

Circuit
Accruals Accounts
2022-2023

THE METHODIST CHURCH
REPORT AND ACCOUNTS
(ACCRUALS BASIS)
for the year ended 31 August 2023

Birmingham Methodist Circuit

Registered Charity - Registration number

1132926

Birmingham District

05/01

Ministers

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

Circuit Stewards

Gill Wilkins
Janice Martin
Marjorie Roper
Sharon Clutterbuck

Circuit Treasurer

Andrew Morris

**Birmingham Methodist Circuit
TRUSTEES' ANNUAL REPORT**

FOR THE YEAR ENDED 31 AUGUST 2023

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

Circuit Lay Workers: Ms Arul Israel, Mrs Ermine Mitchell, Mr Ian Nannestad, Mrs Diane Webb

Circuit Stewards: Mrs Gill Wilkins, Mrs Janice Martin, Mrs Marjorie Roper, Mrs Sharon Clutterbuck,
Mr Remi Olatunbosun (Property)

Administrators: Mrs Hazel Bethell, Mrs Diane Campbell, Mrs Amanda Harris, Mrs Salome Noah,
Mrs Sue Saunderson, Mrs Jayne Snape, 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 twelve 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 2023 in the general fund of £172,429, excluding capital transactions. There was an overall shortfall on unrestricted funds of £523,823. However excluding capital transactions, the overall shortfall is £152,604.

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 2022/23. 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 has seen a reduction in some of its costs, as some meetings are now held on Zoom and fewer activities for our young people took place.

Income trends

Circuit income is primarily drawn from the assessment paid by the Circuit churches. Some churches were unable to increase their assessment payments in 2022/23.

Rental income is derived from the rental of two manse 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.

19% of General Fund expenditure is the Circuit contribution to the District and Connexion, of which 87% is used to fund the work of the wider Methodist Church. This contribution decreased by 1.1% from the previous year.

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

Plans for 2023/24

Circuit financial plans for the current year have been prepared on the basis that there are 11 ordained staff, with anticipated cost of living stipend increases and no change in the assessment paid to the District. Overall the total amount offered as assessment by the churches has remained almost the same as for 2022/23.

Plans for 2024/25

Circuit financial plans for 2024/25 have been prepared on the basis that there will be 10 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 remain at the 2023/24 levels as membership continues to reduce and at least one church will 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 anticipated reductions in our income.

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, 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 Project at St Francis Community Centre, Woodgate Valley came to an end in July 2023. The Circuit continues to support the Project at Lozells Church and Community Centre. In 2022/23 The Circuit spent £25,638 on the running costs of the Woodgate Valley Project (2021/22 £9,755) and £19,037 on the running costs of the Lozells project (2021/22 £11,536). The Circuit also gave £500 each to Holly Hill School and Hawkesley School, both Methodist/Anglican schools.

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 2023 are £6,419,642, of which £10,152 are restricted and £274,368 are designated. A detailed analysis of the funds is set out in Note 18 on page 15.

Fixed Assets £4,182,671 - 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 £1,917,451 as at 31 August 2023, giving approximately 20 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 2023

	Notes to the accounts	General funds	CMTF (Unrestricted)	CMTF (Designated & Unrestricted)	Designated Funds (Unrestricted)	Restricted Funds	Total 2022-23	Total 2021-22
		£	£	£	£	£	£	£
Income								
Donations and legacies	4	1,796				-	1,796	340
Income from monetary investments		9,033	41,082		1,522	311	51,948	9,160
Income from Investment Properties		0					0	0
Assessments on Churches		685,761					685,761	717,067
Capital Receipts		94,985	1,560,797			-	1,655,782	1,533,376
Grants Received		49,264					49,264	56,932
Other Charitable Income	5	133,895			5,660	44,547	184,102	98,032
Total Income		974,734	1,601,879	0	7,182	44,858	2,628,653	2,414,907
Expenditure								
Stipends, salaries, NIC & Pension costs	8	661,265				37,026	698,291	731,299
District Assessment		24,993					24,993	24,159
Methodist Church Fund (Connexion)		164,007					164,007	166,953
Administration, telephone & travel		42,041	1,997		135	1,506	45,679	75,044
Insurance, utilities, etc		37,757				2,699	40,456	45,034
Maintenance of Manses		33,659				846	34,505	98,155
Other Expenditure on Circuit property	10	16,352		18,555	3,192	-	38,099	7,936
Depreciation	13						-	-
Provisions							-	-
Other Expenditure	11	1,527,778	512,097		760	672,858	2,713,493	630,980
Grants and Donations	12	5,950	1,282	12,000		3,200	22,432	48,760
Contributions to District Advance Fund			43,798				43,798	88,385
Total Charitable Expenditure		2,513,802	559,174	30,555	4,087	718,135	3,825,753	1,916,705
Net income/(expenditure)		-1,539,068	1,042,705	-30,555	3,095	-673,277	-1,197,100	498,202
Transfers between funds		162,230	-202,230		40,000		0	0
		-1,376,838	840,475	-30,555	43,095	-673,277	-1,197,100	498,202
Other recognised gains / (losses):								
Gains/(losses) on monetary investments							-	-
Gains/(losses) on investment assets		0					-	-
Net movement in funds		-1,376,838	840,475	-30,555	43,095	-673,277	-1,197,100	498,202
Reconciliation of funds:								
Total funds brought forward		6,035,065	636,420	211,227	50,601	683,429	7,616,742	7,118,540
Total funds carried forward		4,658,227	1,476,895	180,672	93,696	10,152	6,419,642	7,616,742

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
0	223
0	223
0	0

Balance Sheet as at 31 August 2023

General Funds (Unrestricted)	CMTF (Unrestricted)	CMTF (Designated & Unrestricted)	Designated Funds (Unrestricted)	Restricted Funds	Totals 2023	Totals 2022
£	£	£	£	£	£	£

Fixed Assets

	Notes						
Land & Buildings	13	4,182,671				4,182,671	5,589,307
Equipment							
Investment properties	14						
Investments							
Total fixed assets		4,182,671	0	0	0	4,182,671	5,589,307

Current Assets

Debtors	15	136,186	24,000			0	160,186	309,213
Trustees for Methodist Church Purposes								
Deposits		0	1,452,895	180,672	48,796	0	1,682,363	1,441,822
Central Finance Board Deposits		311,325				9,276	320,601	361,599
Cash at Bank and in hand		202,871	0		44,900	876	248,647	115,145
Total current assets		650,382	1,476,895	180,672	93,696	10,152	2,411,797	2,227,779

Current Liabilities

Creditors and Accruals (due in under 1 yr)	16	174,826				0	174,826	200,344
Total Current Liabilities		174,826	0	0	0	0	174,826	200,344
Net current assets/(liabilities)		475,556	1,476,895	180,672	93,696	10,152	2,236,971	2,027,435
Total assets less current liabilities	18	4,658,227	1,476,895	180,672	93,696	10,152	6,419,642	7,616,742

Long term liabilities (due after more than 1 year)

Net assets		4,658,227	1,476,895	180,672	93,696	10,152	6,419,642	7,616,742
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Funds of the Circuit

General Fund (Unrestricted)	19	4,658,227					4,658,227	6,035,065
Model Trust Fund (Unrestricted)	19		1,476,895				1,476,895	636,420
Model Trust Fund (Designated & Unrestricted)	19			180,672			180,672	211,227
Designated funds	19				93,696		93,696	50,601
Restricted funds	19					10,152	10,152	683,429
Total Funds		4,658,227	1,476,895	180,672	93,696	10,152	6,419,642	7,616,742

The financial statements were approved and authorised for issue by the Circuit Meeting on 23 March 2024.

Signed on behalf of the Circuit Meeting



Andrew Morris - Circuit Treasurer

Cash flow statement for the year ended 31 August 2023

	2023 £	2022 £
Statement of cash flows		
Cash from operating activities		
Net cash used in operating activities	-767,603	-389,386
Cash flows from investing activities		
Dividends, interest and rents from investments	51,948	9,160
Proceeds from the sale of property, plant and equipment	1,048,700	836,226
Purchase of property, plant and equipment	0	-931,450
Net cash provided by investing activities	1,100,648	-86,064
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	333,045	-475,450
Cash and cash equivalents at the beginning of the reporting period	1,918,566	2,394,016
Cash and cash equivalents at the end of the reporting period	2,251,611	1,918,566

	2023 £	2022 £
Reconciliation of net income to net cash flow from operating activities		
Net income for the reporting period (as per statement of financial activities)	-1,197,100	498,202
Adjustments for:		
Loss/(Profit) on the sale of fixed assets	-94,986	-272,005
Asset transferred to Birmingham District	452,922	0
Gains on investments	0	-525,000
Dividends, interest and rents from investments	-51,948	-9,160
(increase)/decrease in debtors	149,027	-117,213
increase/(decrease) in creditors	-25,518	35,790
Net cash used in operating activities	-767,603	-389,386

	2023 £	2022 £
Analysis of cash and cash equivalent		
Cash in hand	569,248	476,744
Short term deposit (less than 3 months)	1,682,363	1,441,822
Total cash and cash equivalents	2,251,611	1,918,566

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 manse is 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	2023 Total	2022 Total
	£	£	£	£	£	£
Donations	1,796				1,796	340
Legacies					0	0
Total	1,796	-	-	-	1,796	340

5. Other charitable income	Unrestricted	Circuit Model Trust Fund	Designated (Unrestricted)	Restricted	2023 Total	2022 Total
	£	£	£	£	£	£
Payroll recharges	86,459				86,459	68,531
Benevolent Fund	0			2,395	2,395	2,170
Sundry income	591				591	664
Transfer from closed churches	15,876				15,876	5,942
Inner City Fund			5,660		5,660	0
City Centre Fund recharges				42,152	42,152	0
Manse Rental	30,969				30,969	20,725
Total	133,895	0	5,660	44,547	184,102	98,032

6. Payment to Trustees

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

2023	2022
£ -	£ -

Number of trustees who were paid expenses

4	3
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Nature of the expenses: Travel Expenses, Postage, Stationery & Printing, Catering

Total amount paid

£ 681	£ 482
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7. Fees for audit of the accounts

Independent auditors' fees for reporting on the accounts

2023	2022
£ 4,600	£ 4,158

Notes to the Accounts (continued)

8. Paid employees

2023 2022

Staff Costs paid during the year were:

Gross wages, salaries and benefits in kind
 Employer's National Insurance costs
 Pension costs
 Apprenticeship Levy
 Total staff costs

£	552,283	578,681
£	46,569	48,240
£	96,623	101,574
£	2,816	2,804
£	698,291	731,299

Average number of staff employed during the year were:

25	28
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There are no employees who received total emoluments (excluding employer pension costs) of more than £60,000 (£70,000).

2023 2022

The Circuit contributes to two pension schemes:

Methodist Ministers' Pension Scheme (defined benefit)
 Lay Employees' Pension Scheme (defined contribution)

£	83,181	87,528
£	13,442	14,046
£	96,623	101,574

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.

£7,523 was prepaid in respect of the Minister's Pension Scheme at 31 August 2023 (£6,700 at 31 August 2022).

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:

2023 2022

Expiring Within 1 Year
 Between 2 & 5 Years
 After 5 Years

£	955	955
£	1,433	2,388
£	-	-
£	2,388	3,343

During the year £2,009 (2022: £3,750) was expensed through the SoFA in relation to operating leases. This included costs of terminating the lease at Carrs Lane.

Notes to the Accounts (continued)

10. Other Expenditure on Circuit property

	<u>2023</u>	<u>2022</u>
	£	£
Quinquennial Inspections (Property and Electrical)	7,913	12,108
Management and other fees	8,439	4,793
	<u>16,352</u>	<u>16,901</u>
Lozells Methodist Church - Inner City Fund - Model Trust Fund	3,845	- 8,965
Lozells Methodist Church - Inner City Fund	3,192	
Perry Barr Methodist Church - Inner City Fund - Model trust Fund	14,710	
	<u>38,099</u>	<u>7,936</u>

11. Other Expenditure

	<u>2023</u>	<u>2022</u>
	£	£
Children and Youth	4,001	3,544
Subscriptions (CIGB, BCT, Citizens)	8,871	10,392
Training	4,510	2,580
Audit Fee	4,600	4,158
Woodgate Valley	2,880	-
Philippians Fund	281	2,800
Meeting Expenses	1,373	517
Miscellaneous	475	620
	<u>26,991</u>	<u>24,611</u>
Connexional (CPF) Levies on Sold Properties	512,097	42,148
Capital Payment for Manses	1,501,622	564,221
City Centre Fund	672,783	-
	<u>2,713,493</u>	<u>630,980</u>

12. Grants & Donations

	<u>2023</u>	<u>2022</u>
	£	£
Holly Hill School	2,000	2,000
Hawkesley School	2,000	2,000
Time4Change	-	500
	<u>4,000</u>	<u>4,500</u>
Perry Hall Car Park	1,282	14,363
Shirley Boiler	-	14,998
Nether Whitacre Boiler	-	1,725
Lozells Payroll Costs	12,000	12,000
Coleshill Outreach worker	1,950	-
Holly Hill School Fund	-	349
Benevolent Fund	3,200	825
	<u>22,432</u>	<u>48,760</u>

Notes to the Accounts (continued)

13. Tangible Fixed Assets

The Circuit held 13 manses at 31 August 2023. Two manses were sold in the year, and one was transferred to Birmingham District. Sparkhill Methodist Church was sold in 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			4,874,307	715,000				5,589,307
Additions								
Revaluations (+/-)								
Disposals (-)			881,636	525,000				1,406,636
Transfers* (+/-)								
Balance carried forward			3,992,671	190,000				4,182,671
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	-	-	-	-	-	-	-	-
Carried forward	-	-	3,992,671	190,000	-	-	-	4,182,671

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

	2023	2022
	£	£
Accrued income (includes outstanding assessment payments)	91,789	236,191
Other debtors	44,397	41,022
Loans	24,000	32,000
Total Debtors	160,186	309,213

Analysis of Loans

Due within one year	8,000	8,000
Due within two to five years	16,000	24,000
Due after five years		
	24,000	32,000

16. Analysis of current liabilities and long term creditors

Prepaid Assessments	133,837	135,600
Other Creditors	40,989	64,744
Total Current Liabilities	174,826	200,344

17. Capital Commitments and Contingent Liabilities

At 31 August 2023 capital commitments amounted to:	-	-
At 31 August 2023 contingent liabilities amounted to:	-	-

Notes to the Accounts (continued)

19. Detailed analysis of Individual fund movements

Unrestricted Funds

Unrestricted Fund Name	Opening	Income	Expenditure	Transfers	Gain/(losses)	Closing Balance	Purpose of the fund
General	6,035,065	974,734	2,513,802	162,230		4,658,227	The general purposes of the Circuit
Model Trust Fund	636,420	1,601,879	559,174	-202,230		1,476,895	Support for the mission of the Circuit
Designated - Model Trust Fund	211,227		30,555			180,672	Supporting work within Birmingham Inner City
Designated - Inner City	3,192	5,660	3,952			4,900	Supporting work within Birmingham Inner City
Designated - Property				40,000		40,000	Major repairs to manses
Designated - Trinity Monkspath	47,409	1,522	135			48,796	The general purposes of the Circuit
Totals	6,933,313	2,583,795	3,107,618			6,409,490	

Restricted Funds

Restricted Fund Name	Opening Balance	Income	Expenditure	Transfers	Gain/(losses)	Closing Balance	Purpose of the fund
Benevolent Fund	1,681	2,395	3,200			876	Support for individuals in specific need
City Centre Trust	672,783	42,152	714,935				Supporting work in Birmingham City Centre
Holly Hill School	8,965	311				9,276	Supporting a Methodist/Anglican school
Totals	683,429	44,858	718,135			10,152	

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)

20. 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-2023
			£	£	£	£
Methodist Church Fund	Methodist Governing Body	Contribution to Connexional costs		164,007		
Total			0	164,007	0	0

Last year

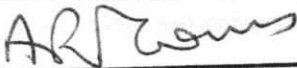
Name of related party	Relationship	Description of transaction	Income from related party during the year	Payments to related party during the year	Loans to related party during the year	Amounts owed by related party as on 31-Aug-2022
			£	£	£	£
Methodist Church Fund	Methodist Governing Body	Contribution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

23 March 2024

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.

23 March 2024

Signature of the Chair of the
meeting



Name of the Chair of the
meeting

Rev Farai Mapamula

Date

23 March 2024

**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 2023 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 2023 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.

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

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 objectives of our audit are to obtain sufficient appropriate audit evidence regarding compliance with laws and regulations that have a direct effect on the determination of material amounts and disclosures in the financial statements, to perform audit procedures to help identify instances of non-compliance with other laws and regulations that may have a material effect on the financial statements, and to respond appropriately to identified or suspected non-compliance with laws and regulations identified during the audit.

In relation to fraud, the objectives of our audit are to identify and assess the risk of material misstatement of the financial statements due to fraud, to obtain sufficient appropriate audit evidence regarding the assessed risks of material misstatement due to fraud through designing and implementing appropriate responses and to respond appropriately to fraud or suspected fraud identified during the audit. However, it is the primary responsibility of trustees, with the oversight of those charged with governance, to ensure that the entity's operations are conducted in accordance with the provisions of laws and regulations and for the prevention and detection of fraud.

REPORT OF THE INDEPENDENT AUDITORS TO THE TRUSTEES OF
BIRMINGHAM METHODIST CIRCUIT (continued)

Based on our understanding of the charity, we identified that the principal risks of non-compliance with laws and regulations related to the Charities Act 2011, and we considered the extent to which non-compliance might have a material effect on the financial statements. We evaluated management's incentives and opportunities for fraudulent manipulation of the financial statements (including the risk of override of controls), and determined that the principal risks were related to the posting of inappropriate journal entries and management bias in key accounting judgements and estimates. In identifying and assessing risks of material misstatement in respect of irregularities, including fraud, the audit engagement team:

- obtained an understanding of the legal and regulatory framework that the charity operates in and how the charity is complying with the legal and regulatory framework;
- inquired management and trustees, about their own identification and assessment of the risks of irregularities, including any known actual, suspected or alleged instances of fraud;
- discussed matters about non-compliance with laws and regulations and how fraud might occur including assessment of how and where the financial statements may be susceptible to fraud;
- reviewed minutes of meetings of the Board of Trustees to identify significant or unusual transactions and known or suspected instances of fraud or non-compliance with laws and regulations
- reviewed accounting estimates for bias and evaluating whether circumstances producing any bias, represent a risk of material misstatement due to fraud; and

Because of the inherent limitations of an audit, there is a risk that we will not detect all irregularities, including those leading to a material misstatement in the financial statements or non-compliance with regulation. This risk increases the more that compliance with a law or regulation is removed from the events and transactions reflected in the financial statements, as we will be less likely to become aware of instances of non-compliance. The risk is also greater regarding irregularities occurring due to fraud rather than error, as fraud involves intentional concealment, forgery, collusion, omission or misrepresentation. 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 Independent 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

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

Date:

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

MINISTERS IN OTHER APPOINTMENTS

Rev Mindy Bell

CLERGY IN LEP's

Rev Mike Claridge

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
 Gareth Davis
 Helen Woodall

Circuit Safeguarding Co-ordinator

Sue Ford

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

Sue Mitchell
Ray Glenn
Mark Ashmore

The Church at Carrs Lane

Peter Woodall

Chinese Church

Angel Chiu
Cynthia Law
Rhoda Tong
Sissy Wong

Cotteridge

John Cliff
Mike Meadows
Dorothy Audley

Dorridge	Lynne Wilson Phil Salmon Lis Helliard Helen Munday
Earlswood	Paul Spence Pat Fowler Jenny Cockcroft
Great Barr	
Hall Green United Community Church	Brian Dickens Val Dickens Blair Kesseler
Hawkesley	Clive Sweet
Hazelwell	Janet Thomas Peter Thomas
Longbridge	Bright Obeng Philip Osborn Lenroy Ryner
Lozells	Ellalyn Blake Caroline Nana-Tchounga
Lyndon	Tony Ludlow Adrian Burgess Jo Hancock
Maypole	Sandra Jenkinson

Nether Whitacre	Carol Morgan Jane Taylor Helen Howell
Northfield	Andrew Coldrick Boaz Beoluf Jangan Laura Enonchong
Perry Barr	Pansie McKenzie Neilson Williams
Perry Hall	Daphne Gray Vivette Haylette
Saltley	Lorna Neale Sylvina Payne Ralf Neale
Selly Oak	Richard Kirby Brian Noake Karen Ashton
Shirley	Lois Beaumont Bill Russell Pat Lowe
Solihull	Caroline Hinchliffe Sandra Ker Jenni Kitson Karen Robertson
South Yardley	Linda Loo Joe Glasford

St Andrew's Chelmsley Wood

St Andrews Stirchley

Margaret Murphy
Sue Ford

St Michaels

Ian Crockford

Trinity Monkspath

Clive Prentice
Ann Prentice

Water Orton

Gill Day
Mike Cox
Roger Boulton