



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.

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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.

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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

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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)

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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.

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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.

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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.

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ANNUAL REPORT FOR THE YEAR ENDED 31 AUGUST 2022 - CONTINUED

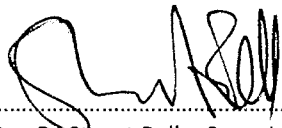
The trustees are responsible for the maintenance and integrity of the charity and financial information included on the charity's website in accordance with legislation in the United Kingdom governing the preparation and dissemination of financial statements.

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**

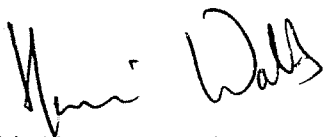
We also communicated relevant identified laws and regulations and potential fraud risks to all engagement team members, and remained alert to any indications of fraud or non-compliance with laws and regulations throughout the audit.

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

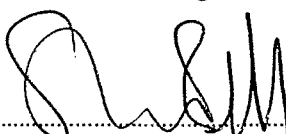
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BALANCE SHEET AS AT 31 AUGUST 2022

	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>725,498</u>	<u>285,055</u>
Cash and cash equivalents consist of:			
Cash at bank and in hand		<u>725,498</u>	<u>285,055</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	613,351	6,198
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
	<u>105,036</u>	<u>202,029</u>	<u>307,065</u>	<u>106,920</u>

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
	<u>6,802</u>	<u>6,802</u>	<u>6,353</u>

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
	<u>14,633</u>	<u>100</u>	<u>135</u>	<u>260</u>	<u>15,128</u>	<u>24,599</u>

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
	27,049	166,868	3,259	197,176	158,551

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
	139,575	80	139,655	134,142

16. Capital Commitments and Contingent Liabilities

At 31 August 2022 the Circuit had no capital commitments.

17. Unrestricted Funds

General Fund

	2022 £	2021 £
Balance	2,748,933	2,789,235

17a. Fair Value Reserve

	2022 £	2021 £
Fair Value Reserve	589,000	429,000

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 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