

Circuit
Accruals Accounts
2021-2022

THE METHODIST CHURCH
REPORT AND ACCOUNTS
(ACCRUALS BASIS)
for the year ended 31 August 2022

Birmingham Methodist Circuit

Registered Charity - Registration number

1132926

Birmingham District

05/01

Ministers

Rev Dr Neil Johnson, Rev Alison Richards, Rev Nicholas Jones
Rev Mindy Bell, Rev Ping Ting Chen, Rev Molly Chitokwindo,
Rev Caroline (Caz) Hague, Rev Deborah Humphries, Rev Farai Mapamula,
Rev Cleopas Sibanda, Rev Sue Shortman, Rev Karen Webber
Deacon Ruth Yorke

Circuit Stewards

Gill Wilkins
Janice Martin
Marjorie Roper
Sharon Clutterbuck
Mary Mahachi

Circuit Treasurer

Andrew Morris

Birmingham Methodist Circuit
TRUSTEES' ANNUAL REPORT

FOR THE YEAR ENDED 31 AUGUST 2022

Introduction

Welcome to the Annual Report of the Birmingham Methodist Circuit. The Circuit consists of 32 Methodist and Local Ecumenical Partnership churches in the City of Birmingham and surrounding area, served by a team of ordained and lay staff.

Vision Statement and Priorities

Birmingham Methodist Circuit aspires to be a welcoming Christian family with inspiring worship, radical compassion and social justice at its heart. In this way and following in our Methodist tradition, we aim to share in the transformation of life made possible through God's love.

As members of the Birmingham Methodist Circuit, we have agreed the following five priorities for the meaningful sharing of our God given resources:

Transforming Life - We aim to live in such a way as to bring about positive change in our own lives and the lives of others, to share God's love and to learn and grow as followers of Jesus both individually and in community.

Inspiring Worship - We aim to offer worship across the Circuit which glorifies God, is inviting to all, enriches faith and inspires us to respond.

Radical Compassion - We aim to develop and practice a radical compassion which is welcoming, inclusive, safe and empowering.

Social Justice - We aim to speak out and take action against injustice in all its forms.

A Methodist Perspective - Working together with our ecumenical partners and many others, we aim to uphold the values and principles which arise from our Methodist heritage, including being sustainable, ethical, collaborative and connected to Methodists across our nations and around the world.

Full Name of Charity:	Birmingham Methodist Circuit
Registration Charity Number:	1132926
Date of registration:	23 November 2009
Main communication address:	Birmingham Methodist Circuit (Circuit Office), Selly Oak Methodist Church, Langleys Road, Selly Oak, Birmingham, B29 6HT

The members of the Birmingham 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 as Appendix A to this report.

Circuit Ministers and officers

Active Circuit Ministers:	Rev Dr Neil Johnson, Rev Alison Richards, Rev Nick Jones Rev Mindy Bell, Rev Ping Ting Chen, Rev Molly Chitokwindo, Rev Caroline(Caz) Hague, Rev Deborah Humphries, Rev Farai Mapamula, Rev Sue Shortman, Rev Cleopas Sibanda, Rev Karen Webber, Deacon Ruth Yorke
Circuit Lay Workers:	Ms Maria Clack, Ms Arul Israel, Mrs Ermine Mitchell, Mr Dean Taylor, Mrs Salome Noah, Mrs Diane Webb
Circuit Stewards:	Mrs Gill Wilkins, Mrs Janice Martin, Mrs Marjorie Roper, Mrs Sharon Clutterbuck, Ms Mary Mahachi
Administrators:	Mrs Hazel Bethell, Mrs Beverley Francis, Mrs Amanda Harris, Mrs Sue Saunderson, Ms Jayne Snape, Mr Joel Wilson, Ms Mima Yedale
Circuit Treasurer:	Andrew Morris (Circuit Treasurer) acted as the principal officer overseeing the day to day financial management and accounting for the Circuit during the year.
Auditor:	Wallace Crooke, Chartered Accountants & Registered Auditors, Wallace House, 20 Birmingham Road, Walsall, WS1 2LT
Investment Bankers:	Central Finance Board of the Methodist Church Trustees for Methodist Church Purposes CAF Bank Ltd

Circuit Property

All Circuit property is held in the name of The Trustees for Methodist Church Purposes (TMCP).

Birmingham Methodist Circuit
TRUSTEES' ANNUAL REPORT (continued)

Review of the year

The Circuit has been in existence for eleven years. Faced with the difficulty of achieving a balanced budget, the decision was taken to use reserves to make up the shortfall. Increasing costs and declining income have led to a shortfall for the year to 31 August 2022 in the general fund of £237,504 before accounting for the value of Sparkhill Methodist Church - £525,000. This gave an overall surplus of £287,496 before fund transfers. There was an overall surplus on unrestricted funds of £543,876. This arose from the sale of surplus properties in the year. However excluding capital transactions, the overall shortfall is £333,058.

Faced with the reduction in available presbyters and a financial deficit, the Circuit grouped its resources of churches, lay and ordained staff, lay preachers and supernumerary ministers into five Mission and Ministry Teams, to provide more focussed mission. The teams were effective from 1 September 2019 but the Covid-19 pandemic has meant they are still not fully embedded in the life of the Circuit. From 1 September 2021 there was a reduction to four Mission and Ministry Teams.

Covid-19

The effects of the Covid-19 pandemic on the Circuit continued to be felt in 2021/22. Many churches have seen a reduction in their income, and have had to use reserves to pay their assessment and other costs. In contrast, the Circuit saw a reduction in some of its costs, as very little travel took place and activities planned for our young people were unable to take place.

Income trends

Circuit income is primarily drawn from the assessment paid by the Circuit churches. Some churches were unable to maintain their assessment payments at the agreed amounts in 2021/22.

Rental income is derived from the rental of two manses which are surplus to current needs.

Expenditure trends

Stipends and salaries have increased each financial year in line with conference approved increases, and to pay the Living Wage.

18% of General Fund expenditure is the Circuit contribution to the District and Connexion, of which 89% is used to fund the work of the wider Methodist Church. This contribution decreased by 1.16% from the previous year.

The other expenditure includes substantial amounts incurred on maintaining the Circuit manses to an appropriate standard.

Plans for 2022/23

Circuit financial plans for the current year have been prepared on the basis that there are 12 ordained staff, with anticipated cost of living stipend increases but a 4% reduction in the assessment paid to the District. Overall there has been a decrease in the total amount offered as assessment by the churches. There is currently still some uncertainty about how much some churches will actually be able to pay to the Circuit for 2022/23.

Plans for 2023/24

Circuit financial plans for 2023/24 have been prepared on the basis that there will be 11 ordained staff, with anticipated cost of living stipend increases and no change in the assessment paid to the District. At the time of writing, it appears unlikely that Circuit income from the churches will return to pre-pandemic levels as membership is down and some churches have ceased to meet. Circuit reserves have been boosted by sales of surplus properties and so it is considered that the Circuit remains a going concern financially despite the reduction in our income in 2021/22 and anticipated further reduction in 2022/23 and 2023/24.

Aims and organisation

Charity objective is to act as a Resource provider within the area around Birmingham 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.

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.

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 Committee, the Circuit Property Committee and the Circuit HR Group.

Volunteers

The Circuit is indebted to the many volunteers without whom it could not function. Lay Preachers conduct many of the Sunday services, and volunteers play prominent roles in the stewardship of Circuit finances and property, and serve as Trustees, members of the Circuit Leadership Team, and on many other committees and working groups.

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 available to all new Circuit Assembly members as induction to their role as trustees.

Birmingham Methodist Circuit
TRUSTEES' ANNUAL REPORT (continued)

Related Parties

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

The following Methodist and Local Ecumenical Project Churches are linked to the Circuit: Acocks Green, Beacon, Cambridge Road, Castle Bromwich, The Church at Carrs Lane, Chinese Church, Coleshill United, Cotteridge, Dorridge, Earlswood, Great Barr, Hall Green United Community Church, Hawkesley, Hazelwell, Longbridge, Lozells, Lyndon, Maypole, Nether Whitacre, Northfield, Perry Barr, Perry Hall, Saltley, Selly Oak, Shirley, Solihull, South Yardley, St Andrews Chelmsley Wood, St Andrews Stirchley, St Michael's Hall Green, Trinity Monkspath, Water Orton.

Risk Management

The major risks have been identified and recorded by the Circuit Finance Committee and Leadership Team 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.

The Birmingham 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 Birmingham 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.

Birmingham Methodist Circuit
TRUSTEES' ANNUAL REPORT (continued)

Circuit Projects

The Circuit supports Projects at St Francis Community Centre, Woodgate Valley and at Lozells Church and Community Centre. In 2021/22 The Circuit spent £9,755 on the running costs of the Woodgate Valley Project (2020/21 £4,180) and £11,536 on the running costs of the Lozells project (2020/21 £54,730).

Reserves Policy

The Reserves Policy for the Circuit is to hold a minimum sum equivalent to four 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. Further reserves are held to meet anticipated future shortfalls of income compared to expenditure.

The total funds held at 31 August 2022 are £7,616,742, of which £683,429 are restricted and £261,828 are designated. A detailed analysis of the funds is set out in Note 18 on page 15.

Fixed Assets £5,589,307 - unrestricted funds.

The balance of funds held after allowing for restricted funds, designated funds, commitments or the carrying amount of functional assets which the Circuit considers to represent a commitment of the reserves held, is £1,078,984 as at 31 August 2022, giving approximately 11 months cover for expenditure. This is considered sufficient.

Trustees' responsibilities statement

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

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

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in the Charities SORP 2019 (FRS102);
- make judgements and estimates that are reasonable and prudent;
- state whether applicable accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charity will continue in operation.

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

Statement of Financial Activities (SOFA) for the year ended 31 August 2022

	Notes to the accounts	General funds	CMTF (Unrestricted)	CMTF (Designated & Unrestricted)	Designated Funds (Unrestricted)	Restricted Funds	Total 2021-22	Total 2020-21
		£	£	£	£	£	£	£
Income								
Donations and legacies	4	340				-	340	2,534
Income from monetary investments		816	5,985		222	2,137	9,160	6,574
Income from Investment Properties		0					0	0
Assessments on Churches		717,067					717,067	744,448
Capital Receipts		525,000	385,006			623,370	1,533,376	1,197,764
Grants Received		56,932					56,932	55,862
Other Charitable Income	5	95,862				2,170	98,032	53,714
Total Income		1,396,017	390,991	0	222	627,677	2,414,907	2,060,896
Expenditure								
Stipends, salaries, NIC & Pension costs	8	695,802				35,497	731,299	761,699
District Assessment		24,159					24,159	21,971
Methodist Church Fund (Connexion)		166,953					166,953	176,989
Administration, telephone & travel		57,591	3,691		8,635	5,127	75,044	53,711
Insurance, utilities, etc		41,594				3,440	45,034	52,218
Maintenance of Manses		76,731				21,424	98,155	64,078
Other Expenditure on Circuit property	10	16,900		1,986	-10,950	-	7,936	148,829
Depreciation	13						-	-
Provisions							-	-
Other Expenditure	11	24,291				606,689	630,980	641,210
Grants and Donations	12	4,500	31,086	12,000		1,174	48,760	58,465
Contributions to District Advance Fund			88,385				88,385	36,830
Total Charitable Expenditure		1,108,521	123,162	13,986	-2,315	673,351	1,916,705	2,016,000
Net income/(expenditure)		287,496	267,829	-13,986	2,537	-45,674	498,202	44,896
Transfers between funds		630,029	-741,328			111,299	0	0
		917,525	-473,499	-13,986	2,537	65,625	498,202	44,896
Other recognised gains / (losses):								
Gains/(losses) on monetary investments							-	-
Gains/(losses) on investment assets		0					-	-
Net movement in funds		917,525	-473,499	-13,986	2,537	65,625	498,202	44,896
Reconciliation of funds:								
Total funds brought forward		5,117,540	1,109,919	225,213	48,064	617,804	7,118,540	7,073,644
Total funds carried forward		6,035,065	636,420	211,227	50,601	683,429	7,616,742	7,118,540

For information only Money received and passed on to External Organisations

Balance brought forward from last year

Offerings/Gifts - received for External Organisations

Offerings/Gifts - passed to External Organisations

Balance carried forward

0	0
223	2500
223	2500
0	0

Balance Sheet as at 31 August 2022

General Funds (Unrestricted)	CMTF (Unrestricted)	CMTF (Designated & Unrestricted)	Designated Funds (Unrestricted)	Restricted Funds	Totals 2022	Totals 2021
£	£	£	£	£	£	£

Fixed Assets

Notes

Land & Buildings	13	5,589,307				5,589,307	4,697,078
Equipment							
Investment properties	14						
Investments							
Total fixed assets		5,589,307	0	0	0	5,589,307	4,697,078

Current Assets

Debtors	15	147,056	162,002			155	309,213	192,000
Trustees for Methodist Church Purposes								
Deposits		0	489,416	211,227	47,409	693,770	1,441,822	1,971,050
Central Finance Board Deposits		352,634				8,965	361,599	370,254
Cash at Bank and in hand		125,270	(14,998)		3,192	1,681	115,145	52,712
Total current assets		624,960	636,420	211,227	50,601	704,571	2,227,779	2,586,016

Current Liabilities

Creditors and Accruals (due in under 1 yr)	16	179,202			0	21,142	200,344	164,554
Total Current Liabilities		179,202	0	0	0	21,142	200,344	164,554
Net current assets/(liabilities)		445,758	636,420	211,227	50,601	683,429	2,027,435	2,421,462
Total assets less current liabilities		6,035,065	636,420	211,227	50,601	683,429	7,616,742	7,118,540

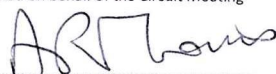
Long term liabilities (due after more than 1 year)

Net assets		6,035,065	636,420	211,227	50,601	683,429	7,616,742	7,118,540
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Funds of the Circuit

General Fund (Unrestricted)	18	6,035,065				6,035,065	5,117,540
Model Trust Fund (Unrestricted)	18		636,420			636,420	1,109,919
Model Trust Fund (Designated & Unrestricted)	18			211,227		211,227	225,213
Designated funds	18				50,601	50,601	48,064
Restricted funds	18					683,429	617,804
Total Funds		6,035,065	636,420	211,227	50,601	683,429	7,118,540

The financial statements were approved and authorised for issue by the Circuit Meeting on 25 March 2023.
Signed on behalf of the Circuit Meeting



Andrew Morris - Circuit Treasurer

Cash flow statement for the year ended 31 August 2022

	2022	2021
	£	£
Statement of cash flows		
Cash from operating activities		
Net cash used in operating activities	-389,386	-606,822
Cash flows from investing activities		
Dividends, interest and rents from investments	9,160	6,574
Proceeds from the sale of property, plant and equipment	836,226	1,182,332
Purchase of property, plant and equipment	-931,450	0
Net cash provided by investing activities	-86,064	1,188,906
Cash flows from financing activities	0	0
Net cash used in financing activities	0	0
Change in cash and cash equivalents in the reporting period	-475,450	582,084
Cash and cash equivalents at the beginning of the reporting period	2,394,016	1,811,932
Cash and cash equivalents at the end of the reporting period	1,918,566	2,394,016
	2022	2021
	£	£
Reconciliation of net income to net cash flow from operating activities		
Net income for the reporting period (as per statement of financial activities)	498,202	44,896
Adjustments for:		
Loss/(Profit) on the sale of fixed assets	-272,005	-563,494
Gains on investments	-525,000	0
Dividends, interest and rents from investments	-9,160	-6,574
(increase)/decrease in debtors	-117,213	-54,673
increase/(decrease) in creditors	35,790	-26,977
Net cash used in operating activities	-389,386	-606,822
	2022	2021
	£	£
Analysis of cash and cash equivalent		
Cash in hand	476,744	422,966
Short term deposit (less than 3 months)	1,441,822	1,971,050
Total cash and cash equivalents	1,918,566	2,394,016

Notes to the Accounts

1. Basis of Preparation

Birmingham Methodist Circuit is a Charity registered in England. The address of the registered office is given in the charity information on page 2 of these financial statements. The nature of the charity's operations and principal activities can be found within the Trustees' Annual Report located on pages 2 to 5.

The charity constitutes a public benefit entity as defined by FRS 102. The financial statements have been prepared in accordance with Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland issued in October 2019, the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS102), the Charities Act 2011, and UK Generally Accepted Accounting Practice.

The financial statements are prepared on a going concern basis under the historical cost convention, modified to include certain items at fair value. The financial statements are presented in sterling which is the functional currency of the charity and rounded to the nearest £.

The significant accounting policies applied in the preparation of these financial statements are set out below. These policies have been consistently applied to all years presented unless otherwise stated.

2. Funds

The funds held constitute: General Funds held for any purpose of the Circuit which are unrestricted. The Circuit Model Trust Fund has wide purposes defined in Standing Orders and is categorised as unrestricted, but part of the fund has been designated for specific purposes and is shown separately. Designated Funds which are unrestricted but set aside for specific purposes. Restricted Funds which are held for a narrower purpose. Details of each material fund are disclosed in Note 18 to these accounts. Any funds may be represented by more than just cash.

3. Accounting policies**Income Recognition**

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

Resources Expended

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

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. When the grant is recurrent over more than one year the balance payable in future years is treated as a provision for future commitments in the Balance Sheet against the appropriate fund, the provision being released in future years as instalments are paid in accordance with the originally agreed terms.

VAT

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

Revaluation of functional property assets

The Circuit carries its functional property assets at deemed cost, with any impairment being recognised in the Statement of Financial Activities. The Circuit has used insurance value as at 1 September 2015 as its independent valuation at the date of transition. Some of the key assumptions used to determine the deemed cost of the assets are based on the valuer's knowledge and experience of the market and values of similar properties, which could be deemed subjective.

Tangible fixed assets for use by the Circuit

The manses are shown in the accounts at 2015 deemed values or subsequent cost. No depreciation is provided on these assets because the Trustees consider the current residual fair values to be not less than their current value. Any depreciation would not be material. The assets have been reviewed for impairment. Tangible fixed assets are capitalised if they can be used for more than one year, and individually cost at least £1,000.

Investment Properties

Investment properties for which fair value can be measured reliably without undue cost or effort are measured at fair value at each reporting date with changes in fair value recognised in 'net gains / (losses) on investments' in the SoFA. The Circuit does not hold any investment properties.

Debtors and Creditors

Debtors and creditors with no stated interest rate and receivable or payable within one year are recorded at transaction price. Any losses arising from impairment are recognised in expenditure.

Notes to the Accounts (continued)

4. Donations and legacies	Unrestricted	Circuit Model Trust Fund	Designated (Unrestricted)	Restricted	2022 Total	2021 Total
	£	£	£	£	£	£
Donations	340				340	2,534
Legacies					0	0
Total	340	-		-	340	2,534

5. Other charitable income	Unrestricted	Circuit Model Trust Fund	Designated (Unrestricted)	Restricted	2022 Total	2021 Total
	£	£	£	£	£	£
Payroll recharges	68,531				68,531	32,235
Benevolent Fund	0			2,170	2,170	0
Sundry income	664				664	936
Transfer from closed church	5,942				5,942	0
Inner City Fund			0		0	323
Manse Rental	20,725				20,725	20,220
Total	95,862	0	0	2,170	98,032	53,714

6. Payment to Trustees

2022

2021

Payments made to trustees for additional services provided to the Circuit by agreement with the Circuit Meeting

£

Number of trustees who were paid expenses

Nature of the expenses:

Total amount paid

£

7. Fees for audit of the accounts

2022

2021

Independent auditors' fees for reporting on the accounts

£

Notes to the Accounts (continued)

8. Paid employees

2022 2021

Staff Costs paid during the year were:

Gross wages, salaries and benefits in kind

£ 578,681 599,086

Employer's National Insurance costs

£ 48,240 49,998

Pension costs

£ 101,574 109,376

Apprenticeship Levy

£ 2,804 3,239

Total staff costs

£ 731,299 761,699

Average number of staff employed during the year were:

28 29

There are no employees who received total emoluments (excluding employer pension costs) of more than £60,000 (£70,000).

2022 2021

The Circuit contributes to two pension schemes:

Methodist Ministers' Pension Scheme (defined benefit)

£ 87,528 94,848

Lay Employees' Pension Scheme (defined contribution)

£ 14,046 14,528

£ 101,574 109,376

Methodist Ministers' Pension Scheme

Most ordained presbyters and deacons are members of the Methodist Ministers' Pension Scheme ("MMPS"). This is a defined benefit pension scheme. The Supreme Court held in 2014 that the Methodist ministers (which term 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.

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. Details of the deficit on this scheme can be found in the Annual Report and Accounts of The Methodist Church at www.methodist.org.uk

Methodist Conference 2021 asked Districts, Circuits and churches to consider making voluntary donations of 15% of their free reserves to a Pension Reserve Fund to cover future deficits in the MMPS. Birmingham Circuit took the decision not to contribute to this Fund on a voluntary basis.

£6,700 was prepaid in respect of the Minister's Pension Scheme at 31 August 2022 (£7,294 at 31 August 2021).

Lay Employees' Pension Scheme

There is an employer debt on withdrawal from this scheme which was estimated at £20,217 at 30 September 2020.

9. Leasing Commitments

Committed to be paid:

2022 2021

Expiring Within 1 Year

£ 955 2,619

Between 2 & 5 Years

£ 2,388 4,591

After 5 Years

£ - -

£ 3,343 7,210

During the year £3,750 (2021: £2,166) was expensed through the SoFA in relation to operating leases. This included the cost of terminating the lease at Carrs Lane.

Birmingham Methodist Circuit

Notes to the Accounts (continued)

10. Other Expenditure on Circuit property

	<u>2022</u>	<u>2021</u>
	£	£
Quinquennial Inspections (Property and Electrical)	12,108	12,766
Management and other fees	4,793	1,427
	<u>16,901</u>	<u>14,193</u>
Lozells Methodist Church - Inner City Fund (External Refurbishment)	- 8,965	134,636
	<u>7,936</u>	<u>148,829</u>

11. Other Expenditure

	<u>2022</u>	<u>2021</u>
	£	£
Children and Youth	3,544	-
Subscriptions (CIGB, BCT, Citizens)	10,392	11,690
Training	2,580	272
Audit Fee	4,158	4,422
Woodgate Valley	-	-
Philippians Fund	2,800	1,094
Meeting Expenses	517	-
Miscellaneous	620	1,727
	<u>24,611</u>	<u>19,205</u>
Connexional (CPF) Levies on Sold Properties	42,148	622,005
Capital Payment for Manses	564,221	
Holly Hill School	-	-
	<u>630,980</u>	<u>641,210</u>

12. Grants & Donations

	<u>2022</u>	<u>2021</u>
	£	£
Holly Hill School	2,000	2,000
Hawkesley School	2,000	2,000
Time4Change	500	200
	<u>4,500</u>	<u>4,200</u>
Small Heath Grants Repaid	0	12,265
Dorridge Car Park		11,000
Perry Hall Car Park	14,363	0
Shirley Boiler	14,998	0
Nether Whitacre Boiler	1,725	0
Lozells Payroll Costs	12,000	10,000
City Centre Fund - Retail Chaplain, Counselling Centre, Inclusive Gathering	0	21,000
Holly Hill School Fund	349	0
Benevolent Fund	825	0
	<u>48,760</u>	<u>58,465</u>

Birmingham Methodist Circuit

Notes to the Accounts (continued)

13. Tangible Fixed Assets

The Circuit holds 16 manses. Two manses were purchased in the year, replacing two which were sold during the year.

Cost or valuation

	Residential Land £	Other Land £	Manses £	Other buildings £	Other fixed assets including motor vehicles £	Fixtures, fittings and equipment £	Payments on account and assets under construction £	Total £
Balance brought forward			4,507,078	190,000				4,697,078
Additions			931,450	525,000				1,456,450
Revaluations (+/-)								
Disposals (-)			-564,221					-564,221
Transfers* (+/-)								
Balance carried forward			4,874,307	715,000				5,589,307
Accumulated depreciation			SL or RB	SL or RB	SL or RB	SL or RB		
Balance brought forward								
Depreciation charge for year (-)								
Revaluations (+/-)								
Disposals (-)								
Transfers* (+/-)								
Balance carried forward								
Net book value								
Brought forward	-	-	4,507,078	190,000	-	-	-	4,697,078
Carried forward	-	-	4,874,307	715,000	-	-	-	5,589,307

Other buildings include the Frankley Children's Centre, which has been valued at £190,000 freehold subject to a lease with 9 years unexpired at Nil rent. The valuation was undertaken by Carters, Chartered Surveyors, who are not connected to Birmingham Methodist Circuit. The addition to other buildings in the year was the introduction at market value £525,000 of Sparkhill Methodist Church, which ceased to meet during the year. The additions to manses during the year were of manses at Grove Avenue and Honeysuckle Way. The disposals during the year were of the manses at Mackenzie Road and Marlborough Road.

14. Investments

The funds that support the Circuit Model Trust Fund and the Manses Fund are held by TMCP in Trustees Interest Funds on which interest is credited to the accounts each month. 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 polity as determined by the Methodist Conference.

No investment property was held during the year.

Notes to the Accounts (continued)

15. Analysis of debtors

	2022	2021
	£	£
Accrued income (includes outstanding assessment payments)	236,191	109,472
Other debtors	41,022	42,528
Loans	32,000	40,000
Total Debtors	309,213	192,000

Analysis of Loans

Due within one year	8,000	8,000
Due within two to five years	24,000	32,000
Due after five years		
	32,000	40,000

16. Analysis of current liabilities and long term creditors

Prepaid Assessments	135,600	126,098
Other Creditors	64,744	38,456
Total Current Liabilities	200,344	164,554

17. Capital Commitments and Contingent Liabilities

At 31 August 2022 capital commitments amounted to:	-	15,837
At 31 August 2022 contingent liabilities amounted to:	-	-

Notes to the Accounts (continued)

18. Detailed analysis of individual fund movements

Unrestricted Funds

Unrestricted Fund Name	Opening	Income	Expenditure	Transfers	Gain/(losses)	Closing Balance	Purpose of the fund
General	5,117,540	1,396,017	1,108,521	630,029		6,035,065	The general purposes of the Circuit
Model Trust Fund	1,109,919	390,991	123,162	-741,328		636,420	Support for the mission of the Circuit
Designated - Model Trust Fund	225,213		13,986			211,227	Supporting work within Birmingham Inner City
Designated - Inner City	742	10,950	8,500			3,192	Supporting work within Birmingham Inner City
Designated - Property							Major repairs to manses
Designated - Trinity Monkspath	47,322	222	135			47,409	The general purposes of the Circuit
Totals	6,500,736	1,798,180	1,254,304	-111,299		6,933,313	

Restricted Funds

Restricted Fund Name	Opening Balance	Income	Expenditure	Transfers	Gain/(losses)	Closing Balance	Purpose of the fund
Benevolent Fund	336	2,170	825			1,681	Support for individuals in specific need
City Centre Trust	608,192	625,469	672,177	111,299		672,783	Supporting work in Birmingham City Centre
Holly Hill School	9,276	38	349			8,965	Supporting a Methodist/Anglican school
Totals	617,804	627,677	673,351	111,299		683,429	

The reasons for the transfers between funds were as follows:

To provide working capital for the Circuit, to adjust for the sale of fixed assets and to account for a partial loan repayment.

Notes to the Accounts (continued)

19. Related party transactions

This year

Name of related party	Relationship	Description of transaction	Income from related party during the year	Payments to related party during the year	Loans to related party during the year	Amounts owed by related party as on 31-Aug-2022
			£	£	£	£
Methodist Church Fund	Methodist Governing Body	Contribution to Connexional costs		166,953		
Total			0	166,953	0	0

Last year

Name of related party	Relationship	Description of transaction	Income from related party during the year	Payments to related party during the year	Loans to related party during the year	Amounts owed by related party as on 31-Aug-2021
			£	£	£	£
Methodist Church Fund	Methodist Governing Body	Contribution to Connexional costs		176,989		
Total			0	176,989	0	0

Birmingham Methodist Circuit DECLARATIONS

Treasurer

I confirm that these accrual based accounts for the year ended 31 August 2022 have been prepared from the records of the Circuit and that they include all funds under the control of the Circuit Meeting.

Signature of Treasurer



Date

25 March 2023

Name of Treasurer

Andrew Morris

Address

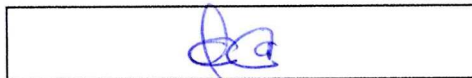
11 Rodman Close, Edgbaston, Birmingham, B15 3PE

Presentation to the Circuit Meeting for approval.

I confirm that the annual report and accounts for the year ended 31 August 2022 were presented to the Circuit Meeting at its meeting on and were approved.

25 March 2023

Signature of the Chair of the meeting



Name of the Chair of the meeting

Rev Cleopas Sibanda

Date

25 March 2023

REPORT OF THE INDEPENDENT AUDITORS TO THE TRUSTEES OF BIRMINGHAM METHODIST CIRCUIT

Opinion

We have audited the financial statements of Birmingham Methodist Circuit (the 'charity') for the year ended 31 August 2022 on pages six to sixteen, which comprise of the statement of financial activities, the balance sheet, cash flow statement and the notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

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

Basis for opinion

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

Conclusions relating to going concern

We have nothing to report in respect of the following matters in relation to which the ISAs (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.

Other information

The trustees are responsible for the other information. The other information comprises the information in the Trustees' Annual Report, but does not include the financial statements and our Report of the Auditors 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
BIRMINGHAM METHODIST CIRCUIT (continued)**

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 requires us to report to you if, in our opinion:

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

Responsibilities of trustees

As explained more fully in the trustees' responsibilities statement set on page 5, the trustees are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the trustees determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

Auditor's responsibilities for the audit of the financial statements

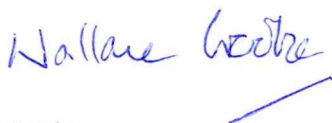
We have been appointed as auditor under section 144 of the Charities Act 2011 and report in accordance with regulations made under section 154 of that Act.

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue 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 ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

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 with Part 4 of the Charities (Accounts and Reports) Regulations 2008. Our audit work has been undertaken so that we might state to the charity's trustees those matters we are required to state to them in a Report of the Auditors 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.



Wallace Crooke
Chartered Accountants & Registered Auditors
Wallace House
20 Birmingham Road
Walsall
West Midlands
WS1 2LT

Date: 25 March 2023

Wallace Crooke is eligible for appointment as auditor of the charity by virtue of its eligibility for appointment as auditor of a company under section 1212 of the Companies Act 2006.

Birmingham Methodist Circuit

CIRCUIT ASSEMBLY MEMBERSHIP

MINISTERS

Rev Nick Jones
 Rev Alison Richards
 Rev Ping Ting Chen
 Rev Molly Chitokwindo
 Rev Caroline Hague
 Rev Deborah Humphries
 Rev Farai Mapamula
 Rev Sue Shortman
 Rev Cleopas Sibanda
 Rev Karen Webber
 Deacon Ruth Yorke

MINISTERS IN OTHER APPOINTMENTS

Rev Mindy Bell

CLERGY IN LEP's

Rev Mike Claridge
 Rev Lorraine Shorten

SUPERNUMERARY MINISTERS

Rev Alison Geary
 Rev Donald Sampson
 Rev Caroline Homan
 Rev Barbara Calvert

LAYWORKERS

Ermine Mitchell
 Diane Webb
 Salome Noah
 Arul Israel
 Heather Rose

CIRCUIT STEWARDS

Gill Wilkins
 Janice Martin
 Marjorie Roper
 Sharon Clutterbuck
 Remi Olatunbosun (Property)

TREASURER

Andrew Morris

Queens Foundation

Rev Gary Hall

CA Minute Taker

Valerie Edden

Circuit Local Preachers & Worship Leaders Representatives

Fiona Beadle
 Keith Dennis
 Danny Dorsett
 Annette Sampson
 Joy Wadsworth
 Helen Woodall

Circuit Safeguarding Co-ordinator

Jenny Fisher

CO-OPTED MEMBERS

Kath Collman
Moses Dakunivosa

CIRCUIT CHURCH REPRESENTATIVES

Acocks Green

Mark Firmstone
Alan Bennett
Helen Powick

Beacon

Judith Wingate
Jeremy Parker
Sheila Maggs

Cambridge Road

Anne Lockyer
Barbara Howarth
Nicola Sharman

Castle Bromwich

Mal Glenn
Ray Glenn
Sue Mitchell

The Church at Carrs Lane

Peter Woodall
Joe Bullen

Chinese Church

Angel Chiu
Helen Xue
Rhoda Tong
Sissy Wong

Coleshill United

Chris Courts
Peter Courts

Cotteridge

Lorna Babb
John Cliff
Mike Meadows
Dorothy Audley

Dorridge	Lynne Wilson Phil Salmon Lis Helliar Helen Munday
Earlswood	Paul Spence Pat Fowler Jenny Cockcroft
Great Barr	Sylvia Emery
Hall Green United Community Church	Brian Dickens Val Dickens Blair Kessler
Hawkesley	Clive Sweet Erica Elliott
Hazelwell	Janet Thomas Peter Thomas Yvonne Swain
Longbridge	Remi Olatunbosun Philip Osborn Lenroy Ryner
Lozells	Ellalyn Blake Caroline Nana-Tchounga
Lyndon	Tony Ludlow
Maypole	Sandra Jenkinson Jennie Owen

Nether Whitacre

Carol Morgan
Jane Taylor
Helen Howell

Northfield

Andrew Coldrick
Boaz Jangan
Laura Enonchong

Perry Barr

Pansie McKenzie
Neilson Williams

Perry Hall

Daphne Gray
Vivienne Haylette

Saltley

Lorna Neale
Sylvia Payne

Selly Oak

Richard Kirby
Brian Noake
John Richardson
Karen Ashton

Shirley

Lois Beaumont
Keith Lovell
Bill Russell
Pat Lowe

Solihull

Caroline Hinchliffe
Sandra Ker
Jenni Kitson
Howard Staight
Sue Kelley

South Yardley

Liz Lyons
Linda Loo
Joe Glasford

St Andrew's Chelmsley Wood

St Andrews Stirchley

Margaret Murphy
Sue Ford

St Michaels

Ian Crockford
Pauline Astardjian

Trinity Monkspath

Clive Prentice
Ann Prentice

Water Orton

Gill Day
Mike Cox
Roger Boulton