

**REPORT OF THE TRUSTEES AND
FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2023
FOR
BIRMINGHAM (WEST) & OLDBURY METHODIST
CIRCUIT**

J W Hinks LLP
Chartered Accountants
and Statutory Auditors
19 Highfield Road
Edgbaston
Birmingham
West Midlands
B15 3BH

**BIRMINGHAM (WEST) & OLDBURY METHODIST
CIRCUIT**

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FOR THE YEAR ENDED 31 AUGUST 2023**

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BIRMINGHAM (WEST) & OLDBURY METHODIST CIRCUIT

REPORT OF THE TRUSTEES FOR THE YEAR ENDED 31 AUGUST 2023

The trustees present their report with the financial statements of the charity for the year ended 31 August 2023. The trustees have adopted the provisions of Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (effective 1 January 2019).

OBJECTIVES AND ACTIVITIES

Objectives and aims

The Birmingham (West) and Oldbury Circuit is a part of the Birmingham District.

The Circuit continues to support ordained and lay ministry in local churches and their communities. Care and support is given to those of all communities and faiths as we follow Christ's command to love our neighbours.

The Circuit is responsible for 10 (formerly 11) churches providing religious activities for their members in Birmingham, Dudley and Sandwell. These activities are supervised by the circuit ministers, lay workers and appointed lay preachers and worship leaders, the majority of whom are volunteers.

Mission statement

The aim of this circuit is to enable the churches and Christians in the area covered by the circuit to:

1. Live the Christian faith in local communities in relevant ways
2. Stimulate and broaden their mission by:
 - (a) leading people into a loving relationship with Christ
 - (b) serving the community and working for social justice
3. Create a policy relevant to the local situation
4. Develop a sense of belonging to the wider church of Christ - ecumenically, connexionally and internationally
5. Support and encourage one another and share resources - people, property, finances and worship.

Review of the year

Five properties were sold during the year: Akrell Methodist Church, which had closed in April 2021, was sold in November 2022. Tipton Road Methodist Church, which closed in September 2022, was sold in May 2023. 113-115 The Uplands and 35 Newlands Drive, former rental properties, were sold in July 2023. A decision to sell the manse at 208 Spies Lane was made during the year, owing to damp problems. Rev Ilidio moved to a rental property in April 2023. 208 Spies Lane was sold in August 2023. The proceeds from sales of properties have boosted circuit funds. Our total gross income for the year exceeded £1m, giving rise to the need for a one-off audit.

Several churches face challenges relating to membership numbers, buildings and difficulty in finding volunteers to fill key roles. The circuit leadership team continues to review the mission life of the circuit.

Public benefit

In setting our objectives and planning our activities, the trustees have given careful consideration to the Charity Commissioners' general guidance on public benefit and, in particular, to its supplementary public benefit guidance on advancing our objectives, in accordance with the Charities Act 2011.

FINANCIAL REVIEW

Financial position

During the year, the circuit recorded total income from all sources amounting to £1,015K (2022 - £470K), including realised gains from the sale of properties amounting to £533K (2022 - £298K). The circuit disbursed £334K (2022 - £214K), giving a net surplus of income over expenditure of £681K (2022 - £256K). Total reserves at 31 August 2023 were £2,399K (2022 - £1,718K). £461K represents Freehold Land & Buildings (2022 - £1,087K). £44K (2022 - £34K) represent restricted funds.

No fund was in deficit at 31 August 2023.

**BIRMINGHAM (WEST) & OLDBURY METHODIST
CIRCUIT**

**REPORT OF THE TRUSTEES
FOR THE YEAR ENDED 31 AUGUST 2023**

FINANCIAL REVIEW

Investment policy and performance

To comply with Methodist Standing Orders, money for long term investment is lodged with TMCP "Trustees for Methodist Church Purposes" or with CFB "Central Finance Board" of the Methodist Church. TMCP is the legal owner and custodian trustee of all Methodist Model Trust property, including legacies, endowments and accumulated funds. CFB manages a common deposit fund and a series of pooled investment funds for Methodist entities in Great Britain. Interest rates from deposits with TMCP and CFB reflect deposit rates available elsewhere. The investment policy of the circuit is aligned with those of TMCP and CFB, who take into account the social, environmental and ethical considerations that make investments suitable for the Methodist Church.

Interest received during the year ended 31 August 2023 was £30,990 (2022 - £1,183).

Reserves policy

"Free Reserves" represent the balance on the General Fund, the Circuit Model Trust Fund and the Bequests Fund: £1,894K (2022 - £597K). Total reserves at 31 August 2023 were £2,399K (2022 - £1,718K). £461K (2022 - £1,087K) represent Freehold Land & Buildings. £44K (2022 - £34K) represent restricted funds.

The General Fund derives its income principally from church contributions (also known as assessments). This finances the day-to-day running costs of the circuit. The trustees believe that the balance on the General Fund should, under normal circumstances, be in the region of £80K - £110K, to cover four to six months of circuit running costs.

The Beginagen 2 Fund holds money given specifically for that project within a ring-fenced fund. The donor's wishes are that the money be used for community projects. Projects are currently being considered and the money will remain ring-fenced until a purpose is found for the fund.

Going concern

The trustees of the circuit have every reason to believe that the circuit is a going concern. The churches continue to meet their assessments. However, assessment income received from the churches is not sufficient to cover the circuit costs, based on three ministers. The sale of various properties during 2022-23 means that the circuit has considerable funds held within the Circuit Model Trust Fund. It is recognised that assessment income from the churches is not sufficient to cover the annual costs of the General Fund. Transfers from the Circuit Model Trust Fund into the General Fund will be available and necessary for the foreseeable future. Reserves policies are reviewed annually.

There are no subsidiary undertakings.

FUTURE EVENTS

After the end of the financial year, the following developments are reported:

- A new manse was bought in November 2023 at 8 Hickmans Close. Rev Ilidio moved into the Hickmans Close manse.
- A circuit event took place in November 2023 at Quinton Methodist Church, with a performance of "I Am Mark" and a shared meal.
- Dr Michael Hall moved away from the circuit. He has retired as circuit meeting secretary and will be greatly missed. A replacement circuit meeting secretary is being sought.
- Rachel Adkins, our circuit administrator, left in December 2023. A replacement is being sought, and in the meantime, the role is being covered by Jayne Snape from the Birmingham Circuit.
- Rev Mucha left for his sabbatical at the end of November 2023, Rev Nutan acting as Superintendent during Rev Mucha's absence. Rev Mucha returned safely from his sabbatical at the end of February 2024.
- Significant refurbishment work has been carried out on the Leahouse Gardens manse.
- Circuit grants have been awarded to Rounds Green, Court Oak and Quinton for exceptional property expenditure.
- Rocky Chan, a student minister, joined the circuit team in January 2024 on a year's placement from Queen's College.

**BIRMINGHAM (WEST) & OLDBURY METHODIST
CIRCUIT**

**REPORT OF THE TRUSTEES
FOR THE YEAR ENDED 31 AUGUST 2023**

STRUCTURE, GOVERNANCE AND MANAGEMENT

Governing document

The charity is controlled by its governing document, a deed of trust and constitutes an unincorporated charity.

The circuit is governed by the Methodist Church Act 1976 and the Deed of Union 1932.

Governance

The district operates within a statutory framework of regulation and seeks to ensure that it follows Methodist Standing Orders.

Organisational structure

Individual Methodist churches are grouped within circuits, which are in turn grouped within districts. All districts, circuits and churches are part of the Methodist "Connexion" (see **related parties** below). Overall regulatory authority rests with the Methodist Conference, which meets once a year. The Connexional Office implements decisions made by Conference and is also responsible for the stationing of presbyters and deacons (collectively known as ministers) within circuits. Connexional decisions are passed to the districts for implementation. The District Synod meets twice a year.

Management

The circuit is governed by the trustees consisting of the circuit officers and representatives of each of the churches. The trustees hold at least three meetings each year. The responsibilities of the Circuit Meeting are laid down in Methodist Standing Orders. The circuit meeting is supported by the leadership team which consist of the ministers, lay worker, circuit stewards and secretary, which meets before each circuit meeting to fix the agenda and make recommendations. Other committees report to the circuit meeting on finance, property and any other matters which the circuit meeting so decides.

The circuit supports 3 full time presbyters to exercise pastoral oversight of the churches that make up the circuit. There is a salaried Operations Manager and a self-employed Finance Officer. The circuit also provides voluntary support and leadership in the form of local preachers, a lay minister, circuit stewards and trustees. Other office holders support the churches with help and advice on property, finance, worship and work with young people. We continue to serve the changing communities where the churches are located.

Related parties

Methodist Church in Britain ("the Connexion")

Birmingham Methodist District

The churches within the circuit during 2022-23 were:

Causeway Green Methodist Church

City Road Methodist Church

Court Oak Methodist Church

Ladywood Methodist Church

Quinton Methodist Church

Ridgacre Methodist Church

Rounds Green Methodist Church

St Johns Methodist Church

Warley Woods Methodist Church

West Smethwick Methodist Church

Details of transactions with related parties are shown in Note 16 to the accounts.

REFERENCE AND ADMINISTRATIVE DETAILS

Registered Charity number: 1133064

Principal address: 9 Leahouse Gardens, Oldbury, B68 8PX

BIRMINGHAM (WEST) & OLDBURY METHODIST CIRCUIT

REPORT OF THE TRUSTEES FOR THE YEAR ENDED 31 AUGUST 2023

Trustees

The members of the Birmingham (West) and Oldbury Methodist Circuit meeting are the Charity Trustees, membership being made up of circuit office holders, ministers and representatives appointed by the local churches.

CIRCUIT MINISTERS AND OFFICERS

Trustees who served between 1 September 2022 and signing date of accounts to 31 August 2023:

Circuit staff

Rev M Chisvo
Rev N Suray
Rev I Christino de Oliveira Jr
Rev B Taylor

Other trustees

Dr M Hall (resigned 21 September 2023)
Mr J Larwood
Mr E Hall
Mrs A Davis
Mr J Cowan
Mr F Marius
Mr W Whiting (died 21 January 2023)
Mrs J Tolley
Mr J Hadley
Mrs B Cooper
Mr R Atkiss
Mrs C Hallam
Mr D Hallam
Miss C Scott
Miss M Scott
Miss J Thompson
Mr L Parkes
Mr C Haynes
Mr A Burridge
Mrs F Houten
Mrs R Bissell
Mrs A Mansell
Mrs D Knott
Mr P Knott
Mrs H Butler (resigned 7 March 2023)
Miss V Leoque
Mr G Taylor
Ms K Dell
Mrs J Mosedale
Miss E Homer
Mrs I Clarke
Ms M Holding
Mrs D Black
Mrs I Clarke
Mrs D Black
Mrs O Wilson (appointed 1 September 2022)
Mr L Hamilton (appointed 1 September 2022)
Mrs K Darby (appointed 1 September 2022)

**REPORT OF THE TRUSTEES
FOR THE YEAR ENDED 31 AUGUST 2023**

Auditors

J W Hinks LLP
Chartered Accountants
and Statutory Auditors
19 Highfield Road
Edgbaston
Birmingham
West Midlands
B15 3BH

STATEMENT OF TRUSTEES' RESPONSIBILITIES

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

The law applicable to charities in England and Wales, the Charities Act 2011, Charity (Accounts and Reports) Regulations 2008 and the provisions of the trust deed 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, including the income and expenditure, of the charity for that period. In preparing those financial statements, the trustees are required to

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in the Charity SORP;
- 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 business.

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

Approved by order of the board of trustees on 26 March 2024 and signed on its behalf by:



Trustee

**REPORT OF THE INDEPENDENT AUDITORS TO THE TRUSTEES OF
BIRMINGHAM (WEST) & OLDBURY METHODIST
CIRCUIT**

Opinion

We have audited the financial statements of Birmingham (West) & Oldbury Methodist Circuit (the 'charity') for the year ended 31 August 2023 which comprise the Statement of Financial Activities, the Balance Sheet, the Cash Flow Statement and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the charity's affairs as at 31 August 2023 and of its incoming resources and application of resources, for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Charities Act 2011.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the 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

In auditing the financial statements, we have concluded that the trustees' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the charity's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

Our responsibilities and the responsibilities of the trustees with respect to going concern are described in the relevant sections of this report.

Other information

The trustees are responsible for the other information. The other information comprises the information included in the Annual Report, other than the financial statements and our Report of the Independent Auditors thereon.

Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

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 this gives rise to a material misstatement in the financial statements themselves. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

**REPORT OF THE INDEPENDENT AUDITORS TO THE TRUSTEES OF
BIRMINGHAM (WEST) & OLDBURY METHODIST
CIRCUIT**

Matters on which we are required to report by exception

We have nothing to report in respect of the following matters where the Charities (Accounts and Reports) Regulations 2008 requires us to report to you if, in our opinion:

- the information given in the Report of the Trustees is inconsistent in any material respect with the financial statements; or
- sufficient 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 Statement of Trustees' Responsibilities, the trustees are responsible for the preparation of the financial statements which 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.

Our responsibilities for the audit of the financial statements

We have been appointed as auditors under Section 144 of the Charities Act 2011 and report in accordance with the Act and relevant regulations made or having effect thereunder.

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue a Report of the Independent 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 extent to which our procedures are capable of detecting irregularities, including fraud, is detailed below.

We identified areas of laws and regulations that could reasonably be expected to have a material effect on the financial statements and discussed the policies and procedures regarding compliance.

Specific areas considered were as follows:

- Enquiring with management and others to gain an understanding of the organisation itself including operations, financial reporting and known fraud or error.
- Evaluating and understanding the internal control system.
- Performing analytical procedures as expected or unexpected variances in account balances or classes of transactions appear.
- Testing documentation supporting account balances or classes of transactions.

Owing to the inherent limitations of an audit, there is an unavoidable risk that we may not have detected all irregularities including those leading to material misstatements in the financial statements or non-compliance with regulation, even though we have properly planned and performed our audit in accordance with auditing standards.

The 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.

**REPORT OF THE INDEPENDENT AUDITORS TO THE TRUSTEES OF
BIRMINGHAM (WEST) & OLDBURY METHODIST
CIRCUIT**

Use of our report

This report is made solely to the charity's trustees, as a body, in accordance with Part 4 of the Charities (Accounts and Reports) Regulations 2008. Our audit work has been undertaken so that we might state to the charity's trustees those matters we are required to state to them in an auditors' report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the charity and the charity's trustees as a body, for our audit work, for this report, or for the opinions we have formed.

J.W.Hinks UP

J W Hinks LLP
Chartered Accountants
and Statutory Auditors
19 Highfield Road
Edgbaston
Birmingham
West Midlands
B15 3BH

26 March 2024

**BIRMINGHAM (WEST) & OLDBURY METHODIST
CIRCUIT**

**STATEMENT OF FINANCIAL ACTIVITIES
FOR THE YEAR ENDED 31 AUGUST 2023**

	Notes	Unrestricted funds £	Restricted funds £	2023 Total funds £	2022 Total funds £
INCOME AND ENDOWMENTS FROM					
Charitable activities	3				
Assessments from churches		161,390	-	161,390	151,520
Donations		-	10,005	10,005	10,005
Other		3,000	-	3,000	3,438
Investment income	2	30,990	-	30,990	7,375
Assets from closed churches and gains on fixed asset investments		809,585	-	809,585	297,917
Total		1,004,965	10,005	1,014,970	470,255
EXPENDITURE ON					
Charitable activities	4				
Support costs		232,906	-	232,906	180,441
Contribution to Methodist funds		56,459	-	56,459	33,548
Grants and donations		44,257	-	44,257	100
Total		333,622	-	333,622	214,089
NET INCOME		671,343	10,005	681,348	256,166
RECONCILIATION OF FUNDS					
Total funds brought forward		1,684,060	34,040	1,718,100	1,461,934
TOTAL FUNDS CARRIED FORWARD		2,355,403	44,045	2,399,448	1,718,100

The notes form part of these financial statements

**BIRMINGHAM (WEST) & OLDBURY METHODIST
CIRCUIT**

**BALANCE SHEET
31 AUGUST 2023**

	Notes	Unrestricted funds £	Restricted funds £	2023 Total funds £	2022 Total funds £
FIXED ASSETS					
Tangible assets	8	460,990	-	460,990	586,990
Investment property	9	-	-	-	350,000
		<u>460,990</u>	<u>-</u>	<u>460,990</u>	<u>936,990</u>
CURRENT ASSETS					
Debtors	10	159,205	-	159,205	15,745
Investments	11	-	-	-	150,000
Cash at bank		<u>1,758,535</u>	<u>44,045</u>	<u>1,802,580</u>	<u>619,883</u>
		<u>1,917,740</u>	<u>44,045</u>	<u>1,961,785</u>	<u>785,628</u>
CREDITORS					
Amounts falling due within one year	12	(23,327)	-	(23,327)	(4,518)
		<u>1,894,413</u>	<u>44,045</u>	<u>1,938,458</u>	<u>781,110</u>
NET CURRENT ASSETS					
		<u>1,894,413</u>	<u>44,045</u>	<u>1,938,458</u>	<u>781,110</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		<u>2,355,403</u>	<u>44,045</u>	<u>2,399,448</u>	<u>1,718,100</u>
NET ASSETS		<u>2,355,403</u>	<u>44,045</u>	<u>2,399,448</u>	<u>1,718,100</u>
FUNDS	13				
Unrestricted funds				2,355,403	1,684,060
Restricted funds				<u>44,045</u>	<u>34,040</u>
TOTAL FUNDS				<u>2,399,448</u>	<u>1,718,100</u>

The financial statements were approved by the Board of Trustees and authorised for issue on 26 March 2024 and were signed on its behalf by:



Trustee

The notes form part of these financial statements

**BIRMINGHAM (WEST) & OLDBURY METHODIST
CIRCUIT**

**CASH FLOW STATEMENT
FOR THE YEAR ENDED 31 AUGUST 2023**

	Notes	2023 £	2022 £
Cash flows from operating activities			
Cash generated from operations	1	<u>143,044</u>	<u>8,502</u>
Net cash provided by operating activities		<u>143,044</u>	<u>8,502</u>
Cash flows from investing activities			
Sale of tangible fixed assets		658,663	297,917
Sale of investment property		350,000	180,000
Interest received		<u>30,990</u>	<u>1,183</u>
Net cash provided by investing activities		<u>1,039,653</u>	<u>479,100</u>
Change in cash and cash equivalents in the reporting period		1,182,697	487,602
Cash and cash equivalents at the beginning of the reporting period		<u>619,883</u>	<u>132,281</u>
Cash and cash equivalents at the end of the reporting period		<u>1,802,580</u>	<u>619,883</u>

The notes form part of these financial statements

NOTES TO THE CASH FLOW STATEMENT
FOR THE YEAR ENDED 31 AUGUST 2023

1. RECONCILIATION OF NET INCOME TO NET CASH FLOW FROM OPERATING ACTIVITIES

	2023 £	2022 £
Net income for the reporting period (as per the Statement of Financial Activities)	681,348	256,166
Adjustments for:		
Profit on disposal of fixed assets	(532,663)	(297,917)
Interest received	(30,990)	(1,183)
Decrease in debtors	6,540	52,140
Increase/(decrease) in creditors	18,809	(704)
Net cash provided by operations	143,044	8,502

2. ANALYSIS OF CHANGES IN NET FUNDS

	At 1.9.22 £	Cash flow £	At 31.8.23 £
Net cash			
Cash at bank	619,883	1,182,697	1,802,580
	619,883	1,182,697	1,802,580
Liquid resources			
Deposits included in cash	-	-	-
Current asset investments	150,000	(150,000)	-
	150,000	(150,000)	-
Total	769,883	1,032,697	1,802,580

The notes form part of these financial statements

1. ACCOUNTING POLICIES

BASIS OF PREPARING THE FINANCIAL STATEMENTS

The financial statements of the charity, which is a public benefit entity under FRS 102, have been prepared in accordance with the Charities SORP (FRS 102) 'Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (effective 1 January 2019)', Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' and the Charities Act 2011. The financial statements have been prepared under the historical cost convention, as modified by the revaluation of certain assets.

INCOME RECOGNITION

Income is brought into account when it is more likely than not that the economic benefit of the income will accrue to the circuit. No attempt is made to measure the value of services donated by volunteers.

RESOURCES EXPENDED

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

GOVERNANCE COSTS

These are costs associated with the general running of the charity and its strategic management, rather than the costs of its charitable activities and day to day management.

TANGIBLE FIXED ASSETS

Fixed assets and investment properties are recognised at cost or fair valuation.

DEPRECIATION

Depreciation was charged on freehold property up until 31 August 2020 at 2% straight line method. Depreciation is no longer charged on freehold property as the trustees consider the current residual fair value of the properties in their present conditions to be no less than the value as which they are stated in the Balance Sheet. In the absence of any evidence of impairment, any potential depreciation charges on the properties would be immaterial.

The two manses (freehold properties), where circuit ministers reside, are: 9 Leahouse Gardens and 2 Wall Close, Smethwick.

INVESTMENT PROPERTY

Investment property is shown at most recent valuation. Any aggregate surplus or deficit arising from changes in fair value is recognised in the Statement of Financial Activities.

All remaining investment properties were sold during the year ended 31 August 2023.

Any aggregate surplus or deficit arising from changes in fair value is recognised in the Statement of Financial Activities.

TAXATION

The charity is exempt from tax on its charitable activities.

**NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 AUGUST 2023**

1. ACCOUNTING POLICIES - continued

FUND ACCOUNTING

Unrestricted funds can be used in accordance with the charitable objectives at the discretion of the trustees. Restricted funds can only be used for specified purposes within the objects of the charity. Restrictions arise when specified by the donor or when funds are raised for specified purposes.

PENSION COSTS AND OTHER POST-RETIREMENT BENEFITS

The Methodist Church operates a defined benefit pension scheme for its ministers. A defined contribution scheme is operated for lay employees. Contributions payable to the charity's pension scheme are charged to the Statement of Financial Activities in the period to which they relate.

VAT

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

GOING CONCERN

The trustees assess whether the use of going concern is appropriate i.e. whether there are any material uncertainties related to events or conditions that may cast significant doubt on the ability of the charity to continue as a going concern, including the impact of COVID-19. The trustees make this assessment in respect of a period of one year from the date of authorisation for issue of the financial statements and have concluded that the charity has adequate monetary assets and human resources available to continue in operation as a going concern, thus they continue to adopt the going concern basis of accounting in preparing the financial statements.

CONSOLIDATION

Birmingham West & Oldbury Methodist Circuit oversees the work of ministers and lay workers in the churches within the circuit but does not have financial control over those churches. For this reason, the financial statements of the churches within the circuit are not consolidated into these financial statements.

DEBTORS

Debtors are recorded at transaction price.

CREDITORS

Creditors are recorded at transaction price.

2. INVESTMENT INCOME

	2023	2022
	£	£
Property income	-	6,192
Deposit account interest	<u>30,990</u>	<u>1,183</u>
	<u>30,990</u>	<u>7,375</u>

**NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 AUGUST 2023**

3. INCOME FROM CHARITABLE ACTIVITIES

		2023	2022
	Activity	£	£
Assessments from churches	Assessments from churches	161,390	151,520
Donations	Donations	10,005	10,005
Other	Other	3,000	3,438
		<u>174,395</u>	<u>164,963</u>

4. CHARITABLE ACTIVITIES COSTS

	Direct Costs £	Support costs (see note 5) £	Totals £
Support costs	-	232,906	232,906
Contribution to Methodist funds	56,459	-	56,459
Grants and donations	44,257	-	44,257
	<u>100,716</u>	<u>232,906</u>	<u>333,622</u>

5. SUPPORT COSTS

	Other £	Governance costs £	Totals £
Support costs	<u>228,706</u>	<u>4,200</u>	<u>232,906</u>

6. TRUSTEES' REMUNERATION AND BENEFITS

There were no trustees' remuneration or other benefits for the year ended 31 August 2023 nor for the year ended 31 August 2022.

TRUSTEES' EXPENSES

There were no trustees' expenses paid for the year ended 31 August 2023 nor for the year ended 31 August 2022.

**BIRMINGHAM (WEST) & OLDBURY METHODIST
CIRCUIT**

**NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 AUGUST 2023**

7. STAFF COSTS

	2023	2022
	£	£
Wages and salaries	102,854	91,737
Social security costs	9,239	7,984
Other pension costs	22,762	20,371
	<u>134,855</u>	<u>120,092</u>

Staff costs include stipends paid to ministers and salaries paid to lay workers.

The average monthly number of employees during the year was as follows:

	2023	2022
Ministers	3	3
Lay employees	1	1
	<u>4</u>	<u>4</u>

No employees received emoluments in excess of £60,000.

8. TANGIBLE FIXED ASSETS

	Freehold property £
COST	
At 1 September 2022	652,210
Disposals	<u>(126,000)</u>
At 31 August 2023	<u>526,210</u>
DEPRECIATION	
At 1 September 2022 and 31 August 2023	<u>65,220</u>
NET BOOK VALUE	
At 31 August 2023	<u>460,990</u>
At 31 August 2022	<u>586,990</u>

As at 31 August 2023 the Circuit owned 2 manses (2022: 3).

**BIRMINGHAM (WEST) & OLDBURY METHODIST
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**NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 AUGUST 2023**

9. INVESTMENT PROPERTY

	£
FAIR VALUE	
At 1 September 2022	350,000
Disposals	<u>(350,000)</u>
At 31 August 2023	<u>-</u>
NET BOOK VALUE	
At 31 August 2023	<u>-</u>
At 31 August 2022	<u>350,000</u>

10. DEBTORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2023 £	2022 £
Other debtors	<u>159,205</u>	<u>15,745</u>

11. CURRENT ASSET INVESTMENTS

	2023 £	2022 £
Investment property - transfer from fixed assets	<u>-</u>	<u>150,000</u>

12. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2023 £	2022 £
Other creditors	<u>23,327</u>	<u>4,518</u>

13. MOVEMENT IN FUNDS

	At 1.9.22 £	Net movement in funds £	Transfers between funds £	At 31.8.23 £
Unrestricted funds				
General fund	125,778	(132,639)	100,000	93,139
Circuit model trust fund	434,736	802,606	526,000	1,763,342
Property fund	1,086,990	-	(626,000)	460,990
Bequests fund	<u>36,556</u>	<u>1,376</u>	<u>-</u>	<u>37,932</u>
	1,684,060	671,343	-	2,355,403
Restricted funds				
Beginagen 2 fund	<u>34,040</u>	<u>10,005</u>	<u>-</u>	<u>44,045</u>
TOTAL FUNDS	<u>1,718,100</u>	<u>681,348</u>	<u>-</u>	<u>2,399,448</u>

13. MOVEMENT IN FUNDS - continued

Net movement in funds, included in the above are as follows:

	Incoming resources £	Resources expended £	Movement in funds £
Unrestricted funds			
General fund	175,787	(308,426)	(132,639)
Circuit model trust fund	827,698	(25,092)	802,606
Bequests fund	1,480	(104)	1,376
	<u>1,004,965</u>	<u>(333,622)</u>	<u>671,343</u>
Restricted funds			
Beginagen 2 fund	10,005	-	10,005
	<u>10,005</u>	<u>-</u>	<u>10,005</u>
TOTAL FUNDS	<u><u>1,014,970</u></u>	<u><u>(333,622)</u></u>	<u><u>681,348</u></u>

Comparatives for movement in funds

	At 1.9.21 £	Net movement in funds £	Transfers between funds £	At 31.8.22 £
Unrestricted funds				
General fund	107,163	(51,385)	70,000	125,778
Circuit model trust fund	14,256	298,031	122,449	434,736
Property fund	1,266,990	-	(180,000)	1,086,990
Bequests fund	36,489	67	-	36,556
	<u>1,424,898</u>	<u>246,713</u>	<u>12,449</u>	<u>1,684,060</u>
Restricted funds				
Akrill fund	12,449	-	(12,449)	-
Beginagen 2 fund	24,587	9,453	-	34,040
	<u>37,036</u>	<u>9,453</u>	<u>(12,449)</u>	<u>34,040</u>
TOTAL FUNDS	<u><u>1,461,934</u></u>	<u><u>256,166</u></u>	<u><u>-</u></u>	<u><u>1,718,100</u></u>

**NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 AUGUST 2023**

13. MOVEMENT IN FUNDS - continued

Comparative net movement in funds, included in the above are as follows:

	Incoming resources £	Resources expended £	Movement in funds £
Unrestricted funds			
General fund	161,617	(213,002)	(51,385)
Circuit model trust fund	298,462	(431)	298,031
Bequests fund	171	(104)	67
	460,250	(213,537)	246,713
Restricted funds			
Beginagen 2 fund	10,005	(552)	9,453
TOTAL FUNDS	<u>470,255</u>	<u>(214,089)</u>	<u>256,166</u>

A current year 12 months and prior year 12 months combined position is as follows:

	At 1.9.21 £	Net movement in funds £	Transfers between funds £	At 31.8.23 £
Unrestricted funds				
General fund	107,163	(184,024)	170,000	93,139
Circuit model trust fund	14,256	1,100,637	648,449	1,763,342
Property fund	1,266,990	-	(806,000)	460,990
Bequests fund	36,489	1,443	-	37,932
	1,424,898	918,056	12,449	2,355,403
Restricted funds				
Akrill fund	12,449	-	(12,449)	-
Beginagen 2 fund	24,587	19,458	-	44,045
	37,036	19,458	(12,449)	44,045
TOTAL FUNDS	<u>1,461,934</u>	<u>937,514</u>	<u>-</u>	<u>2,399,448</u>

**NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 AUGUST 2023**

13. MOVEMENT IN FUNDS - continued

A current year 12 months and prior year 12 months combined net movement in funds, included in the above are as follows:

	Incoming resources £	Resources expended £	Movement in funds £
Unrestricted funds			
General fund	337,404	(521,428)	(184,024)
Circuit model trust fund	1,126,160	(25,523)	1,100,637
Bequests fund	<u>1,651</u>	<u>(208)</u>	<u>1,443</u>
	1,465,215	(547,159)	918,056
Restricted funds			
Beginagen 2 fund	20,010	(552)	19,458
	<u> </u>	<u> </u>	<u> </u>
TOTAL FUNDS	<u><u>1,485,225</u></u>	<u><u>(547,711)</u></u>	<u><u>937,514</u></u>

General fund

The general fund represents the surplus free funds of the charity that are not designated for particular purposes and therefore available for the aims and objectives of the charity.

Circuit model trust fund - designated

The circuit model trust fund represents designated funds set aside for the furtherance of the objectives of the charity.

Property fund - designated

The property fund represents designated funds set aside in respect of properties (fixed and investment) held by the charity.

Bequests fund - designated

The bequests fund represents a designated funds set aside for any future bequests.

Beginagen 2 fund - restricted

The Beginagen 2 fund represents a restricted fund for community projects approved by the donor.

**BIRMINGHAM (WEST) & OLDBURY METHODIST
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**NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 AUGUST 2023**

14. CONTINGENT LIABILITIES

No contingent liabilities were identified at 31 August 2023.

15. CAPITAL COMMITMENTS

At 31 August 2023 the Circuit had no capital commitments.

16. RELATED PARTY DISCLOSURES

The Circuit received assessment income from the Methodist churches in the circuit totalling £161,390 (2022: £151,520). The circuit paid to Birmingham Methodist District £56,459 (2022: £33,548) for contributions to Methodist church funds at district and connexional level. The churches in the district made contributions to connexional funds totalling £2,618 (2022: £2,839).