkirk	23,799	-	-	-	-	23,799
Greenhill Bursary	19,249	-	-	-	-	19,249
Total Designated	133,933	37,058	16,874	32,000	-	186,117
Total Unrestricted	3,387,359	1,056,278	692,825	50,198	-	3,961,010
Benevolent	319	-	-	-	-	319
Borrowwash House	91,315	428	260	-	-	91,483
Queen's Hall	50,900	712	-	(47,614)	(1,060)	2,938
Bequests	43,999	-	-	-	-	43,999
Total Restricted	186,533	1,140	260	(47,614)	(1,060)	138,739
Bequests	138,938	2,586	-	(2,584)	(7,813)	131,127
Total Restricted & Endowment	325,471	3,726	260	(50,198)	(8,873)	269,866
Total of All Funds	3,712,830	1,060,004	693,085	-	151,127	4,230,876

Transfers of £47,614, previously the sale proceeds of Queen's Hall Methodist Church was transferred for use with vulnerable people within Derby City Centre. When Susannah Wesley House was purchased it was decided that the funds would be used for running costs, this is the final balance of funds to be released.

DERBY CIRCUIT OF THE METHODIST CHURCH

NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 31 AUGUST 2022 – CONTINUED

20. Analysis of Net Assets between Funds

Fund balance at 31 August 2022 are represented by:

	General	CMTF	Designated	Restricted	Endowment	Total	As restated 2021
	£	£	£	£	£	£	£
Tangible Fixed Assets	1,676,670	-	-	-	-	1,676,670	1,961,670
Fixed Asset Investments	-	-	19,249	43,998	131,127	194,374	250,860
Current Assets	1,800,838	437,040	166,868	94,741	-	2,499,487	1,634,442
Current Liabilities	(139,575)	(80)	-	-	-	(139,655)	(134,142)
	<u>3,337,933</u>	<u>436,960</u>	<u>186,117</u>	<u>138,739</u>	<u>131,127</u>	<u>4,230,876</u>	<u>3,712,830</u>

Fund balance at 31 August 2021 are represented by:

	General	CMTF	Designated	Restricted	Endowment	Total	2020
	£	£	£	£	£	£	£
Tangible Fixed Assets	1,961,670	-	-	-	-	1,961,670	2,686,670
Fixed Asset Investments	-	-	19,249	92,673	138,938	250,860	222,133
Current Assets	1,390,707	35,191	114,684	93,860	-	1,634,442	566,985
Current Liabilities	(134,142)	-	-	-	-	(134,142)	(157,625)
	<u>3,218,235</u>	<u>35,191</u>	<u>133,933</u>	<u>186,533</u>	<u>138,938</u>	<u>3,712,830</u>	<u>3,318,163</u>

21. Related Parties

None of the Circuit trustees made donations direct to the Circuit during the year or in the preceding year. All of the Circuit trustees are members of one or another Church within the Circuit and may be trustees in their Churches.

22. Volunteer Contributions

Every entity (Connexion, District, Circuit, Church) within the Methodist Church in Great Britain is heavily reliant on volunteers who contribute their skills, time and money in the furtherance of the work of the Church. In the Circuit the principal contribution is the serving on committees of the Circuit that deal with mission, manses, finance, policy, grants, training and safeguarding. We are grateful to all of them for their help and commitment. No attempt has been made by this Circuit to value the non-monetary contributions to the Circuit in monetary terms.

23. Taxation

The Circuit is a registered charity and is entitled to claim annual exemption from UK corporation tax.

24. Lease Commitments

The Circuit has contracts and obligations for the following:

- Telephones at the Circuit manses. The total annual cost of these is not considered material.

DERBY CIRCUIT OF THE METHODIST CHURCH

NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 31 AUGUST 2022 - CONTINUED

25. Reconciliation of Net Income to Net Cash Flow from Operating Activities

	2022 £	As restated 2021 £
Net Income/(Expenditure) Before Transfers	518,046	394,667
Deduct gain on revaluations	(160,000)	(429,000)
Add Loss(Deduct Gains) on Investments	8,873	(28,727)
Add Cash from sale of investments	47,613	-
Deduct Dividends, Interest and Rents from Investments	(47,677)	(32,506)
Decrease/(Increase) in Debtors	20,398	26,753
Increase/(Decrease) in Creditors	5,513	(23,483)
Net Cash Used in Operating Activities	392,766	(92,296)

26. Comparative SOFA

	Unrestricted Funds			Restricted & Endowment Funds		As restated
	General	Circuit Model Trust	Designated	Restricted	Endowment	Total 2021
	£	£	£	£	£	£
Incoming Resources						
Income from						
Monetary Investments	182	3,554	61	1,068	2,758	7,623
Income from						
Investment Properties	-	-	27,383	-	-	27,383
Assessments						
on Churches	402,416	-	-	-	-	402,416
Grants Received	19,380	-	-	-	-	19,380
Other Income	6,198	-	625	-	-	6,823
Total Incoming Resources	428,176	3,554	28,069	1,068	2,758	463,625
Expenditure						
Grants and Donations	955	32,608	3,015	100	-	36,678
Salaries and						
Associated Costs	309,062	-	1,950	-	-	311,012
Property Expenses	28,871	-	12,252	-	-	41,123
District & Connexial Levies	105,655	1,265	-	-	-	106,920
Office Expenses	6,353	-	-	-	-	6,353
Other Outgoings	24,278	101	38	182	-	24,599
Total Expenditure	475,174	33,974	17,255	282	-	526,685
Net Income Before Investment Gains/(Losses)	(46,998)	(30,420)	10,814	786	2,758	(63,060)
Gains/(Losses) on						
Monetary Investments	-	-	-	7,549	21,178	28,727
Gains/(Losses) on						
Investment Properties	429,000	-	-	-	-	429,000
Net Incoming/(Outgoing) Resources Before Transfers	382,002	(30,420)	10,814	8,335	23,936	394,667
Transfers Between Funds	(45,242)	15,000	33,000	-	(2,758)	-
Net Movements in Funds	336,760	(15,420)	43,814	8,335	21,178	394,667
Reconciliation of Funds						
Total Funds						
Brought Forward	2,881,475	50,611	90,119	178,198	117,760	3,318,163
Total Funds Carried Forward	3,218,235	35,191	133,933	186,533	138,938	3,712,830

DERBY CIRCUIT OF THE METHODIST CHURCH

NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 31 AUGUST 2022 - CONTINUED

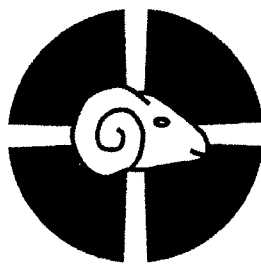
27. Comparative Summary of Fund Movements

	Balance at 1.9.2020 £	Income £	Expenditure £	Transfers £	Gains/ (Losses) £	As restated Balance at 31.8.2021 £
General	2,881,475	428,176	475,174	(45,242)	429,000	3,218,235
Circuit Model Trust	50,611	3,554	33,974	15,000	-	35,191
Total Unrestricted & Undesignated	2,932,086	431,730	509,148	(30,242)	-	3,253,426
Susanna Wesley House	1,499	625	-	-	-	2,124
Manses	40,704	27,383	11,670	28,000	-	84,417
Removal & Relocation	1,185	-	1,950	3,500	-	2,735
Quinquennial	(2,196)	-	3,080	1,500	-	(3,776)
Prison	142	-	-	-	-	142
Training	5,737	61	555	-	-	5,243
Dunkirk	23,799	-	-	-	-	23,799
Greenhill Bursary	19,249	-	-	-	-	19,249
Total Designated	90,119	28,069	17,255	33,000	-	133,933
Total Unrestricted	3,022,205	459,799	526,403	2,758	-	3,387,359
Benevolent	419	-	100	-	-	319
Borrowash House	91,189	308	182	-	-	91,315
Queen's Hall	42,591	760	-	-	7,549	50,900
Bequests	43,999	-	-	-	-	43,999
Total Restricted	178,198	1,068	282	-	7,549	186,533
Bequests	117,760	2,758	-	(2,758)	21,178	138,938
Total Restricted & Endowment	295,958	3,826	282	(2,758)	28,727	325,471
Total of All Funds	3,318,163	463,625	526,685	-	457,727	3,712,830

DERBY CIRCUIT OF THE METHODIST CHURCH

England & Wales - Charity number 1142341

Accounts



DERBY CIRCUIT OF THE METHODIST CHURCH
Registered Charity No. 1142341

**FINANCIAL STATEMENTS
AND ANNUAL REPORT**

FOR THE YEAR ENDED

31 AUGUST 2021

DERBY CIRCUIT OF THE METHODIST CHURCH

ANNUAL REPORT FOR THE YEAR ENDED 31 AUGUST 2021

Introduction

The Trustees present their report and financial statements for the year ended 31 August 2020. The financial statements have been prepared in accordance with accounting policies set out in note 1 to the accounts and comply with the Charity's trust deed, the Charities Act 2011 and 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 published on 16 July 2014.

Objectives and Activities

The Circuit Meeting in March 2016 adopted the following vision statement:

"The people of God enabled to live out the mission of God"

As a means of helping to make this vision a reality, The Circuit, at the same meeting also adopted five aims for the Circuit:

We aim to enable people to...

- Meet with God and meet with people (WORSHIP)
- Tell our story (PREACHING/EVANGELISM)
- Make the most of what we have (SHARING RESOURCES – practical and people)
- Serve our city, locality and neighbourhood (SERVICE)
- Have confidence in making courageous decisions

The Circuit Meeting then agreed to the creation of focus groups which would meet to review the Circuit's work in the subject area of each aim. The Circuit Leadership Team is in the process of drawing specific priorities for the Circuit to achieve out of the feedback received from the focus groups.

The Charity's objective is to act as a Resource provider within the area around Derby for the Methodist Church.

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

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

The organisation and resourcing of regular public acts of worship open to members of the church and non-members alike.

DERBY CIRCUIT OF THE METHODIST CHURCH

ANNUAL REPORT FOR THE YEAR ENDED 31 AUGUST 2021 - CONTINUED

The teaching of Christianity through sermons, courses and small groups.

The resourcing of pastoral work including visiting the sick and bereaved.

Taking religious assemblies in local schools.

Promotion of Christianity through the staging of events and services.

Provision of chaplaincy services to the local university and other institutions.

Public Benefit

We confirm the trustees have had regard to the Charity Commission's guidance on public benefit.

Brief financial review of the year

The Circuit suffered a financial (deficit)/ surplus before gains on investments of £ (63,060) (2020: £ 42,736). Gains on investments converted this to a (deficit)/ surplus of £ (34,333) (2020: £ 38,181). A transfer of £33,862 was made after the year end from funds controlled by the Circuit to cover the costs incurred at Susanna Wesley House.

2021 Annual Report

Ministerial staff changes

In September 2020 Rev. Calvin Cheung was welcomed into the circuit as presbyter with pastoral charge for the Chinese Church, this is a 50% appointment, the remainder of Calvin's time is with the Leicester Circuit supporting the Chinese congregation there.

From September 2020 Gary Watt took on a one-day-a-week District role stimulating, encouraging and enabling Fresh Expressions around the N&D District. In April 2021 Rev. Gary Watt left the circuit to serve as an Army Chaplain. His station is going to be covered from September 2021 with the secondment of Rev Chris Briggs, District Mission Enabler on a 50% F/T role.

In July 2021 the Circuit Invitation Committee unanimously decided to re-invite Revd Neil Draper to serve for a further 3 years and Revd Neil accepted this invitation.

In August 2021 Rev. Greg Obong-Oshotse moved from the circuit to a new appointment in the London District.

The Circuit Invitation Committee submitted a profile for a presbyter for the section of Chellaston, Findern and Newmount and Rev. Jacky Quarmby was stationed to the circuit from September 2021.

Changes in Circuit office holders

Circuit Stewards

The circuit currently has 5 Circuit Stewards:

Alan Castledine (who serves as treasurer)
Hilary Jones
John McCartney
Peter Nelson
Philip Royle

Circuit Safeguarding Officer

A Circuit Safeguarding officer has been appointed by the Circuit, Fiona Riley-Schnoor, who combines this role with her role as Circuit Administrator

DERBY CIRCUIT OF THE METHODIST CHURCH

ANNUAL REPORT FOR THE YEAR ENDED 31 AUGUST 2021 - CONTINUED

Circuit lay workers

The circuit continues to employ the following lay workers

Jo Howie	-	Based at the Susanna Wesley House project
Judith Neal	-	Supporting the superintendent minister
Mairi Radcliffe	-	Supporting St Martin's Methodist Church
Fiona Riley – Schnoor	-	Circuit Administrator and Safeguarding Officer

The Rev Darren Howie who was also working at Susanna Wesley House resigned in May 2021 and we are currently seeking to employ another person to cover this vacancy

Circuit office

It was agreed that the circuit office should be moved to Borrowash MC however the room allocated for this purpose was not suitable for immediate use as it required work to be completed prior to moving the office.

Covid-19

The pandemic continued to have a major impact on all the churches of the circuit. Covid-19 risk assessments were completed by all churches before re-opening with Covid safe measures in place. Most churches re-opened for in-person worship in September before closing again in November on the recommendation of the Nottingham and Derby Methodist District. All churches were closed from the beginning of January 2021 when another national lockdown came into place. Throughout this time ministers and churches continued to use a variety of ways of worshipping, both online using 'Zoom' and 'Facebook' and through printed worship material sent to those without access to the internet. Churches began to re-open for worship when the lockdown was lifted, from the beginning of April. The benefit of Zoom has been recognised with many meetings being held on this medium, including Church Councils and Circuit meetings, even when possible to meet in person.

During times of closure, the buildings were maintained in accordance with Methodist Insurance and TMCP guidance.

The Covid pandemic caused churches to focus on the future and their mission, with the church councils of two churches making the decision to seek permission to cease worship.

St Thomas' Road's final service was in February 2021

Allestree Methodist Church's final service was in July 2021

Despite the on-going difficulties Covid has presented all but one church managed to meet their financial liabilities to the circuit.

Circuit Projects

Susanna Wesley House

Covid pandemic severely limited the activities being run at SWH with 'Susie's' unable to re-start due to safety restrictions and limited space.

Following a District Review of the project, the leadership team at SWH submitted a paper to the Circuit Meeting proposing that into the future, the focus of SWH should be towards the developing Castleward community. This was accepted and work has begun in building new relationships.

During the year we have supported migrants living in a local hotel, delivered welcome bags to new residents and tied 'You are loved' hearts on trees for Valentine's day and continued to grow relationships with the Castleward developers.

Chester Green

In the past year there has been no progress on this project for a number of reasons including the Covid pandemic.

DERBY CIRCUIT OF THE METHODIST CHURCH

ANNUAL REPORT FOR THE YEAR ENDED 31 AUGUST 2021 - CONTINUED

Ecumenical Matters

Sinfin Moor has been without an incumbent ordained person for a number of years, but in July Rev Paul Desborough (Anglican) was licensed. Paul will be working 50% with Sinfin Moor enabling ministry and 50% as the bishop's advisor on new housing in Derby.

The Haven church is still ministered to by Rev Martin Knight (Baptist), who has indicated his intention to retire in October 2021

Ashbourne Road church has been ministered to by Rev. Judith Tatton-Schiff, in July 2021 Rev. Judith resigned due to ill-health.

Oakwood is still under the pastoral charge of Methodist presbyter, Rev. Neil Draper.

Reserves at the end of the year were:

Unrestricted	£ 2,958,359 (2020: £3,022,205)
Restricted	£ 186,533 (2020: £178,198)
Endowment	£ 138,938 (2020: £117,760)

Income trends

Circuit income is primarily drawn from the assessment paid by the Circuit churches. The rental income relates to the rental of manses which are not currently used by Circuit staff. Costs related to work in the city centre are covered by a transfer from an external fund.

Expenditure trends

Stipend expenditure has increased each financial year in line with conference approved increases. 20% of expenditure is the Circuit contribution to the District and Connexion, of which a significant part is used to fund the work of the wider Methodist Church.

Fund balances

As at 31 August 2021 the unrestricted net current assets of the Circuit (excluding investment properties) were £129,749, giving approximately 3 months cover for expenditure.

Reserves Policy

The Reserves Policy for the Circuit is to maintain sufficient free reserves equivalent to approximately 3 months' average expenditure. This should be sufficient to meet any unforeseen item of major expenditure on manses and / or to be able to continue, in the short term, funding planned activities in the event of any inability to raise the full Circuit Assessment from churches. Restricted and Endowment Funds represent bequests that have been left to the Circuit over many years. Income generated from these funds is used within the Circuit budget.

Grant making policy

Grants to local churches for property schemes and other purposes are accounted for as liabilities when they receive formal approval by the Circuit Meeting or the Finance & Grants Committee under delegated authority for awards of less than £5,000.

Grants awarded to other charitable bodies are accounted for as liabilities in the year in which the award is made.

DERBY CIRCUIT OF THE METHODIST CHURCH

ANNUAL REPORT FOR THE YEAR ENDED 31 AUGUST 2021 - CONTINUED

Investment Policy and Performance

To comply with Methodist Standing Orders, monies for long term investment are lodged with the Trustees for Methodist Church Purposes (TMCP). TMCP acts as custodian trustee for all real estate held by the Circuit and for all large bequests and for the proceeds of sale of any property formerly owned by the Circuit. These sums are invested in unitised investments or held on deposit. The investment returns are close to tracking the movements in the FTSE100 index. The deposit income mirrors the deposit rates available elsewhere. The Derby Circuit trustees' investment policy is aligned with that of Central Finance Board (CFB) and TMCP because these organisations take into consideration the social, environmental and ethical issues, both negatively and positively, that make investments suitable for the Methodist Church.

Short term deposits are lodged directly with the CFB and attract good rates of interest.

There are no other bench marks for the expected returns on investments at TMCP and CFB. The objective for the Circuit is a rate of return at least as good as market rate considering the trustees' low appetite for risk.

Plans for 2021/22

Circuit financial plans for the coming year have been prepared on the basis that there will be 6.5 full time ordained staff with anticipated cost of living stipend increases combined with an increase in the assessment paid to the district

Administrative Information

Full Name of Charity:	Derby Circuit of the Methodist Church
Registration Charity Number:	1142341
Date of registration:	9 June 2011
Main communication address:	Circuit Office, Borrowash Methodist Church Hall, Chapel Row, Borrowash, Derby DE72 3LR
Charity Contact Address	76 Blenheim Drive, Allestree, Derby DE22 2LE

The members of the Derby Methodist Circuit meeting are the Charity Trustees, membership being made up of Circuit office holders, ministers and representatives appointed by the local churches.

Full membership is shown below.

Ministers

Rev Chris Briggs (from 1.9.21)
Rev Calvin Cheung
Rev Neil Draper
Rev Colin Emerson (Superintendent)
Rev Darren Howie (resigned 24.4.21)
Rev Martin Knight
Rev Greg Obong-Oshotse (resigned 31.8.21)
Rev David Owen
Rev Jacky Quarmby (from 1.9.21)
Rev Gill Sharp
Rev Dr Gary Watt (resigned 30.4.21)

DERBY CIRCUIT OF THE METHODIST CHURCH

ANNUAL REPORT FOR THE YEAR ENDED 31 AUGUST 2021 - CONTINUED

Hospital Chaplain Derby Hospitals

Rev Lew Greaves

Supernumerary Ministers

Rev Ted Ager
Deacon Rosemary Bell (resigned 8.10.21)
Rev Keith Burchell
Rev Donald Cross
Rev Raymond Lunt
Deacon Pat Moore
Deacon Jane Rice

Circuit Stewards

Christina Achu (resigned 12.11.20)
Hilary Jones
John McCartney
Pete Nelson
Phil Royle

Circuit Church Representatives

Mike Bagworth	Brenda Leeds
Barrie Barber	Sally Levitt
Jean Bell	David MacDonald
Brenda Bennett	Graham Martin (from 1.9.21)
Tim Berry (from 8.3.21 – resigned 31.8.21)	Peter Middlehurst
David Bower (resigned 31.8.21)	Roy Milward
Mary Calladine	Andrew Moore
Christine Cameron	Aubrey Morris
Joan Campbell (resigned 31.8.21)	Mary Murden
Alan Castledine	Lynette Nash (from 1.9.21)
Neil Clarke	Judith Neal
Janet Cotton (resigned 31.8.21)	Janet Patmore
Ruth Croft	Gwen Petch
John Digger	Geoffrey Petch
Colin Dorman	Julie Potter
Hazel Ellison	Peter Priestley
Norma Fearn	Mairi Radcliffe
Nana Forson (resigned 22.3.22)	Fiona Riley-Schnoor (from 22.3.22)
David Gaskin	Dorothy Robinson (resigned 30.4.21)
Jeffery Green (resigned 31.8.21)	Linda Sandars
Hilary Handley	Ian Sant
Mick Hardwick (from 1.1.21)	Jonathon Shepherd
Colin Hinds (died 6.7.21)	Ann Smith
Doreen Hinds	Eric Smith
Linda Hobday	Kelvin Smith
Brian Hollingworth	Judith Smith
Marie Holt	John Spray
Guowei Hong	Derrick Tuplin
Jo Howie	Alf Wall
Richard Hubball	Brenda Wigley
Peter Knott	Mike Williams
Stephen Lee	Frankie Wong
	Rita Wright

DERBY CIRCUIT OF THE METHODIST CHURCH

ANNUAL REPORT FOR THE YEAR ENDED 31 AUGUST 2021 - CONTINUED

Administrative Information – continued

Circuit Ministers and officers

Active Circuit Ministers:	Rev Colin Emerson (Superintendent) Rev Neil Draper Rev Darren Howie (resigned 24.4.21) Rev Greg Obong-Oshotse Rev David Owen Rev Gill Sharp Rev Dr Gary Watt
Circuit Lay Employees:	Mrs Jo Howie Mrs Judith Neal Mrs Mairi Radcliffe
Circuit Stewards:	Mrs Christina Achu (resigned 12.11.20) Mrs Hilary Jones Mr John McCartney Mr Pete Nelson Mr Phil Royle
Administrators:	Mrs Fiona Riley-Schnoor Mrs Ying Qian

Mr Alan Castledine acted as the principal officer overseeing the day to day financial management and accounting for the Circuit during the year.

Independent auditor:	Haines Watts, Chartered Accountants and Registered Auditor 10 Stadium Business Court Millennium Way Pride Park Derby DE24 8HP
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Investment Bankers:	Trustees for Methodist Church purposes
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Bankers:	Central Finance Board of the Methodist Church HSBC Bank plc CAF Bank Ltd
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Structure, Governance and Management

The governing document for the Circuit is the Deed of Union (1932) and Methodist Church Act (1976)

Detailed governance arrangements are outlined within the Constitutional Practice and Discipline of the Methodist Church by order of the annual conference (CPD).

Day to day management of the Circuit is undertaken by the Circuit Leadership Team along with the Local Preachers meeting, the Circuit Finance and Property Committee and the Circuit Policy Committee.

DERBY CIRCUIT OF THE METHODIST CHURCH

ANNUAL REPORT FOR THE YEAR ENDED 31 AUGUST 2021 - CONTINUED

Appointment of Trustees

All ministers, presbyteral and diaconal, stationed in the Circuit by the Conference or who are residing for the purposes of the stations of the Methodist Church in the Circuit and who are in the active work (that is not retired), are ex-officio members of the Circuit Meeting (the Trustee Body). Other ministers who reside in the Circuit in accordance with the standing orders of the Church (including those who are retired) may choose to be members of the Circuit Meeting, and if they do so they are shown in the list of trustees.

Each church is represented by a Church Steward, the Church Treasurer and representatives appointed by the Church Council in relation to the number of Church members (one representative for every 50 members).

The Circuit Meeting has the power to co-opt other members including the lay workers in the Circuit.

Trustee Training

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

Related Parties

The Circuit is part of the Nottingham & Derby District and is also accountable to the Methodist Conference. The following Methodist Churches are linked to the Circuit: Allestree, Alvaston, Ashbourne Road, Borrowash, Chinese Congregation, Chellaston, Dean Street, Draycott, Duffield, Findern, Haven, Littleover, Mayfield Road, Mickleover, Newmount, Oakwood, Sinfin Moor, Spondon, St John's, St Martin's and St Thomas' Road.

Risk Management

The major risks have been identified and recorded by the Circuit Finance and Property Committee with professional advice taken as required. It has already enhanced its financial procedures and, in common with other churches, has developed robust procedures for safeguarding children, young people and vulnerable adults.

There is a regular annual review process undertaken and recorded.

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

Safeguarding

Every person has a value and dignity which comes directly from the creation of male and female in God's own image and likeness. Christians see this potential as fulfilled by God's re-creation of us in Christ. Among other things this implies a duty to value all people as bearing the image of God and therefore to protect them from harm.

DERBY CIRCUIT OF THE METHODIST CHURCH

ANNUAL REPORT FOR THE YEAR ENDED 31 AUGUST 2021 - CONTINUED

Methodist Connexional practice outlines commitment to the following principles:

- The care and nurture of, and respectful pastoral ministry with, all children, young people and adults.
- The safeguarding and protection of all children, young people and adults when they are vulnerable.
- The establishing of safe, caring communities which provide a loving environment where there is informed vigilance as to the dangers of abuse.
- We will carefully select and train all those with any responsibility within the Church, in line with Safer Recruitment principles, including the use of criminal records disclosures and registration with the relevant vetting and barring schemes.
- We will respond without delay to every complaint made which suggests that an adult, child or young person may have been harmed, cooperating with the police and local authority in any investigation.
- We will seek to work with anyone who has suffered abuse, developing with them an appropriate ministry of informed pastoral care.
- We will seek to challenge any abuse of power, especially by anyone in a position of trust.
- We will seek to offer pastoral care and support, including supervision and referral to the proper authorities, to any member of our church community known to have offended against a child, young person or vulnerable adult.
- In all these principles we will follow legislation, guidance and recognised good practice.

The Derby Circuit commits itself to ensuring the implementation of Connexional Safeguarding Policy; government legislation, guidance and safe practice in the Circuit and in the churches.

The Derby Circuit commits itself to the provision of support, advice and training for lay and ordained people that will ensure people are clear and confident about their roles and responsibilities in safeguarding and promoting the welfare of children and adults who may be vulnerable.

Statement of Trustees' Responsibilities

The Trustees are responsible for preparing the Report of the Trustees and the financial statements in accordance with applicable law and United Kingdom Generally Accepted Accounting Practice.

The law applicable to charities in England and Wales, the Charities Act 2011, Charity (Accounts and Reports) Regulations 2008 and the provision of the Trust Deed require 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, including the income and expenditure of the Charity for the financial year. In preparing those financial statements, the Trustees are required to:

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

The Trustees are responsible for maintaining the proper accounting records which disclose with reasonable accuracy at any time the financial position of the Charity and to enable them to ensure that the financial statements comply with the Charities Act 2011. 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 are responsible for the maintenance and integrity of the charity and financial information included on the charity's website in accordance with legislation in the United Kingdom governing the preparation and dissemination of financial statements.

DERBY CIRCUIT OF THE METHODIST CHURCH

ANNUAL REPORT FOR THE YEAR ENDED 31 AUGUST 2021 - CONTINUED

This report has been prepared in accordance with the Statement of Recommended Practice; Accounting and Reporting by Charities.

AUDITORS

A resolution will be proposed at the Annual General Meeting that Haines Watts be re-appointed as auditors to the charity for the ensuing year.

Signed on behalf of the charity's trustees



~~Rev Colin Emerson - Superintendent Minister~~

Rev Andrew Charlesworth - Acting Superintendent

Date: 24/05/22

REPORT OF THE INDEPENDENT AUDITORS TO THE TRUSTEES OF DERBY CIRCUIT OF THE METHODIST CHURCH

Opinion

We have audited the financial statements of Derby Circuit of the Methodist Church (the charity) for the year ended 31 August 2021 on pages fourteen to thirty-two which comprise the Statement of Financial Activities, the Balance Sheet, the Cash Flow Statement and the related notes. 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 2021 and of its incoming resources and application of resources 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 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 the provisions available for small entities, 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

We have nothing to report in respect of the following matters in relation to which the ISA's (UK) require us to report to you where:

- The trustees use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- The trustees have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the charity's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

However, because not all future events or conditions can be predicted, this statement is not a guarantee as to the charity's ability to continue as a going concern. The COVID -19 viral pandemic is one of the most significant events for the UK with unprecedented levels of uncertainty of outcomes. It is therefore difficult to evaluate all of the potential implications on the charity's finances and wider economy.

Other information

The trustees are responsible for the other information. The other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon.

- Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, 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 audit or otherwise appears to be materially misstated.

REPORT OF THE INDEPENDENT AUDITORS TO THE TRUSTEES OF DERBY CIRCUIT OF THE METHODIST CHURCH

If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. 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.

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 financial statements are not in agreement with the accounting records; or
- we have not received all the information and explanations we require for our audit.

Responsibilities of the trustees

As explained more fully in the trustees' responsibilities statement set out on page ten, the trustees are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and 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 charitable company or to cease operations, or has 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 145 of the Charities Act 2011 and report in accordance with the Act and relevant regulations made or having effect thereunder.

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 a Report of the Auditors that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISA's (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 aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below;

- Reviewing the financial statement disclosures and testing to supporting documentation to assess compliance with provisions of relevant laws and regulations described as having a direct effect on the financial statements. Specifically reviewing compliance with Charities SORP FRS102.
 - Performing substantive testing over income, including accounting entries made in respect of any income deferred.
 - Performing analytical procedures to identify any unusual or unexpected relationships that may indicate an increased risk of material misstatement as a result of fraud.
 - Performing substantive testing over a selection of journal entries made in the period, to address the risk of fraud due to management override of controls.
- Assessing material accounting estimates to determine if there are indications of management bias.

REPORT OF THE INDEPENDENT AUDITORS TO THE TRUSTEES OF DERBY CIRCUIT OF THE METHODIST CHURCH

We also communicated relevant identified laws and regulations and potential fraud risks to all engagement team members, and remained alert to any indications of fraud or non-compliance with laws and regulations throughout the audit.

Despite the audit being planned and conducted in accordance with ISAs (UK) there remains an unavoidable risk that material misstatements in the financial statements may not be detected owing to the inherent limitations of the audit, and that by their very nature, any such instances of fraud or irregularity likely involve collusion, forgery, intentional misrepresentations, or the override of internal controls.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at www.frc.org.uk/auditorsresponsibilities. This description forms part of our Report of the Auditors.

Use of Our Report

This report is made solely to the charity's trustees, as a body, in accordance 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.

Mrs D J Lockwood FCA, FCCA, ATT – Senior Statutory Auditor
For and on behalf of Haines Watts –Statutory Auditors
10 Stadium Business Court
Millennium Way
Pride Park
Derby
DE24 8HP

D. J. Lockwood

Dated: *8.6.2022*

DERBY CIRCUIT OF THE METHODIST CHURCH

STATEMENT OF FINANCIAL ACTIVITIES FOR THE YEAR ENDED 31 AUGUST 2021

	Note s	Unrestricted Funds			Restricted & Endowment Funds		Total 2021	Total 2020 (As restated) £
		General	Circuit Model Trust	Designated	Restricted	Endowment		
		£	£	£	£	£	£	£
Incoming Resources								
Income from Monetary Investments		182	3,554	61	1,068	2,758	7,623	11,808
Income from Investment Properties		-	-	27,383	-	-	27,383	18,540
Assessments on Churches	2	402,416	-	-	-	-	402,416	428,966
Grants Received	3	19,380	-	-	-	-	19,380	8,000
Other Income	4	6,198	-	625	-	-	6,823	105,579
Total Incoming Resources		428,176	3,554	28,069	1,068	2,758	463,625	572,893
Expenditure								
Grants and Donations	5	955	32,608	3,015	100	-	36,678	40,672
Salaries and Associated Costs	6	309,062	-	1,950	-	-	311,012	332,475
Property Expenses	7	28,871	-	12,252	-	-	41,123	50,236
District and Connexional Levies	8	105,655	1,265	-	-	-	106,920	89,553
Office Expenses	9	6,353	-	-	-	-	6,353	7,185
Other Outgoings	10	24,278	101	38	182	-	24,599	10,036
Total Expenditure		475,174	33,974	17,255	282	-	526,685	530,157
Net Income Before Investment Gains/(Losses)		(46,998)	(30,420)	10,814	786	2,758	(63,060)	42,736
Gains/(Losses) on Monetary Investments		-	-	-	7,549	21,178	28,727	(4,555)
Gains/(Losses) on Investment Properties		-	-	-	-	-	-	-
Net Incoming/ (Outgoing) Resources Before Transfers		(46,998)	(30,420)	10,814	8,335	23,936	(34,333)	38,181
Transfers Between Funds		(45,242)	15,000	33,000	-	(2,758)	-	-
Net Movements in Funds		(92,240)	(15,420)	43,814	8,335	21,178	(34,333)	38,181
Reconciliation of Funds								
Total Funds Brought Forward		2,881,475	50,611	90,119	178,198	117,760	3,318,163	3,279,982
Total Funds Carried Forward	19	2,789,235	35,191	133,933	186,533	138,938	3,283,830	3,318,163

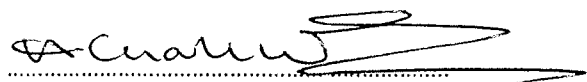
DERBY CIRCUIT OF THE METHODIST CHURCH

BALANCE SHEET AS AT 31 AUGUST 2021

	Notes	Unrestricted Funds			Restricted & Endowment Funds		Total 2021	Total 2020
		General	Circuit Model Trust	Designated	Restricted	Endowment		
		£	£	£	£	£	£	£
Fixed Assets								
Circuit Manses etc	11	2,686,670	-	-	-	-	2,686,670	2,686,670
Investments	12	-	-	19,249	92,673	138,938	250,860	222,133
Total Fixed Assets		2,686,670	-	19,249	92,673	138,938	2,937,530	2,908,803
Current Assets								
Investment Properties	11	87,500	-	-	-	-	87,500	87,500
Debtors	13	22,887	-	-	-	-	22,887	24,640
Outstanding Purchase Price	13a	85,000	-	-	-	-	85,000	110,000
Trustees for Methodist Church Purposes		-	35,191	-	91,313	-	126,504	141,800
Central Finance Board Deposits	14	31,110	-	114,684	2,547	-	148,341	164,214
Cash at Bank and in Hand	14	10,210	-	-	-	-	10,210	38,831
Total Current Assets		236,707	35,191	114,684	93,860	-	480,442	566,985
Creditors Due In Under One Year	15	134,142	-	-	-	-	134,142	157,625
Net Current Assets/(Liabilities)		102,565	35,191	114,684	93,860	-	346,300	409,360
Net Assets		2,789,235	35,191	133,933	186,533	138,938	3,283,830	3,318,163
Funds of the Circuit								
General Funds (Unrestricted)		2,789,235	-	-	-	-	2,789,235	2,881,475
Circuit Model Trust Fund (Unrestricted)		-	35,191	-	-	-	35,191	50,611
Designated Funds (Unrestricted)		-	-	133,933	-	-	133,933	90,119
Total Unrestricted Funds	17	2,789,235	35,191	133,933	-	-	2,958,359	3,022,205
Restricted Funds	18	-	-	-	186,533	-	186,533	178,198
Endowment Fund	18	-	-	-	-	138,938	138,938	117,760
Total Funds		2,789,235	35,191	133,933	186,533	138,938	3,283,830	3,318,163

The notes on pages 15 to 30 form part of these financial statements.

Approved by the Circuit Meeting and authorised for issue on ...24 May 2022...



~~Rev C Emerson - Superintendent Minister~~

Rev A Charlesworth - Acting Superintendent 15

DERBY CIRCUIT OF THE METHODIST CHURCH**CASH FLOW STATEMENT FOR THE YEAR ENDED 31 AUGUST 2021**

	Note	2021 £	2020 £
Cash used in operating activities	26	(92,296)	53,922
Cash flows from investing activities			
Dividends, interest and rents from investments		<u>32,506</u>	<u>30,348</u>
Net cash provided by/(used in) investing activities		<u>32,506</u>	<u>30,348</u>
Increase/(decrease) in cash and equivalents in the year		(59,790)	84,270
Cash and cash equivalents brought forward		<u>344,845</u>	<u>260,575</u>
Cash and cash equivalents carried forward		<u>285,055</u>	<u>344,845</u>
Cash and cash equivalents consist of:			
Cash at bank and in hand		<u>285,055</u>	<u>344,845</u>

DERBY CIRCUIT OF THE METHODIST CHURCH

NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 31 AUGUST 2021

1. Accounting policies

Basis of Accounting

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

Public benefit entity

The Derby Methodist Circuit meets the definition of a public benefit entity under FRS 102.

Basis

These accounts have been prepared on the basis of historical cost except that investments are shown at their market value at the end of the year. The accruals basis has been used and trustees present accounts that show a true and fair view of the Circuit's financial position and activities. Assets and liabilities are initially recognised at historical cost or transaction value unless otherwise stated in the relevant accounting policy note.

Content

The financial information presented is relevant, reliable, comparable and complete. Where estimates are used these are based on experience, research and judgement. The accounts are expressed in £Sterling, rounded to the nearest pound.

Going concern

Based on the monetary assets and human resources available at 31 August 2021, the trustees believe that the Circuit is a going concern.

Income recognition

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

In accordance with the Charities SORP (FRS 102), the time of volunteers is not recognised. Further information on this matter is provided in the Trustees' Annual Report. If goods are donated, a value will be shown in the SOFA or Notes where the value is considered material.

Legacies

For legacies, entitlement is taken as the earlier of:

- the date on which the Circuit is aware that probate has been granted;
- the estate has been finalised and notification has been made by the executor(s) to the Trust that a distribution will be made; or
- when a distribution is received from the estate.

DERBY CIRCUIT OF THE METHODIST CHURCH

NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 31 AUGUST 2021 CONTINUED

Receipt of a legacy, in whole or in part, is only considered probable when the amount can be measured reliably and the Circuit has been notified of the executor's intention to make a distribution. Where legacies have been notified to the Circuit or the Circuit is aware of the granting of probate, and the criteria for income recognition have not been met, then the legacy is treated as a contingent asset and disclosed if material.

Donated Services

Donated services and facilities are recognised as income when the Circuit has control over the item, any conditions associated with the donated item have been met, the receipt of economic benefit from the use by the Circuit of the item is probable and that economic benefit can be measured reliably. On receipt, donated services and facilities are recognised on the basis of the value of the gift to the Circuit which is the amount the Circuit would have been willing to pay to obtain services or facilities of equivalent economic benefit on the open market; a corresponding amount is then recognised in expenditure in the period of receipt, where this can be quantified.

Realised Gains and Losses

Realised gains or losses are recognised when investments are sold and are calculated as the difference between sales proceeds and the previous year end market value.

Unrealised gains or losses are accounted for on revaluation of investments at their year end market values.

Expenditure

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

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 the payment.

VAT

Since the Circuit is not VAT registered, all input VAT is charged with the expenses to which it refers.

Tangible Fixed Assets and Investment Assets

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

The freehold property is shown in the accounts at 2015 deemed values, or if acquired after that date at its cost price. The sports ground was revalued in June 2019 to its current market value. No depreciation is provided on the buildings because the trustees consider the current residual fair value of the manse buildings (on the assumption that it had reached the end of its useful economic life by the year end) to be not less than its current value. Any depreciation would not be material. The property has been reviewed for impairment.

DERBY CIRCUIT OF THE METHODIST CHURCH

NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 31 AUGUST 2021 - CONTINUED

From time to time the Circuit may be required to assume responsibility for Church premises following closure and cessation of worship. This results in the Circuit becoming Managing Trustees for the property. At that time the property is recognised as an investment asset at its anticipated net sale price as determined by a professional valuation and after taking into consideration the levy to be charged by the Connexion. Any expenditure on such assets, if held for reinvestment of the proceeds, as the trustees determine, that is likely to enhance sale value is capitalised at the time the expenditure is incurred. Where the proceeds are intended to be spent on activities, the property is included in current assets at the lower of cost and realisable value.

The Circuit has made use of the deemed cost option in transitioning to FRS 102 as outlined above.

Monetary Investments

The Circuit's investments are in monetary assets classified as basic financial instruments under FRS 102 and are held by the Trustees for Methodist Church Purposes (TMCP) as custodian trustees. The valuations, at market value, are those provided by TMCP. The unrealised gains arising on investments at the end of the year are shown in the SOFA and in Note 12 below.

Receivables and Payables; Bank and Cash (Basic Financial Instruments)

Debtors are stated at the amounts owed to the Circuit or prepaid. Creditors are initially recognised at settlement amount or the amount advanced to the Circuit. Subsequently creditors that are current liabilities are measured at the cash or other consideration expected to be paid. The liquid funds of bank balances and deposit fund balances are shown at their realisable values.

Judgements and Key Sources of Estimation Uncertainty

The preparation of accounts using generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities at the date of the accounts and the reported amounts of revenues and expenses during the reporting period.

The key estimates and assumptions used in the Financial Statements are detailed in the accounting policies.

Methodist Connexional Funds

The Methodist Church Connexion raises assessments against Circuits and these are paid quarterly to their Districts. The Circuits raise assessments against churches in the Circuit. The District quarterly remits to the Methodist Church Fund most of the sum received from the Circuits. A small sum is retained by the District to meet its own costs. The Circuit may act as agents for ad hoc collections for various funds controlled and administered by The Methodist Church.

Designated Funds

Where the Circuit has agreed to use its reserves to meet revenue costs or to meet future capital costs it has designated the funds within unrestricted reserves.

Endowment Funds

Where the Circuit holds money that may not be spent and must be retained (as capital) to generate income the money or assets to be retained are classified as an Endowment Fund. The capital will be shown in the balance sheet in the column for endowment funds. The income may be restricted or unrestricted depending upon the terms of the endowment.

DERBY CIRCUIT OF THE METHODIST CHURCH

NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 31 AUGUST 2021 - CONTINUED

Unrestricted Funds

Unrestricted funds represent the funds that are not subject to any restrictions regarding their use.

Restricted Funds

The purpose of any restricted funds is noted in the accounts.

Ministers' manse costs

The Circuit is required to provide accommodation for each minister in the Circuit and their families and this is seen as a benefit to the Circuit. Ministers are expected to occupy the manse provided for them. The Circuit bears the cost of repairs, maintenance, buildings insurance, Council Tax and water rates. These figures are not separately disclosed as benefits-in-kind as HMRC does not seek to tax these receipts in the hands of the ministers.

Pension contributions

The Circuit participates in the following pension funds:

- **Methodist Ministers' Pension Fund**

The Circuit is a member of the Connexional pension scheme (MMPS) which covers presbyters and deacons of the Methodist Church. The contribution rates are set each year by the Methodist Conference, and for the year under review the employer contributions are 26.9% (2020 26.9%) of stipend.

The MMPS is a multi-employer scheme, and in accordance with the guidance issued by the Charity Commission, the Circuit accounts for those contributions as if it were a defined contribution scheme. It has done so because it is unable to identify its share of the underlying assets and liabilities on a consistent and reasonable basis. Contributions are charged to the SOFA in the period in which they are payable.

- **Standard Life Pension Scheme**

Other non-ordained members of the Circuit staff are given the opportunity of being included in this pension scheme. The employer's contribution rate is set at 6% of salary.

2. Assessments on Churches

The Circuit comprises 20 Churches together with a Chinese congregation and each is assessed for a contribution to meet the overall costs of the Circuit. In making its Assessment, budgeted income from investments (including property letting) and confirmed external grants is taken into account. The Circuit aims to cover its net core costs from the Assessment.

An Assessment on churches is annually determined by the Circuit using a formulaic method which takes into account the relevant net income of each church after deducting all expenses other than the Assessment. Assessments are quarterly in advance.

DERBY CIRCUIT OF THE METHODIST CHURCH

NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 31 AUGUST 2021 - CONTINUED

3. Grants Receivable

	2021 £	2020 £
Towards costs of Chinese Ministry		
District	4,180	-
Hong Kong Methodist Church	2,000	2,000
Chinese congregation	13,200	6,000
	<u>19,380</u>	<u>8,000</u>

4. Other Income

	2021 £	2020 (As restated) £
Recovered insurance premiums	496	494
Chester Green Legacy	2,204	-
Miscellaneous	3,498	3,421
	<u>6,198</u>	<u>3,915</u>
Unrestricted Total	<u>625</u>	<u>1,399</u>
Designated – Susanna Wesley House Fund		
Restricted – Borrowash House Fund	-	100,265

5. Grants and Donations

	2021 £	2020 £
Grants to churches and other institutions	35,149	39,365
Grants and donations to individuals	1,529	1,307
	<u>36,678</u>	<u>40,672</u>

6. Salaries and associated costs

Stipends

Stipends were paid to 7 Presbyters and 3 lay employees (2019/20: 11) and were as follows:-

	General £	Designated £	Total £	2020 £
Stipends	212,940	-	212,940	229,652
National Insurance Contributions	18,417	-	18,417	19,620
Pension Fund Contributions	47,937	-	47,937	52,769
Telephone	5,095	-	5,095	5,083
Travelling	944	-	944	6,092
Removal and Relocation Costs	-	1,950	1,950	-
	<u>285,333</u>	<u>1,950</u>	<u>287,283</u>	<u>313,216</u>

DERBY CIRCUIT OF THE METHODIST CHURCH

NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 31 AUGUST 2021 - CONTINUED

Administration

	General	Designated	Total	2020
	£	£	£	£
Salary	21,047	-	21,047	17,559
National Insurance Contributions	1,275	-	1,275	910
Pension Fund Contributions	951	-	951	735
Travel	456	-	456	55
	23,729	-	23,729	19,259
Stipends and Salaries totals	309,062	1,950	311,012	332,475

No employees received employee benefits of more than £60,000. There is no accrual for holiday pay as it is immaterial. The holiday year ends on 31 August. All staff are paid at or above the living wage.

Salaries were paid to 2 part time administrators (2019/20: 2).

Pensions

Most ordained presbyters and deacons are members of the Methodist Ministers' Pension Scheme (MMPS). This is a defined benefit scheme. The Supreme Court held in 2014 that Methodist ministers (which terms includes presbyters and deacons) are not employees of the Church. For simplicity, however, when dealing with National Insurance Contributions and pension contributions, the terms "employer" and "employee" are used as they would be in an employing body.

On the other hand, Lay employees are contractually employees and have the option of joining a pension scheme that the Circuit has arranged with Standard Life. This is a defined contribution scheme and the Circuit contributes as employer to the scheme.

The Connexion accounts for the MMPS and shows the figures in the annual Methodist Church in Great Britain accounts. The MMPS is in deficit but a plan for removal of the deficit has been proposed and is being implemented.

The payments to the Methodist Ministers Pension Scheme in the year amounted to £45,944 (2019/20: £51,142).

Cost of Superintendent, Presbyters and Trustees

The Superintendent of the Circuit, the other Presbyters and the remaining members of the CLT are considered as Key Management Personnel. The Superintendent chairs meetings of the CLT and Circuit Meetings. The members of the Circuit Meeting are the trustees of the Circuit. The stipends, employer's NIC and employer's pension contributions and other expenses of the Presbyters of the Circuit are paid by the Circuit.

The manses are provided by the Circuit and the Circuit maintains the property. The value of the Council Tax and water charges paid by the Circuit is not disclosed here as HMRC does not regard this as a benefit-in-kind in the hands of the minister.

DERBY CIRCUIT OF THE METHODIST CHURCH

NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 31 AUGUST 2021 - CONTINUED

Payments to the Trustees

It is generally Circuit policy to reimburse the non-Presbyteral ministers of the CLT, Circuit Meeting and others involved in the administration of Circuit affairs for expenditure properly incurred in carrying out their duties. The Presbyters of the Circuit undertake the primary executive roles within the Circuit. Apart from the Presbyters, Circuit Administrator (not a Trustee) and Circuit Lay Worker (not a Trustee), no member of the Circuit Meeting or CLT was in receipt of any payment for work undertaken on behalf of the Circuit, although certain travelling and administration costs were reimbursed. The travel costs of Presbyters who attended CLT and Circuit Meetings are included within the overall travel expenses and are not separately determined.

Payments to Trustees	2021	£2,859 (10 Trustees)
	2020	£9,695 (14 Trustees)

7. Property Expenses

The Circuit is Managing Trustee for 9 manses, 6 of which are occupied by ministers stationed in the Circuit. Three manses are let on Assured Shorthold tenancies. With the exception of the let manses, the Circuit is responsible for the payment of Council Tax, utilities, water rates and insurance.

The cost of ongoing maintenance and improvements to all properties is funded through a Designated "Manses" Fund and a transfer of £3,111 pa per manse is made from the General Fund. The level of transfer is reviewed by the trustees each year.

Expenditure on Manses

	General £	Designated £	Total £	2020 £
Council Tax	13,589	-	13,589	15,556
Water rates	3,474	-	3,474	3,981
Insurance	6,883	-	6,883	6,517
Maintenance	-	7,790	7,790	16,386
Furnishings	-	1,382	1,382	1,184
	23,946	9,172	33,118	43,624

Letting Expenses

Agents' charges	4,925	-	4,925	2,002
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Other Property Expenses

	General £	Designated £	Total £	2020 £
Quinquennial Reports	-	3,080	3,080	2,210
Sports Ground Fees	-	-	-	2,400
	-	3,080	3,080	4,610
Property Totals	28,871	12,252	41,123	50,236

DERBY CIRCUIT OF THE METHODIST CHURCH

NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 31 AUGUST 2021 - CONTINUED

8. District & Connexional Levies

The District Assessment is calculated relative to the proportion of church members and staffing (Presbyters and Mission staff only) of all Circuits in the Nottingham and Derby District.

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

	General £	CMTF £	Total £	2020 £
District Expenses	18,059	-	18,059	10,656
Methodist Church Fund	87,596	-	87,596	77,200
Levy on CMTF Funds	-	1,265	1,265	1,697
	105,655	1,265	106,920	89,553

9. Office Expenses

	General £	Total £	2020 £
Stationery and Postages	2,239	2,239	3,613
Office Telephone	664	664	272
Audit Fee	3,450	3,450	3,300
	6,353	6,353	7,185

10. Other Expenses

	General £	CMTF £	Designated £	Restricted £	Total £	2020 £
Preaching Fees & Travel	170	-	-	-	170	757
TMCP Charges	-	101	-	182	283	336
Training Costs	-	-	38	-	38	53
Recoverable Insurance Premiums	496	-	-	-	496	494
Miscellaneous	23,612	-	-	-	23,612	8,396
	24,278	101	38	182	24,599	10,036

DERBY CIRCUIT OF THE METHODIST CHURCH

NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 31 AUGUST 2021 - CONTINUED

11. Tangible Fixed Assets

	Land £	Manse	Other Buildings £	Total £
Balance Brought Forward	200,000	2,248,835	237,835	2,686,670
Additions	-	-	-	-
Disposals	-	-	-	-
Balance Carried Forward	200,000	2,248,835	237,835	2,686,670

Investment Properties (included as current assets as properties are to be sold)

Balance Brought Forward	87,500	87,500
Additions	-	-
Disposals	-	-
	87,500	87,500

12. Investment Assets

The funds that support the Circuit Model Trust Fund and the Circuit's other funds are held by TMCP in Trustees Interest and/or Managed Equity Funds on which interest and dividends are credited to the accounts each month/quarter. These are regarded as medium and long-term investments.

TMCP is the legal owner and custodian trustee of all Methodist model trust property, including legacies, endowments and accumulated funds. Trust property is held for and on behalf of local managing trustees who are responsible for the day-to-day management of trust property. TMCP ensure that, through providing guidance and acting under their direction, the managing trustees comply with charity law and Methodist law and policy as determined by the Methodist Conference.

	2021 £	2020 £
Market Value Brought Forward	222,133	258,670
Net Gain/Loss on Revaluation	28,727	(4,555)
Disposal during the year	-	(31,982)
Market Value Carried Forward	250,860	222,133

Investments at fair value comprise:

CFB Managed Mixed Fund	179,655	151,791
Royal Bank of Scotland plc	2,839	1,461
Trustees Interest Fund	68,366	68,881
	250,860	222,133

DERBY CIRCUIT OF THE METHODIST CHURCH

NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 31 AUGUST 2021 - CONTINUED

12. Investment Assets – continued

	Designated Funds		Restricted Funds		Endowment Funds	
	2021	2020	2021	2020	2021	2020
	£	£	£	£	£	£
Market Value Brought Forward	19,249	19,249	85,124	118,226	117,760	121,195
Net Gain/(Loss) on Revaluation	-	-	7,549	(1,114)	21,178	(3,435)
Disposal during the year	-	-	-	(31,988)	-	-
Market Value Carried Forward	19,249	19,249	92,673	85,124	138,938	117,760
CFB Managed Mixed Fund	-	-	48,674	41,125	130,981	110,666
Royal Bank of Scotland plc Trustees	-	-	-	-	2,839	1,461
Interest Fund	19,249	19,249	43,999	43,999	5,118	5,633
	19,249	19,249	92,673	85,124	138,938	117,760

13. Debtors and Prepayments

All sums shown as debtors at 1 September 2020 were received during the following year. All sums paid in advance at 1 September 2020 were for activities that have been held during 2020/21. Similarly, it is expected that payments in advance at 1 September 2021 will be expensed in 2021/22.

	2021	2020
	£	£
Debtors		
Recoverable Expenses	1,561	1,698
Prepayments		
Stipends, Pension and NIC	19,265	21,031
Methodist Insurance	2,061	1,911
	22,887	24,640

13a. Outstanding Purchase Price

Part of the sale proceeds on the sale of Darley Abbey Methodist Church are classified as outstanding purchase price. This is to be repaid over 6 years with interest being charged at 3% over bank base rate. Therefore, included in current assets are debtors due within more than one year of £60,000.

There is a legal charge over the building in favour of Trustees for Methodist Church Purposes (TMCP).

DERBY CIRCUIT OF THE METHODIST CHURCH

NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 31 AUGUST 2021 - CONTINUED

14. Central Finance Board (CFB) and Bank Balance

Monetary balances held at the Central Finance Board of the Methodist Church, HSBC Bank plc and at CAF Bank Plc are all available on demand without loss of interest. The split of these balances across General, Designated and Restricted Funds is arbitrary but, wherever possible, balances are not shown as negative.

	General £	Designated £	Restricted £	Total £	2020 £
Central Finance Board	26,078	119,716	2,547	148,341	164,214
HSBC Bank plc	5,807	-	-	5,807	34,465
CAF Bank Ltd	4,247	-	-	4,247	4,167
Cash	156	-	-	156	199
	<u>36,288</u>	<u>119,716</u>	<u>2,547</u>	<u>158,551</u>	<u>203,045</u>

15. Creditors, Accruals and Income in Advance

It is expected that all sums accrued at 31 August 2021 will be paid during the year ended 31 August 2022.

	General £	Designated £	Total £	2020 £
Income in Advance				
Assessments in Advance	87,458	-	87,458	99,391
Grant in Advance	6,876	-	6,876	4,180
Creditors and Accruals				
Ministers' Expenses	1,421	-	1,421	966
Audit Fee	3,450	-	3,450	3,300
CPF Levy	34,000	-	34,000	44,000
Others	937	-	937	5,788
	<u>134,142</u>	<u>-</u>	<u>134,142</u>	<u>157,625</u>

Income received in advance in 2020 totalling ££103,571 was fully released during the year ended 31st August 2021.

16. Capital Commitments and Contingent Liabilities

At 31 August 2021 the Circuit had no capital commitments.

17. Unrestricted Funds

General Fund

	2021 £	2020 £
Balance	<u>2,789,235</u>	<u>2,881,475</u>

DERBY CIRCUIT OF THE METHODIST CHURCH

NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 31 AUGUST 2021 - CONTINUED

The purpose of the fund is for use at the discretion of the trustees in the furtherance of the general objectives of the Circuit and which have not been designated for other purposes.

About 96% of this fund is held as freehold property, being manses for ministers and a sports ground and, from time to time, redundant Chapels in the Circuit.

The Circuit meeting is aware that grant applications must demonstrate public benefit and this is true for the fund.

Circuit Model Trust Fund

	2021	2020
	£	£
Balance	35,191	50,611

17. Unrestricted Funds – continued

The purpose of the fund is for use at the discretion of the trustees in the furtherance of the general objectives of the Circuit. Its main source of income is legacies and formulaically determined contributions from the sale of manses and church buildings in the Circuit. Although this is technically an Unrestricted Fund under the control of the Circuit Meeting, prior approval is still required from the District to utilise these funds. Methodist Standing Orders 930,931 and 917(2) are applicable.

Designated Funds

	2021	2020
	£	£
Balance	133,933	90,119

These funds are to serve specific purposes but are not restricted by any document or deed to that purpose alone. Movements in these funds are set out in Note 18 below and the details of the specific funds are as follows:

Manses – Receives an annual transfer from the General Fund based on the number of functional and investment manses and against this is charged routine maintenance, repairs and, as the need arises, refurbishments.

Removal and Relocation Fund – Receives an annual transfer from the General Fund and is used as a sinking fund to meet the removal costs and relocation expenses of new presbyters joining the Circuit.

Training – Used to meet the costs of relevant training courses. A formal application process is in place and the fund is also open to applications from members of churches within the Circuit as well as Circuit staff.

Dunkirk and Greenhill Bursary – These are funds from old closed churches which are used as part of the Training Fund.

Quinquennial - The Circuit is responsible for arranging an inspection of all its own properties, as well as those of its churches, every five years. Such inspections are carried out by a Qualified Surveyor. The cost of all inspections is met by the Circuit. The frequency and cost of individual inspections is not uniform, therefore the five year cost is assessed at the start of each cycle and one fifth of the estimated cost is transferred from the General Fund each year. It is therefore possible for this fund to show a negative balance.

Susanna Wesley House – This was a donation to be used to further the work of this project.

Prison – This money had been raised by Deacon Jane Rice in her previous Circuit for use in prison chaplaincy work.

DERBY CIRCUIT OF THE METHODIST CHURCH

NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 31 AUGUST 2021 - CONTINUED

18. Restricted and Endowment Funds

	2021 £	2020 £
Restricted Funds Balance	186,533	178,198
Endowment Funds Balance	138,938	117,760

The Restricted and Endowment Funds exist to support the causes listed below. All the funds' assets (except those restricted funds which are managed locally) are managed by TMCP and the net income (after charges) is paid direct to the administrators of the fund.

Benevolent Fund – Is restricted to provide support for the poor and needy of the Circuit.

Borrowwash House Fund – This represents the transfer of funds from Borrowwash House Women's Hostel (now closed) and will be used to support vulnerable people in Derby City Centre.

Queen's Hall Fund – This represents a legacy to Queen's Hall Methodist Church (now closed) which will be used for work in Derby City Centre.

19. Summary of Fund Movements

	Balance at 1.9.2020 £	Income £	Expenditure £	Transfers £	Gains/ (Losses) £	Balance at 31.8.2021 £
General	2,881,475	428,176	475,174	(45,242)	-	2,789,235
Circuit Model Trust	50,611	3,554	33,974	15,000	-	35,191
Total Unrestricted & Undesignated	2,932,086	431,730	509,148	(30,242)	-	2,824,426
Susanna Wesley House	1,499	625	-	-	-	2,124
Manse	40,704	27,383	11,670	28,000	-	84,417
Removal & Relocation	1,185	-	1,950	3,500	-	2,735
Quinquennial	(2,196)	-	3,080	1,500	-	(3,776)
Prison	142	-	-	-	-	142
Training	5,737	61	555	-	-	5,243
Dunkirk	23,799	-	-	-	-	23,799
Greenhill Bursary	19,249	-	-	-	-	19,249
Total Designated	90,119	28,069	17,255	33,000	-	133,933
Total Unrestricted	3,022,205	459,799	526,403	2,758	-	2,958,359
Benevolent	419	-	100	-	-	319
Borrowwash House	91,189	308	182	-	-	91,315
Queen's Hall	42,591	760	-	-	7,549	50,900
Bequests	43,999	-	-	-	-	43,999
Total Restricted	178,198	1,068	282	-	7,549	186,533
Bequests	117,760	2,758	-	(2,758)	21,178	138,938
Total Restricted & Endowment	295,958	3,826	282	(2,758)	28,727	325,471
Total of All Funds	3,318,163	463,625	526,685	-	28,727	3,283,830

DERBY CIRCUIT OF THE METHODIST CHURCH

NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 31 AUGUST 2021 - CONTINUED

20. Analysis of Net Assets between Funds

Fund balance at 31 August 2021 are represented by:

	General	CMTF	Designated	Restricted	Endowment	Total	2020
	£	£	£	£	£	£	£
Tangible Fixed Assets	2,686,670	-	-	-	-	2,686,670	2,686,670
Fixed Asset Investments	-	-	19,249	92,673	138,938	250,860	222,133
Current Assets	236,707	35,191	114,684	93,860	-	480,442	566,985
Current Liabilities	(134,142)	-	-	-	-	(134,142)	(157,625)
	<u>2,789,235</u>	<u>35,191</u>	<u>133,933</u>	<u>186,533</u>	<u>138,938</u>	<u>3,283,830</u>	<u>3,318,163</u>

Fund balance at 31 August 2020 are represented by:

	General	CMTF	Designated	Restricted	Endowment	Total	2019
	£	£	£	£	£	£	£
Tangible Fixed Assets	2,686,670	-	-	-	-	2,686,670	2,686,670
Fixed Asset Investments	-	-	19,249	85,124	117,760	222,133	258,670
Current Assets	352,430	50,611	70,870	93,074	-	566,985	496,887
Current Liabilities	(157,625)	-	-	-	-	(157,625)	(162,245)
	<u>2,881,475</u>	<u>50,611</u>	<u>90,119</u>	<u>178,198</u>	<u>117,760</u>	<u>3,318,163</u>	<u>3,279,982</u>

21. Related Parties

None of the Circuit trustees made donations direct to the Circuit during the year or in the preceding year. All of the Circuit trustees are members of one or another Church within the Circuit and may be trustees in their Churches.

During the year a payment of £120 was made to a member of Littleover Methodist Church for gardening services. There are no other related party payments.

22. Volunteer Contributions

Every entity (Connexion, District, Circuit, Church) within the Methodist Church in Great Britain is heavily reliant on volunteers who contribute their skills, time and money in the furtherance of the work of the Church. In the Circuit the principal contribution is the serving on committees of the Circuit that deal with mission, manses, finance, policy, grants, training and safeguarding. We are grateful to all of them for their help and commitment. No attempt has been made by this Circuit to value the non-monetary contributions to the Circuit in monetary terms.

23. Taxation

The Circuit is a registered charity and is entitled to claim annual exemption from UK corporation tax.

24. Lease Commitments

The Circuit has contracts and obligations for the following:

- Telephones at the Circuit manses. The total annual cost of these is not considered material.

25. Post Balance Sheet Event

Following the year end the Churches at St Thomas' Road and Allestree sought, and were granted, permission to close. The property at St Thomas' Road has subsequently been sold.

DERBY CIRCUIT OF THE METHODIST CHURCH

NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 31 AUGUST 2021 - CONTINUED

26. Reconciliation of Net Income to Net Cash Flow from Operating Activities

	2021 £	2020 £
Net Income/(Expenditure) Before Transfers	(34,333)	38,183
Add Loss/(Deduct Gains) on Investments	(28,727)	4,553
Add Cash from sale of investments	-	31,982
Deduct Dividends, Interest and Rents from Investments	(32,506)	(30,348)
Decrease/(Increase) in Debtors	26,753	14,172
Increase/(Decrease) in Creditors	(23,483)	(4,620)
Net Cash Used in Operating Activities	(92,296)	53,922

27. Comparative SOFA (As Restated)

	Unrestricted Funds			Restricted & Endowment Funds		Total 2020
	General	Circuit Model Trust	Designated	Restricted	Endowment	
	£	£	£	£	£	£
Incoming Resources						
Income from						
Monetary Investments	793	5,172	179	2,328	3,336	11,808
Income from						
Investment Properties	-	-	18,540	-	-	18,540
Assessments						
on Churches	428,966	-	-	-	-	428,966
Grants Received	8,000	-	-	-	-	8,000
Other Income	3,915	-	1,399	100,265	-	105,579
Total Incoming Resources	441,674	5,172	20,118	102,593	3,336	572,893
Expenditure						
Grants and Donations	1,050	29,610	277	9,735	-	40,672
Salaries and						
Associated Costs	332,339	-	136	-	-	332,475
Property Expenses	30,456	-	19,780	-	-	50,236
District & Connexial Levies	87,856	1,697	-	-	-	89,553
Office Expenses	7,185	-	-	-	-	7,185
Other Outgoings	9,647	136	53	200	-	10,036
Total Expenditure	468,533	31,443	20,246	9,935	-	530,157
Net Income Before Investment Gains/(Losses)	(26,859)	(26,271)	(128)	92,658	3,336	42,736
Gains/(Losses) on						
Monetary Investments	(3)	-	1	(1,118)	(3,435)	(4,555)
Net Incoming/(Outgoing) Resources Before Transfers	(26,862)	(26,271)	(127)	91,540	(99)	38,181
Transfers Between Funds	(1,206)	9,000	33,000	(37,458)	(3,336)	-
Net Movements in Funds	(28,068)	(17,271)	32,873	54,082	(3,435)	38,181
Total Funds						
Brought Forward	2,909,543	67,882	57,246	124,116	121,195	3,279,982
Total Funds Carried Forward	2,881,475	50,611	90,119	178,198	117,760	3,318,163

DERBY CIRCUIT OF THE METHODIST CHURCH

NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 31 AUGUST 2021 - CONTINUED

28. Comparative Summary of Fund Movements (As Restated)

	Balance at 1.9.2019 £	Income £	Expenditure £	Transfers £	Gains/ (Losses) £	Balance at 31.8.2020 £
General	2,909,543	441,674	468,533	(1,206)	(3)	2,881,475
Circuit Model Trust	67,882	5,172	31,443	9,000	-	50,611
Total Unrestricted & Undesignated	2,977,425	446,846	499,976	7,794	(3)	2,932,086
Susanna Wesley House	100	1,399	-	-	-	1,499
Manse	11,732	18,540	17,568	28,000	-	40,704
Removal & Relocation	(2,315)	-	-	3,500	-	1,185
Quinquennial	(1,486)	-	2,210	1,500	-	(2,196)
Prison	278	-	136	-	-	142
Training	5,889	179	332	-	1	5,737
Dunkirk	23,799	-	-	-	-	23,799
Greenhill Bursary	19,249	-	-	-	-	19,249
Total Designated	57,246	20,118	20,246	33,000	1	90,119
Total Unrestricted	3,034,671	466,964	520,222	40,794	(2)	3,022,205
Benevolent	419	-	-	-	-	419
Borrowash House	-	101,125	9,936	-	-	91,189
Queen's Hall	79,698	1,468	(1)	(37,458)	(1,118)	42,591
Bequests	43,999	-	-	-	-	43,999
Total Restricted	124,116	102,593	9,935	(37,458)	(1,118)	178,198
Bequests	121,195	3,336	-	(3,336)	(3,435)	117,760
Total Restricted & Endowment	245,311	105,929	9,935	(40,794)	(4,553)	295,958
Total of All Funds	3,279,982	572,893	530,157	-	(4,555)	3,318,163

29. Prior Year Restatement

It was identified that in the year ended 31 August 2020 a balance of £37,458 which was transferred from the restricted fund to the general fund to cover Susanna Wesley House running costs, was shown in both income and expenditure rather than as a transfer between funds. Income and expenditure for the year ended 31 August 2020 have therefore both been reduced by £37,458.

DERBY CIRCUIT OF THE METHODIST CHURCH

England & Wales - Charity number 1142341

Accounts



DERBY CIRCUIT OF THE METHODIST CHURCH
Registered Charity No. 1142341

**FINANCIAL STATEMENTS
AND ANNUAL REPORT**

FOR THE YEAR ENDED

31 AUGUST 2020

DERBY CIRCUIT OF THE METHODIST CHURCH

ANNUAL REPORT FOR THE YEAR ENDED 31 AUGUST 2020

Introduction

The Trustees present their report and financial statements for the year ended 31 August 2020. The financial statements have been prepared in accordance with accounting policies set out in note 1 to the accounts and comply with the Charity's trust deed, the Charities Act 2011 and 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 effective on 1st January 2019.

Objectives and Activities

The Circuit Meeting in March 2016 adopted the following vision statement:

"The people of God enabled to live out the mission of God"

As a means of helping to make this vision a reality, The Circuit, at the same meeting also adopted five aims for the Circuit:

We aim to enable people to...

- Meet with God and meet with people (WORSHIP)
- Tell our story (PREACHING/EVANGELISM)
- Make the most of what we have (SHARING RESOURCES – practical and people)
- Serve our city, locality and neighbourhood (SERVICE)
- Have confidence in making courageous decisions

The Circuit Meeting then agreed to the creation of focus groups which would meet to review the Circuit's work in the subject area of each aim. The Circuit Leadership Team is in the process of drawing specific priorities for the Circuit to achieve out of the feedback received from the focus groups.

The Charity's objective is to act as a Resource provider within the area around Derby for the Methodist Church.

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

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

The organisation and resourcing of regular public acts of worship open to members of the church and non-members alike.

DERBY CIRCUIT OF THE METHODIST CHURCH

ANNUAL REPORT FOR THE YEAR ENDED 31 AUGUST 2020 - CONTINUED

The teaching of Christianity through sermons, courses and small groups.

The resourcing of pastoral work including visiting the sick and bereaved.

Taking religious assemblies in local schools.

Promotion of Christianity through the staging of events and services.

Provision of chaplaincy services to the local university and other institutions.

Public Benefit

We confirm the trustees have had regard to the Charity Commission's guidance on public benefit.

Brief financial review of the year

The Circuit suffered a financial surplus before losses on investments of £42,736 (2019: £(56,230)). Losses on investments converted this to a surplus of £38,183 (2019: (954,595)).

2020 Annual Report

Ministerial staff changes

In September 2019, we welcomed two new presbyters into the circuit, Rev. David Owen and Rev Gill Sharp. David has pastoral charge of Duffield, Allestree and St John's Methodist Churches, which had been without a minister since the departure of Rev. Helen White in August 2018. Gill Sharp took pastoral charge of Mickleover and Dean Street chapels which, again, had been without a minister for twelve months. Gill's remit also includes part-time chaplaincy at Derby university.

In August, Rev. Jenny Dyer, Superintendent minister left the circuit to take up a new appointment in the Stoke-on-Trent area. It had been decided not to replace Jenny and so the role of superintendency will be undertaken by Rev. Colin Emerson, whose invitation was extended by the June Circuit meeting to August 2025. Jenny's section will be split with Rev. Greg Obong-Oshotse having pastoral charge for Chellaston and Colin having pastoral charge of St Thomas' Road.

In July, Rev. Greg Obong-Oshotse, indicated that he would not be seeking a re-invitation, but would be going into the stationing process. In light of this the Circuit Invitation Committee has begun the process of writing a profile for the section of Chellaston, Findern and Newmount.

Lay staff changes

Following the resignation of Mrs Angela Davies as Circuit Administrator the role was advertised, four people were interviewed and Mrs Fiona Riley-Schnoor was appointed. Fiona began work in January. She has settled into the role and is becoming known across the circuit.

Changes in Circuit office holders

Circuit Stewards

During the year the number of circuit stewards increased to five with the appointments of Mr Peter Nelson and Mrs Christina Achu.

DERBY CIRCUIT OF THE METHODIST CHURCH

ANNUAL REPORT FOR THE YEAR ENDED 31 AUGUST 2020 – CONTINUED

Circuit Safeguarding Officer

This role is still vacant, but discussions around incorporating it into the Circuit Administrator's role are currently taking place.

Covid-19

The pandemic has had a major impact on all the churches of the circuit. The government announced the closure of all places of worship on 23rd March. The ministers and churches began to look at other ways of delivering worship. During the period of closure there have been several 'Zoom' and 'Facebook' services established, worship material, including sermons, has been sent to those without access to the internet. As the pandemic has gone on meetings have also gone on to Zoom, including Church Councils and Circuit meetings.

During this time of closure, the buildings were maintained in accordance with Methodist Insurance and TMCP guidance.

It was announced that churches could re-open for worship from 4th July. Our churches began to work on a Covid-19 risk assessment, and none had reopened by the end of August.

So far, all our churches have managed to meet their financial liabilities.

Circuit Projects

Susanna Wesley House

In the early part of the year the work at SWH was going from strength to strength. A Community Interest Company, called Sacred Bean was started by Rev. Darren Howie and some others to teach skills around roasting and serving coffee. While the CIC is independent of SWH the two are working closely together and Sacred Bean is currently using SWH as its base. During Lockdown SWH and Sacred Bean were contacted by the local authorities to provide coffee for food parcels. Several people have been sent on training courses, and equipment has been bought using grants from the Borrowash House Fund. Jo Howie had set up some groups including a book group. During the winter SWH partnered with the Derby Night Shelter to provide 'Susie's', a chance for the women who used the night shelter to have a shower, wash their hair in a home setting. Mrs Jo Howie fronted these and was helped by volunteers from around the circuit. Both Darren and Jo have been making good links across the Castleward community, sadly, a lot of these links have been paused due to Covid-19.

Chester Green

In the past year there has been a change in thinking around this building. Following the failure to secure a lease for its use from Derby Vineyard Church (as reported last year), it had been decided that the building should be sold. However, Jo Howie (SWH), drew up a proposal that would see the building reimagined as a café/arts venue with space for meetings and a hall for community use, with Sacred Bean using part of the premises for their expanding operation. This was taken to the Circuit Meeting which agreed to take this on as a circuit project. The same meeting also agreed that the electrics should be upgraded, and this will be carried out in the near future.

St Martin's

St Martin's is growing in renown around the Allenton area. It continues to be led by Lay Pastor Mairi Radcliffe. During lockdown, the user groups as well as the church had to pause their activities, however as soon as they were able the Chatterbox Café was reopened as part of the local support services in that area. Mairi has reported that during lockdown several of the users of the building have been joining in the activities she has been doing on Zoom.

DERBY CIRCUIT OF THE METHODIST CHURCH

ANNUAL REPORT FOR THE YEAR ENDED 31 AUGUST 2020 – CONTINUED

Rosehill Sports Ground

During the year the sports clubs became a Charitable Incorporated Organisation and we were able to progress the lease, finally signing it in March 2020.

Ecumenical Matters

Sinfin Moor is still without a minister. As part of the process of writing the profile (mentioned above) Rev. Jenny Dyer approached the church to see if they wanted to be included in it, but they decided to continue as they were.

Haven and Ashbourne Road churches are still ministered to by Rev Martin Knight (Baptist) and Rev. Judith Tatton-Schiff respectively.

Oakwood is still under the pastoral charge of Methodist presbyter, Rev. Neil Draper.

Reserves at the end of the year were:

Unrestricted	£ 3,022,205 (2019:3,034,671)
Restricted	£ 178,198 (2019: 124,116)
Endowment	£ 117,760 (2019: 121,195)

Income trends

Circuit income is primarily drawn from the assessment paid by the Circuit churches. The rental income relates to the rental of manses which are not currently used by Circuit staff. Costs related to work in the city centre are covered by a transfer from an external fund.

Expenditure trends

Stipend expenditure has increased each financial year in line with conference approved increases. 15% of expenditure is the Circuit contribution to the District and Connexion, of which a significant part is used to fund the work of the wider Methodist Church.

Fund balances

As at 31 August 2020 the unrestricted net current assets of the Circuit (excluding investment properties) were £107,305, giving approximately 3 months cover for expenditure.

Reserves Policy

The Reserves Policy for the Circuit is to maintain sufficient free reserves equivalent to approximately 4 months' average expenditure. This should be sufficient to meet any unforeseen item of major expenditure on manses and / or to be able to continue, in the short term, funding planned activities in the event of any inability to raise the full Circuit Assessment from churches. Restricted and Endowment Funds represent bequests that have been left to the Circuit over many years. Income generated from these funds is used within the Circuit budget.

DERBY CIRCUIT OF THE METHODIST CHURCH

ANNUAL REPORT FOR THE YEAR ENDED 31 AUGUST 2020 - CONTINUED

Grant making policy

Grants to local churches for property schemes and other purposes are accounted for as liabilities when they receive formal approval by the Circuit Meeting or the Finance & Grants Committee under delegated authority for awards of less than £5,000.

Grants awarded to other charitable bodies are accounted for as liabilities in the year in which the award is made.

Investment Policy and Performance

To comply with Methodist Standing Orders, monies for long term investment are lodged with the Trustees for Methodist Church Purposes (TMCP). TMCP acts as custodian trustee for all real estate held by the Circuit and for all large bequests and for the proceeds of sale of any property formerly owned by the Circuit. These sums are invested in unitised investments or held on deposit. The investment returns are close to tracking the movements in the FTSE100 index. The deposit income mirrors the deposit rates available elsewhere. The Derby Circuit trustees' investment policy is aligned with that of Central Finance Board (CFB) and TMCP because these organisations take into consideration the social, environmental and ethical issues, both negatively and positively, that make investments suitable for the Methodist Church.

Short term deposits are lodged directly with the CFB and attract good rates of interest.

There are no other bench marks for the expected returns on investments at TMCP and CFB. The objective for the Circuit is a rate of return at least as good as market rate considering the trustees' low appetite for risk.

Plans for 2020/21

Circuit financial plans for the coming year have been prepared on the basis that there will be 8 full time ordained staff with anticipated cost of living stipend increases combined with an increase in the assessment paid to the district.

Administrative Information

Full Name of Charity:	Derby Circuit of the Methodist Church
Registration Charity Number:	1142341
Date of registration:	9 June 2011
Main communication address:	Circuit Office, Littleover Methodist Church, Constable Drive, Littleover, Derby DE23 6EP

The members of the Derby Methodist Circuit meeting are the Charity Trustees, membership being made up of Circuit office holders, ministers and representatives appointed by the local churches. Full membership is shown below.

DERBY CIRCUIT OF THE METHODIST CHURCH

ANNUAL REPORT FOR THE YEAR ENDED 31 AUGUST 2020 - CONTINUED

Ministers

Rev Calvin Cheung (from 1.9.20)
Rev Neil Draper
Rev Jenny Dyer (Superintendent) (resigned 31.8.20)
Rev Colin Emerson
Rev Darren Howie
Rev Martin Knight
Rev Greg Obong-Oshotse
Rev David Owen
Rev Gill Sharp
Rev Judith Tatton-Schiff
Rev Dr Gary Watt

Hospital Chaplain Derby Hospitals

Rev Lew Greaves

Supernumerary Ministers

Rev Ted Ager
Deacon Rosemary Bell
Rev Keith Burchell
Rev Donald Cross
Rev David Greenaway
Deacon June Harrison (died 18.9.19)
Rev Raymond Lunt
Deacon Pat Moore
Deacon Jane Rice

Circuit Stewards

Christina Achu
Hilary Jones
John McCartney
Pete Nelson
Phil Royle

DERBY CIRCUIT OF THE METHODIST CHURCH

ANNUAL REPORT FOR THE YEAR ENDED 31 AUGUST 2020 - CONTINUED

Administrative Information – continued

Circuit Church Representatives

Mike Bagworth	Brenda Leeds
Barrie Barber	Sally Levitt
Jean Bell	Gwen Lovegrove
Brenda Bennett	David MacDonald
Gil Blood	Peter Middlehurst
Peter Blount (resigned 23.6.20)	Roy Milward
David Bower	Andrew Moore (from 23.6.20)
Charles Bristow (died 16.5.20)	Aubrey Morris (from 1.9.20)
Mary Calladine	Mary Murden
Christine Cameron	Anne Naylor
Joan Campbell	Judith Neal
Alan Castledine	Janet Patmore
Neil Clarke	Gwen Petch
Janet Cotton	Geoffrey Petch
Ruth Croft (from 23.6.20)	Julie Potter
John Digger	Peter Priestley
Colin Dorman	Mairi Radcliffe
Freda Elliott (resigned 31.8.20)	Dorothy Robinson
Hazel Ellison (from 23.6.20)	Linda Sandars
Norma Fearn	Ian Sant
Nana Forson	Allan Shaw
David Gaskin	Jonathon Shepherd
Jeffery Green	Ann Smith
Hilary Handley	Eric Smith
Colin Hinds	Kelvin Smith
Doreen Hinds	Judith Smith
Linda Hobday	John Spray
Brian Hollingworth	Derrick Tuplin
Marie Holt	Alf Wall
Guowei Hong	Brenda Wigley
Jo Howie	
Richard Hubball	Mike Williams
Peter Knott	Frankie Wong
Stephen Lee	Melvin Worton
	Rita Wright

DERBY CIRCUIT OF THE METHODIST CHURCH

ANNUAL REPORT FOR THE YEAR ENDED 31 AUGUST 2020 - CONTINUED

Administrative Information – continued

Circuit Ministers and officers

Active Circuit Ministers: Rev Jenny Dyer (Superintendent)
 Rev Neil Draper
 Rev Colin Emerson
 Rev Darren Howie
 Rev Greg Obong-Oshotse
 Rev David Owen
 Rev Gill Sharp
 Rev Dr Gary Watt

Circuit Lay Employees: Mrs Jo Howie
 Mrs Judith Neal
 Mrs Mairi Radcliffe

Circuit Stewards: Mrs Christina Achu
 Mrs Hilary Jones
 Mr John McCartney
 Mr Pete Nelson
 Mr Phil Royle

Administrator: Mrs Angela Davies (resigned 6.11.19)
 Mrs Fiona Riley-Schnoor (from 6.1.20)
 Mrs Ying Qian

Mr Alan Castledine acted as the principal officer overseeing the day to day financial management and accounting for the Circuit during the year.

Independent auditor: Diane Lockwood, Haines Watts, 10 Stadium Business Court,
 Millennium Way, Pride Park, Derby, DE24 8HP.

Investment Bankers: Trustees for Methodist Church purposes

Bankers: Central Finance Board of the Methodist Church
 HSBC Bank plc
 CAF Bank Ltd

Structure, Governance and Management

The governing document for the Circuit is the Deed of Union (1932) and Methodist Church Act (1976)

Detailed governance arrangements are outlined within the Constitutional Practice and Discipline of the Methodist Church by order of the annual conference (CPD).

Day to day management of the Circuit is undertaken by the Circuit Leadership Team along with the Local Preachers meeting, the Circuit Finance and Property Committee and the Circuit Policy Committee.

DERBY CIRCUIT OF THE METHODIST CHURCH

ANNUAL REPORT FOR THE YEAR ENDED 31 AUGUST 2020 - CONTINUED

Trustee Training

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

Related Parties

The Circuit is part of the Nottingham & Derby District and is also accountable to the Methodist Conference. The following Methodist Churches are linked to the Circuit: Allestree, Alvaston, Ashbourne Road, Borrowash, Chinese Congregation, Chellaston, Dean Street, Draycott, Duffield, Findern, Haven, Littleover, Mayfield Road, Mickleover, Newmount, Oakwood, Sinfin Moor, Spondon, St John's, St Martin's and St Thomas' Road.

Risk Management

The major risks have been identified and recorded by the Circuit Finance and Property Committee with professional advice taken as required.

There is a regular annual review process undertaken and recorded.

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

Safeguarding

Every person has a value and dignity which comes directly from the creation of male and female in God's own image and likeness. Christians see this potential as fulfilled by God's re-creation of us in Christ. Among other things this implies a duty to value all people as bearing the image of God and therefore to protect them from harm.

Methodist Connexional practice outlines commitment to the following principles:

- The care and nurture of, and respectful pastoral ministry with, all children, young people and adults.
- The safeguarding and protection of all children, young people and adults when they are vulnerable.
- The establishing of safe, caring communities which provide a loving environment where there is informed vigilance as to the dangers of abuse.
- We will carefully select and train all those with any responsibility within the Church, in line with Safer Recruitment principles, including the use of criminal records disclosures and registration with the relevant vetting and barring schemes.
- We will respond without delay to every complaint made which suggests that an adult, child or young person may have been harmed, cooperating with the police and local authority in any investigation.
- We will seek to work with anyone who has suffered abuse, developing with them an appropriate ministry of informed pastoral care.
- We will seek to challenge any abuse of power, especially by anyone in a position of trust.
- We will seek to offer pastoral care and support, including supervision and referral to the proper authorities, to any member of our church community known to have offended against a child, young person or vulnerable adult.
- In all these principles we will follow legislation, guidance and recognised good practice.

DERBY CIRCUIT OF THE METHODIST CHURCH

ANNUAL REPORT FOR THE YEAR ENDED 31 AUGUST 2020 - CONTINUED

The Derby Circuit commits itself to ensuring the implementation of Connexional Safeguarding Policy; government legislation, guidance and safe practice in the Circuit and in the churches.

The Derby Circuit commits itself to the provision of support, advice and training for lay and ordained people that will ensure people are clear and confident about their roles and responsibilities in safeguarding and promoting the welfare of children and adults who may be vulnerable.

Statement of Trustees' Responsibilities

The Trustees are responsible for preparing the Report of the Trustees and the financial statements in accordance with applicable law and United Kingdom Generally Accepted Accounting Practice.

The law applicable to charities in England and Wales, the Charities Act 2011, Charity (Accounts and Reports) Regulations 2008 and the provision of the Trust Deed require 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, including the income and expenditure of the Charity for the financial year. In preparing those financial statements, the Trustees are required to:

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

The Trustees are responsible for maintaining the proper accounting records which disclose with reasonable accuracy at any time the financial position of the Charity and to enable them to ensure that the financial statements comply with the Charities Act 2011. 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 are responsible for the maintenance and integrity of the charity and financial information included on the charity's website in accordance with legislation in the United Kingdom governing the preparation and dissemination of financial statements.

This report has been prepared in accordance with the Statement of Recommended Practice; Accounting and Reporting by Charities.

AUDITORS

A resolution will be proposed at the Annual General Meeting that Haines Watts be re-appointed as auditors to the charity for the ensuing year.

Signed on behalf of the charity's trustees



Rev Colin Emerson – Superintendent Minister

Date: 17.3.2021

**REPORT OF THE INDEPENDENT AUDITOR'S TO THE TRUSTEES OF
DERBY CIRCUIT OF THE METHODIST CHURCH**

Opinion

We have audited the financial statements of Derby Circuit of the Methodist Church (the charity) for the year ended 31 August 2020 on pages twelve to thirty. 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 2020 and of its incoming resources and application of resources 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 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 the provisions available for small entities, 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

We have nothing to report in respect of the following matters in relation to which the ISA's (UK) require us to report to you where:

- The trustees use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- The trustees have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the charity's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

However, because not all future events or conditions can be predicted, this statement is not a guarantee as to the charity's ability to continue as a going concern. The COVID -19 viral pandemic is one of the most significant events for the UK with unprecedented levels of uncertainty of outcomes. It is therefore difficult to evaluate all of the potential implications on the charity's finances and wider economy.

Other information

The trustees are responsible for the other information. The other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon.

- Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, 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 audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. 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.

REPORT OF THE INDEPENDENT AUDITORS TO THE TRUSTEES OF DERBY CIRCUIT OF THE METHODIST CHURCH

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 financial statements are not in agreement with the accounting records; or
- we have not received all the information and explanations we require for our audit.

Responsibilities of the trustees

As explained more fully in the trustees' responsibilities statement set out on page nine, the trustees are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and 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.

Auditor's responsibilities for the audit of the financial statements

We have been appointed as auditor under section 145 of the Charities Act 2011 and report in accordance with the Act and relevant regulations made or having effect thereunder.

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 a Report of the Auditors that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISA's (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 aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at www.frc.org.uk/auditorsresponsibilities. This description forms part of our Report of the Auditors.

Use of Our Report

This report is made solely to the charity's trustees, as a body, in accordance 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.

Mrs D J Lockwood FCA, FCCA, ATT – Senior Statutory Auditor
For and on behalf of Haines Watts
10 Stadium Business Court
Millennium Way
Pride Park
Derby
DE24 8HP

D. J. Lockwood

Dated: 15th April 2021

DERBY CIRCUIT OF THE METHODIST CHURCH

STATEMENT OF FINANCIAL ACTIVITIES FOR THE YEAR ENDED 31 AUGUST 2020

		Unrestricted Funds			Restricted & Endowment Funds			
		General	Circuit Model Trust	Designated	Restricted	Endowment	Total 2020	Total 2019
	Notes	£	£	£	£	£	£	£
Incoming Resources								
Income from Monetary Investments		793	5,172	179	2,328	3,336	11,808	13,380
Income from Investment Properties Assessments on Churches	2	-	-	18,540	-	-	18,540	18,540
Grants Received	3	428,966	-	-	-	-	428,966	354,929
Other Income	4	8,000	-	-	-	-	8,000	21,900
		41,373	-	1,399	100,265	-	143,037	24,073
Total Incoming Resources		479,132	5,172	20,118	102,593	3,336	610,351	432,822
Expenditure								
Grants and Donations Salaries and Associated Costs	5	1,050	29,610	277	47,193	-	78,130	21,567
Property Expenses District and Connexional Levies	6	332,339	-	136	-	-	332,475	291,504
Office Expenses	7	30,456	-	19,780	-	-	50,236	66,375
Other Outgoings	8	87,856	1,697	-	-	-	89,553	91,427
	9	7,185	-	-	-	-	7,185	6,485
		9,647	136	53	200	-	10,036	11,694
Total Expenditure		468,533	31,443	20,246	47,393	-	567,615	489,052
Net Income Before Investment Gains/(Losses)		10,599	(26,271)	(128)	55,200	3,336	42,736	(56,230)
Gains/(Losses) on Monetary Investments		(3)	-	1	(1,118)	(3,435)	(4,555)	1,635
Gains/(Losses) on Investment Properties		-	-	-	-	-	-	(900,000)
Net Incoming/ (Outgoing) Resources Before Transfers		10,596	(26,271)	(127)	54,082	(99)	38,181	(954,595)
Transfers Between Funds		(38,664)	9,000	33,000	-	(3,336)	-	-
Net Movements in Funds		(28,068)	(17,271)	32,873	54,082	(3,435)	38,181	(954,595)
Reconciliation of Funds								
Total Funds Brought Forward		2,909,543	67,882	57,246	124,116	121,195	3,279,982	4,234,577
Total Funds Carried Forward	18	2,881,475	50,611	90,119	178,198	117,760	3,318,163	3,279,982

DERBY CIRCUIT OF THE METHODIST CHURCH

BALANCE SHEET AS AT 31 AUGUST 2020

	Notes	Unrestricted Funds			Restricted & Endowment Funds		Total 2020	Total 2019
		General	Circuit Model Trust	Designated	Restricted	Endowment		
		£	£	£	£	£	£	£
Fixed Assets								
Circuit Manses etc	10	2,686,670	-	-	-	-	2,686,670	2,686,670
Investments	11	-	-	19,249	85,124	117,60	222,133	258,670
Total Fixed Assets		2,686,670	-	19,249	85,124	117,760	2,908,803	2,945,340
Current Assets								
Investment Properties	10	87,500	-	-	-	-	87,500	87,500
Debtors	12	23,250	-	1,390	-	-	24,640	23,812
Outstanding Purchase Price	12a	110,000	-	-	-	-	110,000	125,000
Trustees for Methodist Church Purposes		-	50,611	-	91,189	-	141,800	67,882
Central Finance Board Deposits	13	92,849	-	69,480	1,885	-	164,214	169,747
Cash at Bank and In Hand	13	38,831	-	-	-	-	38,831	22,946
Total Current Assets		352,430	50,611	70,870	93,074	-	566,985	496,887
Creditors Due In Under One Year	14	157,625	-	-	-	-	157,625	162,245
Net Current Assets/(Liabilities)		194,805	50,611	70,870	93,074	-	409,360	334,642
Net Assets		2,881,475	50,611	90,119	178,198	117,760	3,318,163	3,279,982
Funds of the Circuit								
General Funds (Unrestricted)		2,881,475	-	-	-	-	2,881,475	2,909,543
Circuit Model Trust Fund (Unrestricted)		-	50,611	-	-	-	50,611	67,882
Designated Funds (Unrestricted)		-	-	90,119	-	-	90,119	57,246
Total Unrestricted Funds	16	3,881,475	50,611	90,119	-	-	3,022,205	3,034,671
Restricted Funds	17	-	-	-	178,198	-	178,198	124,116
Endowment Fund	17	-	-	-	-	117,760	117,760	121,195
Total Funds		2,881,475	50,611	90,119	178,198	117,760	3,318,163	3,279,982

The notes on pages 15 to 30 form part of these financial statements.

Approved by the Circuit Meeting and authorised for issue on 17.3.2021

C. S. Emerson

Rev C Emerson – Superintendent Minister

DERBY CIRCUIT OF THE METHODIST CHURCH**CASH FLOW STATEMENT FOR THE YEAR ENDED 31 AUGUST 2020**

	Note	2020 £	2019 £
Cash used in operating activities	24	53,922	(60,479)
Cash flows from investing activities			
Dividends, interest and rents from investments		<u>30,348</u>	<u>31,920</u>
Net cash provided by/(used in) investing activities		<u>30,348</u>	<u>31,920</u>
Increase/(decrease) in cash and equivalents in the year		84,270	(28,559)
Cash and cash equivalents brought forward		<u>260,575</u>	<u>289,134</u>
Cash and cash equivalents carried forward		<u>344,845</u>	<u>260,575</u>
Cash and cash equivalents consist of:			
Cash at bank and in hand		<u>344,845</u>	<u>260,575</u>

DERBY CIRCUIT OF THE METHODIST CHURCH

NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 31 AUGUST 2020

1. Accounting policies

Basis of Accounting

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

Public benefit entity

The Derby Methodist Circuit meets the definition of a public benefit entity under FRS 102.

Basis

These accounts have been prepared on the basis of historical cost except that investments are shown at their market value at the end of the year. The accruals basis has been used and trustees present accounts that show a true and fair view of the Circuit's financial position and activities. Assets and liabilities are initially recognised at historical cost or transaction value unless otherwise stated in the relevant accounting policy note.

Content

The financial information presented is relevant, reliable, comparable and complete. Where estimates are used these are based on experience, research and judgement. The accounts are expressed in £Sterling, rounded to the nearest pound.

Going concern

Based on the monetary assets and human resources available at 31 August 2020, the trustees believe that the Circuit is a going concern.

Income recognition

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

In accordance with the Charities SORP (FRS 102), the time of volunteers is not recognised. Further information on this matter is provided in the Trustees' Annual Report. If goods are donated, a value will be shown in the SOFA or Notes where the value is considered material.

Legacies

For legacies, entitlement is taken as the earlier of:

- the date on which the Circuit is aware that probate has been granted;
- the estate has been finalised and notification has been made by the executor(s) to the Trust that a distribution will be made; or
- when a distribution is received from the estate.

DERBY CIRCUIT OF THE METHODIST CHURCH

NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 31 AUGUST 2020 CONTINUED

Receipt of a legacy, in whole or in part, is only considered probable when the amount can be measured reliably and the Circuit has been notified of the executor's intention to make a distribution. Where legacies have been notified to the Circuit or the Circuit is aware of the granting of probate, and the criteria for income recognition have not been met, then the legacy is treated as a contingent asset and disclosed if material.

Donated Services

Donated services and facilities are recognised as income when the Circuit has control over the item, any conditions associated with the donated item have been met, the receipt of economic benefit from the use by the Circuit of the item is probable and that economic benefit can be measured reliably. On receipt, donated services and facilities are recognised on the basis of the value of the gift to the Circuit which is the amount the Circuit would have been willing to pay to obtain services or facilities of equivalent economic benefit on the open market; a corresponding amount is then recognised in expenditure in the period of receipt, where this can be quantified.

Realised Gains and Losses

Realised gains or losses are recognised when investments are sold and are calculated as the difference between sales proceeds and the previous year end market value.

Unrealised gains or losses are accounted for on revaluation of investments at their year end market values.

Expenditure

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

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 the payment.

VAT

Since the Circuit is not VAT registered, all input VAT is charged with the expenses to which it refers.

Tangible Fixed Assets and Investment Assets

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

The freehold property is shown in the accounts at 2015 deemed values, or if acquired after that date at its cost price. The sports ground was revalued in June 2019 to its current market value. No depreciation is provided on the buildings because the trustees consider the current residual fair value of the manse buildings (on the assumption that it had reached the end of its useful economic life by the year end) to be not less than its current value. Any depreciation would not be material. The property has been reviewed for impairment.

DERBY CIRCUIT OF THE METHODIST CHURCH

NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 31 AUGUST 2020 - CONTINUED

From time to time the Circuit may be required to assume responsibility for Church premises following closure and cessation of worship. This results in the Circuit becoming Managing Trustees for the property. At that time the property is recognised as an investment asset at its anticipated net sale price as determined by a professional valuation and after taking into consideration the levy to be charged by the Connexion. Any expenditure on such assets, if held for reinvestment of the proceeds, as the trustees determine, that is likely to enhance sale value is capitalised at the time the expenditure is incurred. Where the proceeds are intended to be spent on activities, the property is included in current assets at the lower of cost and realisable value.

The Circuit has made use of the deemed cost option in transitioning to FRS 102 as outlined above.

Monetary Investments

The Circuit's investments are in monetary assets classified as basic financial instruments under FRS 102 and are held by the Trustees for Methodist Church Purposes (TMCP) as custodian trustees. The valuations, at market value, are those provided by TMCP. The unrealised gains arising on investments at the end of the year are shown in the SOFA and in Note 11 below.

Receivables and Payables; Bank and Cash (Basic Financial Instruments)

Debtors are stated at the amounts owed to the Circuit or prepaid. Creditors are initially recognised at settlement amount or the amount advanced to the Circuit. Subsequently creditors that are current liabilities are measured at the cash or other consideration expected to be paid. The liquid funds of bank balances and deposit fund balances are shown at their realisable values.

Judgements and Key Sources of Estimation Uncertainty

The preparation of accounts using generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities at the date of the accounts and the reported amounts of revenues and expenses during the reporting period.

The key estimates and assumptions used in the Financial Statements are detailed in the accounting policies.

Methodist Connexional Funds

The Methodist Church Connexion raises assessments against Circuits and these are paid quarterly to their Districts. The Circuits raise assessments against churches in the Circuit. The District quarterly remits to the Methodist Church Fund most of the sum received from the Circuits. A small sum is retained by the District to meet its own costs. The Circuit may act as agents for ad hoc collections for various funds controlled and administered by The Methodist Church.

Designated Funds

Where the Circuit has agreed to use its reserves to meet revenue costs or to meet future capital costs it has designated the funds within unrestricted reserves.

Endowment Funds

Where the Circuit holds money that may not be spent and must be retained (as capital) to generate income the money or assets to be retained are classified as an Endowment Fund. The capital will be shown in the balance sheet in the column for endowment funds. The income may be restricted or unrestricted depending upon the terms of the endowment.

DERBY CIRCUIT OF THE METHODIST CHURCH

NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 31 AUGUST 2020 - CONTINUED

Unrestricted Funds

Unrestricted funds represent the funds that are not subject to any restrictions regarding their use.

Restricted Funds

The purpose of any restricted funds is noted in the accounts.

Ministers' manse costs

The Circuit is required to provide accommodation for each minister in the Circuit and their families and this is seen as a benefit to the Circuit. Ministers are expected to occupy the manse provided for them. The Circuit bears the cost of repairs, maintenance, buildings insurance, Council Tax and water rates. These figures are not separately disclosed as benefits-in-kind as HMRC does not seek to tax these receipts in the hands of the ministers.

Pension contributions

The Circuit participates in the following pension funds:

- **Methodist Ministers' Pension Fund**

The Circuit is a member of the Connexional pension scheme (MMPS) which covers presbyters and deacons of the Methodist Church. The contribution rates are set each year by the Methodist Conference, and for the year under review the employer contributions are 26.9% (2018 26.9%) of stipend.

The MMPS is a multi-employer scheme, and in accordance with the guidance issued by the Charity Commission, the Circuit accounts for those contributions as if it were a defined contribution scheme. It has done so because it is unable to identify its share of the underlying assets and liabilities on a consistent and reasonable basis. Contributions are charged to the SOFA in the period in which they are payable.

- **Standard Life Pension Scheme**

Other non-ordained members of the Circuit staff are given the opportunity of being included in this pension scheme. The employer's contribution rate is set at 6% of salary.

2. Assessments on Churches

The Circuit comprises 20 Churches together with a Chinese congregation and each is assessed for a contribution to meet the overall costs of the Circuit. In making its Assessment, budgeted income from investments (including property letting) and confirmed external grants is taken into account. The Circuit aims to cover its net core costs from the Assessment.

An Assessment on churches is annually determined by the Circuit using a formulaic method which takes into account the relevant net income of each church after deducting all expenses other than the Assessment. Assessments are quarterly in advance.

DERBY CIRCUIT OF THE METHODIST CHURCH

NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 31 AUGUST 2020 - CONTINUED

3. Grants Receivable

	2020 £	2019 £
Towards costs of Chinese Ministry		
District	-	7,900
Hong Kong Methodist Church	2,000	2,000
Chinese congregation	6,000	12,000
	<u>8,000</u>	<u>21,900</u>

4. Other Income

	2020 £	2019 £
Funding for Susanna Wesley House	37,458	16,482
Recovered insurance premiums	494	490
Contribution towards salary costs	-	3,587
Miscellaneous	3,421	1,805
	<u>41,373</u>	<u>22,364</u>
Unrestricted Total	<u>41,373</u>	<u>22,364</u>
Designated – Susanna Wesley House Fund	<u>1,399</u>	<u>100</u>
Restricted – Benevolent Fund	-	1,609
Borrowash House Fund	<u>100,265</u>	<u>-</u>

5. Salaries and associated costs

Stipends

Stipends were paid to 8 Presbyters and 3 lay employees (2018/19: 10) and were as follows:-

	General £	Designated £	Total £	2019 £
Stipends	229,652	-	229,652	190,524
National Insurance Contributions	19,620	-	19,620	17,267
Pension Fund Contributions	52,769	-	52,769	42,558
Telephone	5,083	-	5,083	5,943
Travelling	5,956	136	6,092	6,099
Removal and Relocation Costs	-	-	-	6,263
	<u>313,080</u>	<u>136</u>	<u>313,216</u>	<u>268,654</u>

DERBY CIRCUIT OF THE METHODIST CHURCH

NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 31 AUGUST 2020 - CONTINUED

Administration

	General	Designated	Total	2019
	£	£	£	£
Salary	17,559	-	17,559	18,898
National Insurance Contributions	910	-	910	1,435
Pension Fund Contributions	735	-	735	1,134
Travel	55	-	55	1,383
	19,259	-	19,259	22,850
Stipends and Salaries totals	332,339	136	332,475	291,504

No employees received employee benefits of more than £60,000. There is no accrual for holiday pay as it is immaterial. The holiday year ends on 31 August. All staff are paid at or above the living wage.

Pensions

Most ordained presbyters and deacons are members of the Methodist Ministers' Pension Scheme (MMPS). This is a defined benefit scheme. The Supreme Court held in 2014 that Methodist ministers (which terms includes presbyters and deacons) are not employees of the Church. For simplicity, however, when dealing with National Insurance Contributions and pension contributions, the terms "employer" and "employee" are used as they would be in an employing body.

On the other hand, Lay employees are contractually employees and have the option of joining a pension scheme that the Circuit has arranged with Standard Life. This is a defined contribution scheme and the Circuit contributes as employer to the scheme.

The Connexion accounts for the MMPS and shows the figures in the annual Methodist Church in Great Britain accounts. The MMPS is in deficit but a plan for removal of the deficit has been proposed and is being implemented.

Cost of Superintendent, Presbyters and Trustees

The Superintendent of the Circuit, the other Presbyters and the remaining members of the CLT are considered as Key Management Personnel. The Superintendent chairs meetings of the CLT and Circuit Meetings. The members of the Circuit Meeting are the trustees of the Circuit. The stipends, employer's NIC and employer's pension contributions and other expenses of the Presbyters of the Circuit are paid by the Circuit.

The manses are provided by the Circuit and the Circuit maintains the property. The value of the Council Tax and water charges paid by the Circuit is not disclosed here as HMRC does not regard this as a benefit-in-kind in the hands of the minister.

DERBY CIRCUIT OF THE METHODIST CHURCH

NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 31 AUGUST 2020 - CONTINUED

Payments to the Trustees

It is generally Circuit policy to reimburse the non-Presbyteral ministers of the CLT, Circuit Meeting and others involved in the administration of Circuit affairs for expenditure properly incurred in carrying out their duties. The Presbyters of the Circuit undertake the primary executive roles within the Circuit. Apart from the Presbyters, Circuit Administrator (not a Trustee) and Circuit Lay Worker (not a Trustee), no member of the Circuit Meeting or CLT was in receipt of any payment for work undertaken on behalf of the Circuit, although certain travelling and administration costs were reimbursed. The travel costs of Presbyters who attended CLT and Circuit Meetings are included within the overall travel expenses and are not separately determined.

Payments to Trustees	2020	£9,695 (14 Trustees)
	2019	£14,959 (14 Trustees)

6. Property Expenses

The Circuit is Managing Trustee for 9 manses, 7 of which are occupied by ministers stationed in the Circuit. Two manses are let on Assured Shorthold tenancies. With the exception of the let manses, the Circuit is responsible for the payment of Council Tax, utilities, water rates and insurance.

The cost of ongoing maintenance and improvements to all properties is funded through a Designated "Manses" Fund and a transfer of £3,000 pa per manse is made from the General Fund. The level of transfer is reviewed by the trustees each year.

Expenditure on Manses

	General £	Designated £	Total £	2019 £
Council Tax	15,556	-	15,556	10,300
Water rates	3,981	-	3,981	4,724
Insurance	6,517	-	6,517	6,704
Maintenance	-	16,386	16,386	31,574
Furnishings	-	1,184	1,184	4,223
	26,054	17,570	43,624	57,525

Letting Expenses

Agents' charges	2,002	-	2,002	1,911
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Other Property Expenses

	General £	Designated £	Total £	2019 £
Circuit Office Rent	-	-	-	1,040
Quinquennial Reports	-	2,210	2,210	3,469
Sports Ground Fees	2,400	-	2,400	600
Chester Green Fees	-	-	-	1,830
	2,400	2,210	4,610	6,939
Property Totals	30,456	19,780	50,236	66,375

DERBY CIRCUIT OF THE METHODIST CHURCH

NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 31 AUGUST 2020 - CONTINUED

7. District & Connexional Levies

The District Assessment is calculated relative to the proportion of church members and staffing (Presbyters and Mission staff only) of all Circuits in the Nottingham and Derby District.

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

	General £	CMTF £	Total £	2019 £
District Expenses	10,656	-	10,656	10,866
Methodist Church Fund	77,200	-	77,200	78,522
Levy on CMTF Funds	-	1,697	1,697	2,039
	87,856	1,697	89,553	91,427

8. Office Expenses

	General £	Total £	2019 £
Stationery and Postages	3,613	3,613	2,886
Office Telephone	272	272	329
Audit Fee	3,300	3,300	3,270
	7,185	7,185	6,485

9. Other Expenses

	General £	CMTF £	Designated £	Restricted £	Total £	2019 £
Preaching Fees & Travel	757	-	-	-	757	1,990
TMCP Charges	-	136	-	200	336	163
Training Costs	-	-	53	-	53	248
Recoverable Insurance Premiums	494	-	-	-	494	490
Miscellaneous	8,396	-	-	-	8,396	8,803
	9,647	136	53	200	10,036	11,694

DERBY CIRCUIT OF THE METHODIST CHURCH

NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 31 AUGUST 2020 - CONTINUED

10. Tangible Fixed Assets

	Land £	Manse	Other Buildings £	Total £
Balance Brought Forward	200,000	2,248,835	237,835	2,686,670
Additions	-	-	-	-
Disposals	-	-	-	-
Balance Carried Forward	200,000	2,248,835	237,835	2,686,670

Investment Properties (included as current assets as properties are to be sold)

Balance Brought Forward	87,500	87,500
Additions	-	-
Disposals	-	-
	87,500	87,500

11. Investment Assets

The funds that support the Circuit Model Trust Fund and the Circuit's other funds are held by TMCP in Trustees Interest and/or Managed Equity Funds on which interest and dividends are credited to the accounts each month/quarter. These are regarded as medium and long-term investments.

TMCP is the legal owner and custodian trustee of all Methodist model trust property, including legacies, endowments and accumulated funds. Trust property is held for and on behalf of local managing trustees who are responsible for the day-to-day management of trust property. TMCP ensure that, through providing guidance and acting under their direction, the managing trustees comply with charity law and Methodist law and policy as determined by the Methodist Conference.

	2020 £	2019 £
Market Value Brought Forward	258,670	257,038
Net Gain/Loss on Revaluation	(4,555)	1,632
Disposal during the year	(31,982)	-
Market Value Carried Forward	222,133	258,670

Investments at fair value comprise:

CFB Managed Mixed Fund	151,791	186,882
Royal Bank of Scotland plc	1,461	2,409
Trustees Interest Fund	68,881	69,379
	222,133	258,670

DERBY CIRCUIT OF THE METHODIST CHURCH

NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 31 AUGUST 2020 - CONTINUED

11. Investment Assets – continued

	Designated Funds		Restricted Funds		Endowment Funds	
	2020	2019	2020	2019	2020	2019
	£	£	£	£	£	£
Market Value Brought Forward	19,249	19,249	118,226	117,321	121,195	120,468
Net Gain/(Loss) on Revaluation	-	-	(1,114)	905	(3,435)	727
Disposal during the year	-	-	(31,988)	-	-	-
Market Value Carried Forward	19,249	19,249	85,124	118,226	117,760	121,195
CFB Managed Mixed Fund	-	-	41,125	74,228	110,666	112,654
Royal Bank of Scotland plc Trustees	-	-	-	-	1,461	2,409
Interest Fund	19,249	19,249	43,999	43,996	5,633	6,132
	19,249	19,249	85,124	118,224	117,760	121,195

12. Debtors and Prepayments

All sums shown as debtors at 1 September 2019 were received during the following year. All sums paid in advance at 1 September 2019 were for activities that have been held during 2019/20. Similarly, it is expected that payments in advance at 1 September 2020 will be expensed in 2020/21.

	2020	2019
	£	£
Debtors		
Recoverable Expenses	1,698	-
Prepayments		
Stipends, Pension and NIC	21,031	21,844
Methodist Insurance	1,911	1,968
	<u>24,640</u>	<u>23,812</u>

12a. Outstanding Purchase Price

Part of the sale proceeds on the sale of Darley Abbey Methodist Church are classified as outstanding purchase price. This is to be repaid over 6 years with interest being charged at 3% over bank base rate. Therefore, included in current assets are debtors due within more than one year of £75,000.

There is a legal charge over the building in favour of Trustees for Methodist Church Purposes (TMCP).

DERBY CIRCUIT OF THE METHODIST CHURCH

NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 31 AUGUST 2020 - CONTINUED

13. Central Finance Board (CFB) and Bank Balance

Monetary balances held at the Central Finance Board of the Methodist Church, HSBC Bank plc and at CAF Bank Plc are all available on demand without loss of interest. The split of these balances across General, Designated and Restricted Funds is arbitrary but, wherever possible, balances are not shown as negative.

	General £	Designated £	Restricted £	Total £	2019 £
Central Finance Board	92,849	69,480	1,885	164,214	169,747
HSBC Bank plc	34,465	-	-	34,465	22,846
CAF Bank Ltd	4,167	-	-	4,167	-
Cash	199	-	-	199	100
	<u>131,680</u>	<u>69,480</u>	<u>1,885</u>	<u>203,045</u>	<u>192,693</u>

14. Creditors, Accruals and Income in Advance

It is expected that all sums accrued at 31 August 2020 will be paid during the year ended 31 August 2021.

	General £	Designated £	Total £	2019 £
Income in Advance				
Assessments in Advance	99,391	-	99,391	103,754
Grant in Advance	4,180	-	4,180	-
Creditors and Accruals				
Ministers' Expenses	966	-	966	2,380
Audit Fee	3,300	-	3,300	3,150
CPF Levy	44,000	-	44,000	50,000
Others	5,788	-	5,788	2,961
	<u>157,625</u>	<u>-</u>	<u>157,625</u>	<u>162,245</u>

15. Capital Commitments and Contingent Liabilities

At 31 August 2020 the Circuit had no capital commitments.

16. Unrestricted Funds

General Fund

	2020 £	2019 £
Balance	<u>2,881,475</u>	<u>2,909,543</u>

DERBY CIRCUIT OF THE METHODIST CHURCH

NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 31 AUGUST 2020 - CONTINUED

The purpose of the fund is for use at the discretion of the trustees in the furtherance of the general objectives of the Circuit and which have not been designated for other purposes.

About 97% of this fund is held as freehold property, being manses for ministers and a sports ground and, from time to time, redundant Chapels in the Circuit.

The Circuit meeting is aware that grant applications must demonstrate public benefit and this is true for the fund.

Circuit Model Trust Fund

	2020	2019
	£	£
Balance	50,611	67,882

16. Unrestricted Funds – continued

The purpose of the fund is for use at the discretion of the trustees in the furtherance of the general objectives of the Circuit. Its main source of income is legacies and formulaically determined contributions from the sale of manses and church buildings in the Circuit. Although this is technically an Unrestricted Fund under the control of the Circuit Meeting, prior approval is still required from the District to utilise these funds. Methodist Standing Orders 930,931 and 917(2) are applicable.

Designated Funds

	2020	2019
	£	£
Balance	90,116	57,246

These funds are to serve specific purposes but are not restricted by any document or deed to that purpose alone. Movements in these funds are set out in Note 18 below and the details of the specific funds are as follows:

Manses – Receives an annual transfer from the General Fund based on the number of functional and investment manses and against this is charged routine maintenance, repairs and, as the need arises, refurbishments.

Removal and Relocation Fund – Receives an annual transfer from the General Fund and is used as a sinking fund to meet the removal costs and relocation expenses of new presbyters joining the Circuit.

Training – Used to meet the costs of relevant training courses. A formal application process is in place and the fund is also open to applications from members of churches within the Circuit as well as Circuit staff.

Dunkirk and Greenhill Bursary – These are funds from old closed churches which are used as part of the Training Fund.

Quinquennial - The Circuit is responsible for arranging an inspection of all its own properties, as well as those of its churches, every five years. Such inspections are carried out by a Qualified Surveyor. The cost of all inspections is met by the Circuit. The frequency and cost of individual inspections is not uniform, therefore the five year cost is assessed at the start of each cycle and one fifth of the estimated cost is transferred from the General Fund each year. It is therefore possible for this fund to show a negative balance.

Susanna Wesley House – This was a donation to be used to further the work of this project.

Prison – This money had been raised by Deacon Jane Rice in her previous Circuit for use in prison chaplaincy work.

DERBY CIRCUIT OF THE METHODIST CHURCH

NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 31 AUGUST 2020 - CONTINUED

17. Restricted and Endowment Funds

	2020 £	2019 £
Restricted Funds Balance	178,201	124,116
Endowment Funds Balance	117,760	121,195

The Restricted and Endowment Funds exist to support the causes listed below. All the funds' assets (except those restricted funds which are managed locally) are managed by TMCP and the net income (after charges) is paid direct to the administrators of the fund.

Benevolent Fund – Is restricted to provide support for the poor and needy of the Circuit.

Borrowash House Fund – This represents the transfer of funds from Borrowash House Women's Hostel (now closed) and will be used to support vulnerable people in Derby City Centre.

Queen's Hall Fund – This represents a legacy to Queen's Hall Methodist Church (now closed) which will be used for work in Derby City Centre.

18. Summary of Fund Movements

	Balance at 1.9.2019 £	Income £	Expenditure £	Transfers £	Gains/ (Losses) £	Balance at 31.8.2020 £
General	2,909,543	479,132	468,533	(38,664)	(3)	2,881,475
Circuit Model Trust	67,882	5,172	31,443	9,000	-	50,611
Total Unrestricted & Undesignated	2,977,425	484,304	499,976	(29,664)	(3)	2,932,086
Susanna Wesley House	100	1,399	-	-	-	1,499
Manses	11,732	18,540	17,568	28,000	-	40,704
Removal & Relocation	(2,315)	-	-	3,500	-	1,185
Quinquennial	(1,486)	-	2,210	1,500	-	(2,196)
Prison	278	-	136	-	-	142
Training	5,889	179	332	-	1	5,737
Dunkirk	23,799	-	-	-	-	23,799
Greenhill Bursary	19,249	-	-	-	-	19,249
Total Designated	57,246	20,118	20,246	33,000	1	90,119
Total Unrestricted	3,034,671	504,422	520,222	3,336	(2)	3,022,205
Benevolent	419	-	-	-	-	419
Borrowash House	-	101,125	9,936	-	-	91,189
Queen's Hall	79,698	1,468	37,457	-	(1,118)	42,591
Bequests	43,999	-	-	-	-	43,999
Total Restricted	124,116	102,593	47,393	-	(1,118)	178,198
Bequests	121,195	3,336	-	(3,336)	(3,435)	117,760
Total Restricted & Endowment	245,311	105,929	47,393	(3,336)	(4,553)	295,958
Total of All Funds	3,279,982	610,351	567,615	-	(4,555)	3,318,163

DERBY CIRCUIT OF THE METHODIST CHURCH

NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 31 AUGUST 2020 - CONTINUED

19. Analysis of Net Assets between Funds

Fund balance at 31 August 2020 are represented by:

	General	CMTF	Designated	Restricted	Endowment	Total	2019
	£	£	£	£	£	£	£
Tangible Fixed Assets	2,686,670	-	-	-	-	2,686,670	2,686,670
Fixed Asset Investments	-	-	19,249	85,124	117,760	222,133	258,670
Current Assets	352,430	50,611	70,867	93,077	-	566,985	496,887
Current Liabilities	(157,625)	-	-	-	-	(157,625)	(162,245)
	<u>2,881,475</u>	<u>50,611</u>	<u>90,116</u>	<u>178,201</u>	<u>117,760</u>	<u>3,318,163</u>	<u>3,279,982</u>

Fund balance at 31 August 2019 are represented by:

	General	CMTF	Designated	Restricted	Endowment	Total	2018
	£	£	£	£	£	£	£
Tangible Fixed Assets	2,686,670	-	-	-	-	2,686,670	3,586,670
Fixed Asset Investments	-	-	19,249	118,226	121,985	258,670	257,038
Current Assets	382,624	67,882	40,491	5,890	-	496,887	548,179
Current Liabilities	(159,751)	-	(2,494)	-	-	(162,245)	(157,310)
	<u>2,909,543</u>	<u>67,882</u>	<u>57,246</u>	<u>124,116</u>	<u>121,195</u>	<u>3,279,982</u>	<u>4,234,577</u>

20. Related Parties

None of the Circuit trustees made donations direct to the Circuit during the year or in the preceding year. All of the Circuit trustees are members of one or another Church within the Circuit and may be trustees in their Churches.

During the year payments totalling £592 were made to churches within the Circuit. A payment of £60 was made to a member of Littleover Methodist Church for gardening services.

There are no other related party payments.

21. Volunteer Contributions

Every entity (Connexion, District, Circuit, Church) within the Methodist Church in Great Britain is heavily reliant on volunteers who contribute their skills, time and money in the furtherance of the work of the Church. In the Circuit the principal contribution is the serving on committees of the Circuit that deal with mission, manses, finance, policy, grants, training and safeguarding. We are grateful to all of them for their help and commitment. No attempt has been made by this Circuit to value the non-monetary contributions to the Circuit in monetary terms.

22. Taxation

The Circuit is a registered charity and is entitled to claim annual exemption from UK corporation tax.

23. Lease Commitments

The Circuit has contracts and obligations for the following:

- Office accommodation which is an informal agreement with a church within the Circuit and a contribution of NIL was made during the year (2018/19 - £1,040) to cover heating and lighting costs.

In addition, there are short-term obligations as follows:

- Telephones at the Circuit manses. The total annual cost of these is not considered material.

DERBY CIRCUIT OF THE METHODIST CHURCH

NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 31 AUGUST 2020 - CONTINUED

24. Reconciliation of Net Income to Net Cash Flow from Operating Activities

	2020 £	2019 £
Net Income/(Expenditure) Before Transfers	38,183	(954,595)
Add Loss(Deduct Gains) on Investments	4,553	(1,635)
Add Loss (Deduct Gain) on Investment Property	-	900,000
Add Cash from sale of investments	31,982	-
Deduct Dividends, Interest and Rents from Investments	(30,348)	(31,920)
Decrease/(Increase) in Debtors	14,172	22,736
Increase/(Decrease) in Creditors	(4,620)	4,935
Net Cash Used in Operating Activities	53,922	(60,479)

25. Comparative SOFA

	Unrestricted Funds			Restricted & Endowment Funds		Total 2019
	General	Circuit Model Trust	Designated	Restricted	Endowment	
	£	£	£	£	£	£
Incoming Resources						
Income from						
Monetary Investments	949	6,187	165	2,206	3,873	13,380
Income from						
Investment Properties	-	-	18,540	-	-	18,540
Assessments						
on Churches	354,929	-	-	-	-	354,929
Grants Received	21,900	-	-	-	-	21,900
Other Income	22,364	-	100	1,609	-	24,073
Total Incoming Resources	400,142	6,187	18,805	3,815	3,873	432,822
Expenditure						
Grants and Donations	262	19,665	140	1,500	-	21,567
Salaries and						
Associated Costs	284,862	-	6,642	-	-	291,504
Property Expenses	27,109	-	39,266	-	-	66,375
District & Connexial Levies	89,388	2,039	-	-	-	91,427
Office Expenses	6,485	-	-	-	-	6,485
Other Outgoings	11,283	163	248	-	-	11,694
Total Expenditure	419,389	21,867	46,296	1,500	-	489,052
Net Income Before Investment Gains/(Losses)	(19,247)	(15,680)	(27,491)	2,315	3,873	(56,230)
Gains/ (losses) on						
Investment Properties	(900,000)	-	-	-	-	(900,000)
Gains/(Losses) on						
Monetary Investments	-	-	-	908	727	1,635
Net Incoming/(Outgoing) Resources Before Transfers	(919,247)	(15,680)	(27,491)	3,223	4,600	(954,595)
Transfers Between Funds	(31,127)	2,000	33,000	-	(3,873)	-
Net Movements in Funds	(950,374)	(13,680)	5,509	3,223	727	(954,595)
Total Funds						
Brought Forward	3,859,917	81,562	51,737	120,893	120,468	4,234,577
Total Funds Carried Forward	2,909,543	67,882	57,246	124,116	121,195	3,279,982