West Midlands Methodist District

England & Wales · Charity number 1134167

Details

Other names	BIRMINGHAM DISTRICT OF THE METHODIST CHURCH
Status	Registered
Legal form	Previously excepted
Registered	2010-02-08
Register	View on the Charity Commission register

Contact

Address	West Midlands Methodist District c/o The Queens Foundation Somerset Road Edgbaston Birmingham B15 2QH
Phone	0330 520 1250
Email	info@wmmethodists.org.uk
Website	www.wmmethodists.org.uk

Activities

Objects: The purposes of the Methodist Church are and shall be deemed to have been since the date of union the advancement of -(a) the Christian faith in accordance with the doctrinal standards and the discipline of the Methodist Church;(b) any charitable purpose for the time being of any Connexional, district, circuit, local or other organisation of the Methodist Church;(c) any charitable purpose for the time being of any society or institution subsiduary or ancillary to the Methodist Church;(d) any purpose for the time being of any charity being a charity subsidiary or ancillary to the Methodist Church.

Activities: Support to the Circuits

Classification

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

Downloaded from opencharities.uk/ew/1134167

Geography

- **Area of benefit:** UNDEFINED. IN PRACTICE, LOCAL.
- Birmingham City
- Dudley
- Herefordshire
- Sandwell
- Shropshire
- Staffordshire
- Telford & Wrekin
- Warwickshire
- Wolverhampton
- Worcestershire

Finances

Period end	Income	Expenditure	Assets	Employees
2024-08-31	£1,282,649	£1,129,660	£6,100,551	7
2023-08-31	£2,257,891	£1,125,758	£5,947,562	6
2022-08-31	£1,069,808	£981,179	£4,815,429	8
2021-08-31	£999,807	£944,950	£4,726,800	8
2020-08-31	£1,043,468	£997,765	£4,671,943	9

Downloaded from opencharities.uk/ew/1134167

Trustees

Name	Role	Appointed
Rev Rachel Deigh	Chair	2025-09-01
Brian Oakley		2025-09-13
David Mark Reynolds		2025-09-13
Keith Walton		2025-09-13
MR CHRIS OSBORN		
Norma Claire Evans		2025-09-13
Rahmat Obeng		2025-09-13
Rev David Bintliff		2025-09-13
Rev Farai Mapamula		2025-09-13
Rev George Heinz		2025-09-13
Rev Iain Mark Ballard		2022-05-07
Rev Novette Headley		2022-09-01
Rev Phillip John Warrey		2023-09-01
Rev Ruth Fry		2026-04-25
Rev Samantha Hagerman		2026-04-25

Downloaded from opencharities.uk/ew/1134167

West Midlands Methodist District

England & Wales - Charity number 1134167

Accounts

REGISTERED CHARITY NUMBER: 1134167

REPORT OF THE TRUSTEES AND

FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 AUGUST 2024

FOR

BIRMINGHAM DISTRICT
OF THE METHODIST CHURCH

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

BIRMINGHAM DISTRICT
OF THE METHODIST CHURCH

CONTENTS OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2024

	Page
Report of the Trustees	1 to 9
Report of the Independent Auditors	10 to 12
Statement of Financial Activities	13
Balance Sheet	14 to 15
Cash Flow Statement	16
Notes to the Cash Flow Statement	17
Notes to the Financial Statements	18 to 34

BIRMINGHAM DISTRICT
OF THE METHODIST CHURCH

REPORT OF THE TRUSTEES
FOR THE YEAR ENDED 31 AUGUST 2024

The trustees present their report with the financial statements of the charity for the year ended 31 August 2024. 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

Methodists belong to local churches or ecumenical partnerships, but also feel part of a larger connected community, the Connexion. There are around 4,000 Methodist churches across the country, grouped within circuits. Birmingham Methodist District is one of 30 districts within the Methodist Church in Britain and comprises some 120 - 130 churches, grouped in 10 circuits across Birmingham, Worcestershire, Warwickshire, Herefordshire and Staffordshire.

District Policy Statement

"The calling of the Methodist Church is to respond to the gospel of God's love in Christ and to live out its discipleship in worship and mission. It does this through worship learning and caring, service and evangelism."

The Birmingham Methodist District seeks to be a network of communities where people are included and grow, being transformed by the love of God and sharing their story of God's grace. In collaboration with others where possible the District is committed to creating safer spaces and working for a just and sustainable world. We have a vision for a growing, evangelistic, justice-seeking and inclusive church without walls. In the power of the Holy Spirit, we seek to grow disciples of Jesus Christ. Growing ...

- in numbers of new disciples,
- in depth of discipleship,
- in the transformation of communities and society.

Ensuring our work delivers our aims

We review our aims, objectives and activities each year. This review looks at what we achieved and the outcomes of our work in the previous 12 months. The review looks at the success of each key activity and the benefits they have brought to those groups of people we are set up to help. The review also helps us to ensure that our aim, objectives and activities remained focused on our stated purposes.

We have referred to the guidance contained in the Charity Commission's general guidance on public benefit when reviewing our aims and objectives and in planning our future activities. In particular, the trustees consider how planned activities will contribute to the aims and objectives they have set.

The focus of our work

The focus of our work continues to be that of a charity set up to be a network of communities where people are included and grow, being transformed by the love of God and sharing their story of God's grace.

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.

Our charitable activities have been carried out within the framework of our policy statement, namely with the aim of growth, not only within Methodism in Birmingham but also growth in the outworking of our discipleship, by seeking to work for the public benefit of the community around us. Our chaplaincy and other projects demonstrate our aim to show the love of Jesus Christ outside the church walls.

OBJECTIVES AND ACTIVITIES

Grantmaking

The Resourcing Mission Committee meets three times a year to oversee the finance function of the district, to oversee district property and to approve grants to circuits and churches within the District.

Volunteers

Birmingham Methodist District is heavily reliant on volunteers at church, circuit and district level. Volunteers give their time and skills to further the aims of the district. Much of this work is by serving on committees and by acting as trustees. The district is grateful to all of them for their help and commitment.

Trustees

Reimbursements of expenses paid to trustees are disclosed in the notes to the accounts. Payments to trustees for services that are required by the District are also disclosed in the accounts. The District Council ensures that any such services are in the best interests of the District. Measures are in place to ensure that no conflict of interest arises from any such payment.

ACHIEVEMENTS AND PERFORMANCE

Charitable activities

In the year to 31 August 2024 resources have been deployed in the following ways.

- Our new District Treasurer was appointed during the year ended 31 August 2024 and thanks were expressed to our outgoing District Treasurer who had served for many years.
- The fully signed audited accounts were uploaded to the Charity Commission website as required.
- Property projects ranging from simple improvements costing less than £10,000 to major schemes costing over £500,000 were approved. Churches continue to improve their facilities for the disabled and have also installed energy-saving measures with 27 churches across the District achieving A Rocha Eco-Churchawards - 16 bronze, 10 silver and one gold award.
- The District Youth Team held another successful District Amplify youth weekend in March 2024 and the Birmingham District was well represented at the 3Gen Youth event.
- The Street Ecclesial Community - Street Banquet is aiming to increase the community of hosts for this faith-rooted dining event in Birmingham city centre. Approximately one-third of the Street Banquet's former guests are now hosts of this emerging Christian community.
- The New Places for New People Mission has seen two 'God for All' Circuit-led projects making a wonderful start this year - Peckwood Forrest Church in the Bromsgrove and Redditch Circuit and the Stechford Project in the Birmingham Circuit. The Birmingham District is also hosting the Connexional faith-rooted Community Organising pilot which is aimed at supporting local church leaders to embed community organising practices into their missional goals.
- The Birmingham District has links with the Kadoma Methodist District in Zimbabwe and a team of 7 made a successful visit to Zimbabwe for 10 days in October 2023.

FINANCIAL REVIEW

Financial position

The Statement of Financial Activities for the year ended 31 August 2024 shows incoming resources of £1,282,649 (2023: £2,257,891) and resources expended of £1,129,660 (2023: £1,125,758), generating a surplus of income over expenditure totalling £152,989 (2023: £1,132,133).

As a result, the District's net assets have increased from £5,947,562 as at 31 August 2023 to £6,100,551 as at 31 August 2024.

Included within net assets as at 31 August 2024 are general and designated funds with a carrying value of £5,044,132 (2023: £3,815,110) and 3 restricted funds with a carrying value of £1,056,419 (2023: 8 restricted funds with a carrying value of £2,132,452).

No fund was in deficit as at 31 August 2024.

Income for the year ended 31 August 2024 has decreased compared to the year ended 31 August 2023 largely due to the recognition of an exceptional donation totalling £1,146,691 recognised by the District during the year ended 31 August 2023. This consisted of assets transferred to the Birmingham District of the Methodist Church on 1 September 2022 from the Birmingham Methodist Circuit. Synod initially delegated responsibility for the management of this fund to Birmingham Methodist Circuit but the responsibility reverted to the District in September 2022 following a change in Birmingham Methodist Circuit's constitution. This fund is ring-fenced for activities within Birmingham city centre and decisions regarding grants from the City Centre Fund are made by the District Resourcing Mission Committee. The assets transferred were cash at bank amounting to £693,767 and a freehold property located at 47 Grove Avenue, Birmingham amounting to £452,922.

No such exceptional items have been recognised by the Birmingham District of the Methodist Church during the year ended 31 August 2024.

The District continues to own the District manse at 36 Amesbury Road, Birmingham and Wesley International House, Birmingham (one of two Methodist properties in Birmingham and managed by Birmingham International Student Homes, a separate charity). The District also continues to own 47 Grove Avenue, the manse occupied by Rev Neil Johnson, which had been acquired by the City Centre Fund in March 2022 for £452,922, before the transfer of the City Centre Fund from Birmingham Methodist Circuit to Birmingham Methodist District on 1 September 2022.

The trustees have agreed the fair value of the District manse at £750,000 as at 31 August 2024 (2023: £750,000) and Wesley International House at £3,000,000 as at 31 August 2024 (2023: £3,000,000). The combined value of freehold property (including 47 Grove Avenue) of £4,202,922 (2023: £4,202,922) is shown within tangible fixed assets as disclosed in note 11 to the financial statements.

Investment policy and performance

To comply with Methodist Standing Orders, money for long term investment is lodged with the Trustees for Methodist Church Purposes (TMCP) or with the Central Finance Board of the Methodist Church (CFB). 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 Birmingham Methodist District 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 2024 was £100,979 (2023: £58,410).

FINANCIAL REVIEW

Reserves policy

Reserves are represented by the fund balances as disclosed in the balance sheet on page 16 of the financial statements.

The balance sheet shows unrestricted reserves (reserves that do not carry any restrictions on how they can be used) of £5,044,132 as at 31 August 2024 (2023: £3,815,110). In assessing our level of free reserves as at 31 August 2024 we also exclude tangible fixed assets totalling £3,750,000 (2023: £3,750,000) and designated fund balances totalling £1,228,687 (2023: £15,270). This leaves free reserves totalling £65,445 as at 31 August 2024 (2023: free reserves totalling £49,840).

The General Fund derives its income principally from circuit contributions (also known as assessments). The majority of this income is paid over to the central Methodist Church Fund, the balance of circuit contributions being held within the General Fund, to finance the day-to-day running costs of the District. The trustees believe that the balance on the General Fund should be in the region of £30K to £40K to cover four to six months of District running costs. If the District makes a surplus over budget for any particular year that surplus is returned to the circuits via a future budget. Taking this into account we believe that the amount held within the General Fund at 31 August 2024 is in line with our reserves policy.

The Manse Major Repair Fund seeks to build up a reserve, by means of annual transfers from the General Fund, to be used for any significant costs that may arise in the future relating to the district manse.

Income in the District Advance Fund is derived principally from distributions from the Connexional Priority Fund (i.e. from central Methodist sources) and from levies on trust funds held at circuit level (i.e. from local Methodist sources). Decisions regarding District Advance Fund spending and its allocation to projects are made by the Resourcing Mission Committee. Reserves held in the District Advance Fund will be sufficient to cover the future grant commitments from that fund. The reserves policy of the District Advance Fund is that at any point in time the total of the future commitments from the District Advance Fund will not exceed the cash held within that fund. At the same time the District ensures that future grant commitments almost match the amount held within the District Advance Fund, meaning that there will not be excess reserves held within the District Advance Fund.

For all restricted funds the reserves policy is to hold grants and donations within dedicated ring-fenced funds, to be used for the specific purposes of those grants and donations.

Going concern

The trustees of the District have every reason to believe that the District is a going concern. The circuits continue to meet their assessments and reserves are considered adequate. Reserves policies are reviewed annually. There are no subsidiary undertakings. Methodist membership is in decline across all districts with a resultant loss of income at church level. However, proceeds from the sale of church buildings are partly used to meet ongoing costs at circuit level, including the circuits' assessment payments to the District.

FUTURE PLANS

Our plans for the year ended 31 August 2025 include the following.

- Merger between the Birmingham District of the Methodist Church and the Wolverhampton & Shrewsbury District of the Methodist Church

  The proposed merger between the Birmingham District of the Methodist Church and the Wolverhampton & Shrewsbury District of the Methodist Church was approved by the two District Synods in April 2024.

  It was recommended and approved at the Methodist Conference in June 2024 that the two Districts will become one combined West Midlands District with effect from September 2025.

  Work will proceed before the merger becomes effective in September 2025 to ensure that all aspects of each District's work will come together, and that the merger takes place smoothly by the end of August 2025.

  The Birmingham District's mission and ministries work will continue alongside these preparations.

STRUCTURE, GOVERNANCE AND MANAGEMENT

Governing document

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

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.

Governance

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

Key management remuneration

In the trustees' opinion, the key management personnel of the District responsible for the direction, control, running and operation of the District on a day-to-day basis consists of the Board of Trustees.

Key management personnel - trustees

All of the trustees give of their time freely and no trustee received remuneration during the year ended 31 August 2024 with the exception of the following trustees.

During the year ended 31 August 2024 the District Chair, whose salary is paid from central Methodist funds, received remuneration totalling £48,267 (2023: £45,826).

Additionally, during the year ended 31 August 2024 the Rev N Bishop, who was appointed a trustee on 25 January 2024, received remuneration totalling £6,703 (2023: £nil).

STRUCTURE, GOVERNANCE AND MANAGEMENT

Management

The District Council meets four times a year. The responsibilities of the District Council, as laid down in Methodist Standing Orders, are as follows.

- To formulate and promote policies which will advance the mission of the Church in the circuits and local churches and in particular to supervise the use of resources of personnel, property and finance and to assist local churches and circuits having exceptional problems.
- To encourage inter-circuit and ecumenical co-operation.
- To act in an executive capacity remitted to the Council by the Synod.
- To keep within its purview all district concerns not dealt with elsewhere.
- To contribute and respond, as the case may be, to the development of connexional policies as reflected in the work of the Conference and the Methodist Council and to carry out its other responsibilities with any such development in mind.

The District Council oversees the work of the Resourcing Mission Committee, stationing, safeguarding, authorisations to preside at communion, extensions to local preacher training and other matters as necessary.

Related parties

Methodist entities, whether they be districts, circuits or churches, are obliged to register as individual charities if they meet the requirements of registration laid down by the Charity Commission.

Birmingham Methodist District receives income from the circuits within the Birmingham District. All of the circuits are registered charities. Contributions from circuits, sometimes known as "the circuit assessment", are used to pay contributions to the central Methodist Church Fund and to meet the day-to-day running costs of the District. In the year to 31 August 2024 income from circuit assessments totalled £626,196 (2023: £586,500). In addition, the District receives from each circuit holding a Circuit Model Trust Fund (CMTF), a levy based on the size of the CMTF at the start of the year. In the year to 31 August 2024 the total levy, credited automatically to the District Advance Fund by TMCP, was £340,733 (2023: £104,895).

Methodist Church in Britain (MCB) is the largest Methodist entity, based at 25 Tavistock Place, London, and is an individual charity. During the year ended 31 August 2024 the Birmingham Methodist District paid £554,750 (2023: £508,495) to the Methodist Church Fund as a contribution towards the running costs of MCB. The District Advance Fund receives annual grant income from the Connexional Priority Fund held within the accounts of MCB. During the year ended 31 August 2024 £70,679 was received from the Connexional Priority Fund (2023: £190,937).

Wesley International House is a freehold property held by TMCP as custodian trustees for Birmingham Methodist District. A separate charity called Birmingham International Student Homes (BISH) is responsible for all aspects of the upkeep and maintenance of Wesley International House. BISH reports annually to Birmingham Methodist District Council.

Risk management

The trustees have a duty to identify and review the risks to which the charity is exposed and to ensure appropriate controls are in place to provide reasonable assurance against fraud and error.

STRUCTURE, GOVERNANCE AND MANAGEMENT

Fundraising

The majority of the District's income is derived from circuit contribution, Connexional and other grants, Circuit Model Trust Fund levies and Connexional Priority Fund distributions. The District does not engage in public fundraising and does not use professional fundraisers or commercial participators,

REFERENCE AND ADMINISTRATIVE DETAILS

Registered Charity number
1134167

Principal address
36 Amesbury Road
Moseley
Birmingham
West Midlands
B13 8LE

Trustees

Rev N Headey	Chair of District	
Rev P Warrey	Deputy Chair	- appointed 1 September 2023
Rev S Willey	Deputy Chair	
Ms S Smith	District Council Secretary and Methodist Council Representative	
Ms H Woodall	Synod Secretary	
Rev N Bishop	Treasurer	- appointed 25 January 2024
Ms G Weller	Lay Stationing Representative	
Mr C Osborn	Property Secretary	
Rev D Koffie-Williams	EDI Officer	
Deacon A Allport	Representative	- resigned 31 August 2024
Rev I Ballard	Representative	
Ms S Clutterbuck	Representative	- resigned 6 March 2024
Rev S Levett	Representative	
Rev C Sibanda	Representative	- appointed 1 September 2023
Deacon M Slowe	Representative	
Rev J Thornton	Representative	
Ms J Tolley	Representative	
Mr H Watton	Representative	
J Morriss	Representative	- appointed 1 September 2024
A Chui	Representative	- appointed 6 January 2025

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

REFERENCE AND ADMINISTRATIVE DETAILS

Bankers

Trustees for Methodist Church Purposes
Oldham Street
Manchester
M1 1JQ

Central Finance Board of the Methodist Church
9 Bonhill Street
London
EC2A 4PE

Co-operative Bank
PO Box 250
Skelmersdale
WN8 6WT

EVENTS SINCE THE END OF THE YEAR

Information relating to events since the end of the year is given in the notes to the financial statements.

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).

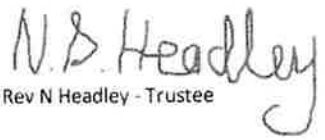
The law applicable to charities in England and Wales, the Charities Act 2011, Charity (Accounts and Reports) Regulations 2008 and the provisions of the trust deed requires the trustees to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the 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.

JW Hinks LLP were appointed as auditors on 20 October 2023. A resolution to re-appoint JW Hinks LLP as auditors will be proposed at the District Council meeting to be held on 25 March 2025.

Approved by order of the board of trustees on 25 March 2025 and signed on its behalf by:



Rev N Headley - Trustee

Opinion
We have audited the financial statements of Birmingham District of the Methodist Church (the 'charity') for the year ended 31 August 2024 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 2024 and of its incoming resources and application of resources, for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with 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.

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:

- 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; and
- confirming accounts receivable and other accounts with a third party.

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 DISTRICT OF THE METHODIST CHURCH

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 LLP
Chartered Accountants
and Statutory Auditors
19 Highfield Road
Edgbaston
Birmingham
B15 3BH

25 March 2025

BIRMINGHAM DISTRICT
OF THE METHODIST CHURCH

STATEMENT OF FINANCIAL ACTIVITIES
FOR THE YEAR ENDED 31 AUGUST 2024

	Notes	Unrestricted funds £	Restricted funds £	2024 Total funds £	2023 Total funds £
INCOME AND ENDOWMENTS FROM					
Donations and legacies	3	**631,878**	**549,792**	**1,181,670**	2,199,481
Investment income	4	**11,557**	**89,422**	**100,979**	58,410
Total		**643,435**	**639,214**	**1,282,649**	2,257,891
EXPENDITURE ON					
Charitable activities	5				
Grants and donations		**2,940**	**206,207**	**209,147**	285,339
Contributions to Methodist Church Fund		**554,750**	**-**	**554,750**	508,945
Support and governance costs		**114,383**	**251,380**	**365,763**	331,474
Total		**672,073**	**457,587**	**1,129,660**	1,125,758
NET INCOME/(EXPENDITURE)		**(28,638)**	**181,627**	**152,989**	1,132,133
Transfers between funds	15	**1,257,660**	**(1,257,660)**	**-**	-
Net movement in funds		**1,229,022**	**(1,076,033)**	**152,989**	1,132,133
RECONCILIATION OF FUNDS					
Total funds brought forward		**3,815,110**	**2,132,452**	**5,947,562**	4,815,429
TOTAL FUNDS CARRIED FORWARD		**5,044,132**	**1,056,419**	**6,100,551**	5,947,562

The notes form part of these financial statements

BIRMINGHAM DISTRICT
OF THE METHODIST CHURCH

BALANCE SHEET
31 AUGUST 2024

	Notes	2024 £	2023 £
FIXED ASSETS			
Tangible assets	11	**4,202,922**	4,202,922
CURRENT ASSETS			
Debtors	12	**13,861**	14,007
Cash at bank		**1,900,746**	1,739,384
		1,914,607	1,753,391
CREDITORS			
Amounts falling due within one year	13	**(16,978)**	(8,751)
NET CURRENT ASSETS		**1,897,629**	1,744,640
TOTAL ASSETS LESS CURRENT LIABILITIES		**6,100,551**	5,947,562
NET ASSETS		**6,100,551**	5,947,562

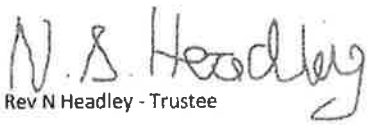
The notes form part of these financial statements

continued...

BALANCE SHEET - continued
31 AUGUST 2024

	Notes	2024 £	2023 £
FUNDS	15		
Unrestricted funds:			
General Fund		**65,445**	49,840
Capital Revaluation Reserve Fund		**3,750,000**	3,750,000
Manse Major Repair Fund		**20,208**	15,270
Exchange Visits Fund		**1,595**	-
District Inclusive Gathering Fund		**408**	-
Finance Managment Fund		**17,716**	-
Joint District Fund		**3,150**	-
Rural Fund		**6**	-
Training Fund		**343**	-
District Advance Fund		**1,107,676**	-
Mission and Youth Fund		**56,779**	-
Safeguarding Fund		**19,657**	-
Benevolent Fund		**1,149**	-
		5,044,132	3,815,110
Restricted funds:			
District Advance Fund		-	943,139
Chaplaincy Fund		-	8,873
Mission and Youth Fund		-	72,279
Safeguarding Fund		-	20,549
Benevolent Fund		-	4,148
Inclusive Gathering Birmingham Fund		**16,090**	12,562
Street Ecclesial Community Fund		**24,257**	16,676
City Centre Fund		**1,016,072**	1,054,226
		1,056,419	2,132,452
TOTAL FUNDS		**6,100,551**	5,947,562

The financial statements were approved by the Board of Trustees and authorised for issue on 25 March 2025 and were signed on its behalf by:



Rev N Headley - Trustee

Rev N Bishop - Trustee

The notes form part of these financial statements

BIRMINGHAM DISTRICT
OF THE METHODIST CHURCH

CASH FLOW STATEMENT
FOR THE YEAR ENDED 31 AUGUST 2024

	Notes	2024 £	2023 £
Cash flows from operating activities			
Cash generated from operations	1	**60,383**	1,054,775
Net cash provided by operating activities		**60,383**	1,054,775
Cash flows from investing activities			
Purchase of tangible fixed assets		-	(452,922)
Interest received		**100,979**	58,410
Net cash provided by/(used in) investing activities		**100,979**	(394,512)
Change in cash and cash equivalents in the reporting period		**161,362**	660,263
Cash and cash equivalents at the beginning of the reporting period		**1,739,384**	1,079,121
Cash and cash equivalents at the end of the reporting period		**1,900,746**	1,739,384

The notes form part of these financial statements

NOTES TO THE CASH FLOW STATEMENT
FOR THE YEAR ENDED 31 AUGUST 2024

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

	2024 £	2023 £
Net income for the reporting period (as per the Statement of Financial Activities)	**152,989**	1,132,133
Adjustments for:		
Interest received	**(100,979)**	(58,410)
Decrease in debtors	**146**	282
Increase/(decrease) in creditors	**8,227**	(19,230)
Net cash provided by operations	**60,383**	1,054,775

2. ANALYSIS OF CHANGES IN NET FUNDS

	At 1.9.23 £	Cash flow £	At 31.8.24 £
Net cash			
Cash at bank	**1,739,384**	**161,362**	**1,900,746**
	1,739,384	**161,362**	**1,900,746**
Total	**1,739,384**	**161,362**	**1,900,746**

The notes form part of these financial statements

1. ACCOUNTING POLICIES

GENERAL INFORMATION AND BASIS OF PREPARING THE FINANCIAL STATEMENTS

General information

Birmingham District of the Methodist Church is an unincorporated charity registered in England and Wales. The District's principal address and place of activity is 36 Amesbury Road, Moseley, Birmingham, B13 8LE.

Accounting convention

The financial statements of the District, 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 United Kingdom 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 using the historic cost convention, as modified by the revaluation of certain assets, and are presented in sterling which is the functional currency of the District, rounded to the nearest £1.

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 District to continue as a going concern. 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 District has adequate resources to continue in operational existence for the foreseeable future and that there are no material uncertainties about the District's ability to continue as a going concern. As a result the trustees continue to adopt the going concern basis of accounting in preparing the financial statements.

CONSOLIDATION

Birmingham Methodist District oversees the work of ministers and lay workers in churches and circuits within the District but does not have financial control over those circuits or churches. For this reason the financial statements of the churches and circuits within the District are not consolidated into these financial statements.

INCOME

All income is recognised in the Statement of Financial Activities once the charity has entitlement to the funds, it is probable that the income will be received and the amount can be measured reliably.

Grants are included in the Statement of Financial Activities on a receivable basis. The balance of income received for specific purposes but not expended during the period is shown in the relevant funds on the Balance Sheet. Where income is received in advance of entitlement of receipt its recognition is deferred and included in creditors as deferred income. Where entitlement occurs before income is received, the income is accrued.

Donations are recognised on a receivable basis where there is certainty of receipt and the amount can be reliably measured. If there are conditions attached to the donation and this requires a level of performance before entitlement can be obtained, then income is deferred until those conditions are fully met or the fulfilment of those conditions is within the control of the charity and it is probable that they will be fulfilled.

The value of services donated by volunteers is not quantified.

Investment income is earned through holding assets such as cash on deposit. It includes interest receivable. Interest income is recognised using the effective interest rate method and is recognised as the District's right to receive payment is established.

continued...

1. ACCOUNTING POLICIES - continued

EXPENDITURE
Liabilities are recognised as expenditure as soon as there is a legal or constructive obligation committing the charity to that expenditure, it is probable that a transfer of economic benefits will be required in settlement and the amount of the obligation can be measured reliably. Expenditure is accounted for on an accruals basis and has been classified under headings that aggregate all cost related to the category. Where costs cannot be directly attributed to particular headings they have been allocated to activities on a basis consistent with the use of resources.

Grants are recognised annually as and when the performance conditions attaching to the award are met, even when the award is for a recurrent grant over more than one year. All grants awarded for payment in future financial years are conditional on the Resourcing Mission Committee being satisfied, on the basis of progress reports from the grantee, that the project's achievements to date justify the payment of further instalments of the grant. Future commitments from the District Advance Fund are shown in the notes to the accounts.

Support costs are those that assist with the work of the District but do not directly represent charitable activities and include office costs, governance costs and other administrative costs.

Governance costs are those 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.

ALLOCATION AND APPORTIONMENT OF COSTS
All costs are allocated between the expenditure categories of the Statement of Financial Activities on the basis designed to reflect the use of the resource. Costs relating to a particular activity are allocated directly, others are apportioned on an appropriate basis e.g. floor areas, per capita or estimated usage.

TANGIBLE FIXED ASSETS
Fixed assets are initially recognised at cost or fair valuation.

Freehold property is not depreciated. The trustees consider that this policy is necessary in order for the financial statements to give a true and fair view because current values and changes in current values are of prime importance rather than the calculation of systematic annual depreciation.

TAXATION
The District is exempt from tax on its charitable activities.

FINANCIAL INSTRUMENTS
Financial assets and financial liabilities are recognised when the District becomes a party to the contractual provisions of the instrument. All financial assets and liabilities are initially measured at transaction price (including transaction costs). Basic financial instruments are initially recognised at transaction value and subsequently measured at their settlement value.

CASH AND CASH EQUIVALENTS
Cash and cash equivalents include deposits held at call with banks.

PENSION COSTS AND OTHER POST-RETIREMENT BENEFITS
The charity operates a defined contribution pension scheme. Contributions payable to the charity's pension scheme are charged to the Statement of Financial Activities in the period to which they relate.

continued...

1. ACCOUNTING POLICIES - continued

DEBTORS AND CREDITORS RECEIVABLE/PAYABLE WITHIN 1 YEAR
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.

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

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 particular restricted purposes within the objects of the District. Restrictions arise when specified by the donor or when funds are raised for particular restricted purposes.

Further explanation of the nature and purpose of each fund is included in the notes to the financial statements.

2. CRITICAL ACCOUNTING JUDGEMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY

In the application of the District's accounting policies, the trustees are required to make judgements, estimates and assumptions about the carrying amount of assets and liabilities that are not readily apparent from other sources.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised where the revision affects only that period or in the period of the revision and future periods where the revision affects both current and future periods.

3. DONATIONS AND LEGACIES

	2024	2023
	£	£
Circuit contributions	**626,196**	586,500
Donations	**33,715**	18,769
Connexional and other grants	**61,517**	109,877
Circuit Model Trust Fund levies	**340,733**	104,895
Connexional Priority Fund distribution	**70,679**	190,937
Other income	**48,830**	41,812
Exceptional items - City Centre Fund	**-**	1,146,691
	1,181,670	2,199,481

Exceptional items - donations (City Centre Fund)
Exceptional items totalling £1,146,691 for the year ended 31 August 2023 consisted of assets transferred to the Birmingham District of the Methodist Church on 1 September 2022 from the Birmingham Methodist Circuit. Synod initially delegated responsibility for the management of this fund to Birmingham Methodist Circuit but the responsibility reverted to the District in September 2022 following a change in Birmingham Methodist Circuit's constitution. This fund is ring-fenced for activities within Birmingham city centre and decisions regarding grants from the City Centre Fund are made by the District Resourcing Mission Committee. The assets transferred were cash at bank (£693,769) and 47 Grove Avenue (£452,922).

continued...

3. DONATIONS AND LEGACIES - continued

No such exceptional items have been recognised by the Birmingham District of the Methodist Church during the year ended 31 August 2024.

Grants received, included in the above, are as follows:

	2024	2023
	£	£
Connexional and other grants	61,517	109,877

4. INVESTMENT INCOME

	2024	2023
	£	£
Deposit account interest	100,979	58,410

5. CHARITABLE ACTIVITIES COSTS

	Grant funding of activities (see note 6)	Support costs (see note 7)	Totals
	£	£	£
Grants and donations	209,147	-	209,147
Contributions to Methodist Church Fund	554,750	-	554,750
Support and governance costs	-	365,763	365,763
	763,897	365,763	1,129,660

6. GRANTS PAYABLE

	2024	2023
	£	£
Grants and donations	209,147	285,339
Contributions to Methodist Church Fund	554,750	508,945
	763,897	794,284

The total grants paid to institutions during the year was as follows:

	2024	2023
	£	£
Methodist Church Fund	554,750	508,945
Mission projects	209,147	233,092
Other grants and donations	-	52,247
	763,897	794,284

continued...

6. GRANTS PAYABLE - continued

Other grants and donations - Adavu CIO

Included within other grants and donations totalling £52,247 for the year ended 31 August 2023 (2022: £2,093) was a donation of £52,007 (2022: £nil) made to Adavu CIO. The District's Adavu Fund ceased to be a district project on 1 September 2022 at which date the remaining funds were transferred to a new independent charity, Adavu CIO. During the year ended 31 August 2023 Adavu continued to support survivors of modern slavery.

No such grants and donations have been recognised by the Birmingham District of the Methodist Church during the year ended 31 August 2024.

7. SUPPORT COSTS

	Management	Governance costs	Totals
	£	£	£
Support and governance costs	**359,463**	**6,300**	**365,763**

Support costs, included in the above, are as follows:

MANAGEMENT

	2024 Support and governance costs	2023 Total activities
	£	£
Wages	**200,591**	**193,872**
Social security	**16,060**	**15,473**
Pensions	**16,050**	**20,833**
Employees expenses	**7,807**	**17,228**
Training	**14,205**	**11,811**
District office costs	**1,018**	**4,479**
Manse costs	**13,452**	**11,733**
Trustees' expenses	**3,005**	**997**
Administrative costs	**59,347**	**32,375**
Subscriptions	**2,070**	**2,122**
Professional fees	**14,049**	**1,198**
Other expenses	**11,809**	**13,353**
	359,463	**325,474**

continued...

7. SUPPORT COSTS - continued

GOVERNANCE COSTS

	2024 Support and governance costs	2023 Total activities
	£	£
Auditors' remuneration	**6,300**	**6,000**

8. TRUSTEES' REMUNERATION AND BENEFITS

With the exception of the District chair, there was 1 trustee who received remuneration totalling £6,703 during the year ended 31 August 2024.

During the year ended 31 August 2023, with the exception of the District chair, no trustees received any remuneration or other benefits.

TRUSTEES' EXPENSES

There were trustees' expenses of £3,005 paid during the year ended 31 August 2024 (2023: £997).

9. STAFF COSTS

	2024	2023
	£	£
Wages and salaries	**200,591**	193,872
Social security costs	**16,060**	15,473
Other pension costs	**16,050**	20,833
	232,701	230,178

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

	2024	2023
Average	**7**	6

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

Key management personnel
Key management personnel consists of the District Chair, whose salary is paid fr,om Central Methodist Funds. Key management personnel remuneration for the year totalled £48,267 (2023: £45,826).

continued...

10. PENSION COMMITMENTS

The District contributes to the individual pension plans of certain employees. The assets of these schemes are held separately from those of the District in independently administered funds.

The total contributions for the year amounted to £16,050 (2023: £20,833) and outstanding contributions as at 31 August 2024 amounted to £nil (2023: £nil).

11. TANGIBLE FIXED ASSETS

	Freehold property £
COST	
At 1 September 2023 and 31 August 2024	**4,202,922**
NET BOOK VALUE	
At 31 August 2024	**4,202,922**
At 31 August 2023	4,202,922

Tangible fixed assets were valued by the trustees on the basis of their open market value. The resulting surplus has been carried to a capital reserve which is not available for distribution.

The freehold properties comprise Amesbury Road, valued at £750,000, Wesley International House, valued at £3,000,000 and Grove Avenue valued at £452,922. In the opinion of the trustees the current open market valuation of the properties is not materially different from the amounts at which they are included in the accounts.

Whilst Wesley International House is owned by the Trustees for Methodist Church Purposes on trust for Birmingham Methodist District, the property is managed by Birmingham International Student Homes, a separate charity (registered charity number 1095730). Birmingham Methodist District authorises Birmingham International Student Homes to be responsible for all aspects of the upkeep and maintenance of Wesley International House except final ownership.

12. DEBTORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2024 £	2023 £
Prepayments and accrued income	**13,861**	14,007

continued...

13. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2024	2023
	£	£
Accruals and deferred income	**16,978**	8,751

Deferred income included above consists of the following.

	2024	2023
	£	£
Deferred income as at 1 September 2023	-	20,000
Resources deferred during the year	-	-
Amounts released from previous years	-	(20,000)
Deferred income as at 31 August 2024	-	-

Disclosure regarding future grant commitments and other contingent liabilities can be found in note 15 of the financial statements.

14. ANALYSIS OF NET ASSETS BETWEEN FUNDS

	Unrestricted funds	Restricted funds	2024 Total funds	2023 Total funds
	£	£	£	£
Fixed assets	**3,750,000**	**452,922**	**4,202,922**	4,202,922
Current assets	**1,306,618**	**607,989**	**1,914,607**	1,753,391
Current liabilities	**(12,486)**	**(4,492)**	**(16,978)**	(8,751)
	5,044,132	**1,056,419**	**6,100,551**	5,947,562

continued...

15. MOVEMENT IN FUNDS

	At 1.9.23 £	Net movement in funds £	Transfers between funds £	At 31.8.24 £
Unrestricted funds				
General Fund	49,840	26,605	(11,000)	65,445
Capital Revaluation Reserve Fund	3,750,000	-	-	3,750,000
Manse Major Repair Fund	15,270	938	4,000	20,208
Exchange Visits Fund	-	(2,505)	4,100	1,595
District Inclusive Gathering Fund	-	(3,091)	3,499	408
Finance Management Fund	-	(31,284)	49,000	17,716
Joint District Fund	-	(1,350)	4,500	3,150
Rural Fund	-	(3,294)	3,300	6
Training Fund	-	(14,657)	15,000	343
District Advance Fund	-	-	1,107,676	1,107,676
Mission and Youth Fund	-	-	56,779	56,779
Safeguarding Fund	-	-	19,657	19,657
Benevolent Fund	-	-	1,149	1,149
	3,815,110	(28,638)	1,257,660	5,044,132
Restricted funds				
District Advance Fund	943,139	335,818	(1,278,957)	-
Chaplaincy Fund	8,873	-	(8,873)	-
Mission and Youth Fund	72,279	(58,000)	(14,279)	-
Safeguarding Fund	20,549	(31,642)	11,093	-
Benevolent Fund	4,148	(2,999)	(1,149)	-
Inclusive Gathering Birmingham Fund	12,562	(36,472)	40,000	16,090
Street Ecclesial Community Fund	16,676	(21,598)	29,179	24,257
City Centre Fund	1,054,226	(3,480)	(34,674)	1,016,072
	2,132,452	181,627	(1,257,660)	1,056,419
TOTAL FUNDS	5,947,562	152,989	-	6,100,551

continued...

15. 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	640,325	(613,720)	26,605
Manse Major Repair Fund	938	-	938
Exchange Visits Fund	-	(2,505)	(2,505)
District Inclusive Gathering Fund	-	(3,091)	(3,091)
Finance Management Fund	-	(31,284)	(31,284)
Joint District Fund	-	(1,350)	(1,350)
Rural Fund	-	(3,294)	(3,294)
Training Fund	2,172	(16,829)	(14,657)
	643,435	(672,073)	(28,638)
Restricted funds			
District Advance Fund	508,093	(172,275)	335,818
Mission and Youth Fund	12,443	(70,443)	(58,000)
Safeguarding Fund	29,970	(61,612)	(31,642)
Benevolent Fund	-	(2,999)	(2,999)
Inclusive Gathering Birmingham Fund	29,836	(66,308)	(36,472)
Street Ecclesial Community Fund	28,299	(49,897)	(21,598)
City Centre Fund	30,573	(34,053)	(3,480)
	639,214	(457,587)	181,627
TOTAL FUNDS	1,282,649	(1,129,660)	152,989

continued...

15. MOVEMENT IN FUNDS - continued

Comparatives for movement in funds

	At 1.9.22 £	Net movement in funds £	Transfers between funds £	At 31.8.23 £
Unrestricted funds				
General Fund	43,146	13,694	(7,000)	49,840
Capital Revaluation Reserve Fund	3,750,000	-	-	3,750,000
Manse Major Repair Fund	15,764	(4,494)	4,000	15,270
	3,808,910	9,200	(3,000)	3,815,110
Restricted funds				
District Advance Fund	828,913	246,836	(132,610)	943,139
Chaplaincy Fund	31,575	(50,952)	28,250	8,873
Mission and Youth Fund	61,649	(24,370)	35,000	72,279
Safeguarding Fund	17,452	(25,903)	29,000	20,549
Adavu Fund	52,007	(52,007)	-	-
Benevolent Fund	4,185	(3,037)	3,000	4,148
Inclusive Gathering Birmingham Fund	5,998	(23,436)	30,000	12,562
Street Ecclesial Community Fund	4,740	(25,924)	37,860	16,676
City Centre Fund	-	1,081,726	(27,500)	1,054,226
	1,006,519	1,122,933	3,000	2,132,452
TOTAL FUNDS	4,815,429	1,132,133	-	5,947,562

continued...

15. 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	594,942	(581,248)	13,694
Manse Major Repair Fund	644	(5,138)	(4,494)
	595,586	(586,386)	9,200
Restricted funds			
District Advance Fund	394,877	(148,041)	246,836
Chaplaincy Fund	-	(50,952)	(50,952)
Mission and Youth Fund	28,665	(53,035)	(24,370)
Safeguarding Fund	26,486	(52,389)	(25,903)
Adavu Fund	-	(52,007)	(52,007)
Benevolent Fund	-	(3,037)	(3,037)
Inclusive Gathering Birmingham Fund	24,602	(48,038)	(23,436)
Street Ecclesial Community Fund	20,800	(46,724)	(25,924)
City Centre Fund	1,166,875	(85,149)	1,081,726
	1,662,305	(539,372)	1,122,933
TOTAL FUNDS	2,257,891	(1,125,758)	1,132,133

continued...

15. MOVEMENT IN FUNDS - continued

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

	At 1.9.22 £	Net movement in funds £	Transfers between funds £	At 31.8.24 £
Unrestricted funds				
General Fund	43,146	40,299	(18,000)	65,445
Capital Revaluation Reserve Fund	3,750,000	-	-	3,750,000
Manse Major Repair Fund	15,764	(3,556)	8,000	20,208
Exchange Visits Fund	-	(2,505)	4,100	1,595
District Inclusive Gathering Fund	-	(3,091)	3,499	408
Finance Management Fund	-	(31,284)	49,000	17,716
Joint District Fund	-	(1,350)	4,500	3,150
Rural Fund	-	(3,294)	3,300	6
Training Fund	-	(14,657)	15,000	343
District Advance Fund	-	-	1,107,676	1,107,676
Mission and Youth Fund	-	-	56,779	56,779
Safeguarding Fund	-	-	19,657	19,657
Benevolent Fund	-	-	1,149	1,149
	3,808,910	(19,438)	1,254,660	5,044,132
Restricted funds				
District Advance Fund	828,913	582,654	(1,411,567)	-
Chaplaincy Fund	31,575	(50,952)	19,377	-
Mission and Youth Fund	61,649	(82,370)	20,721	-
Safeguarding Fund	17,452	(57,545)	40,093	-
Adavu Fund	52,007	(52,007)	-	-
Benevolent Fund	4,185	(6,036)	1,851	-
Inclusive Gathering Birmingham Fund	5,998	(59,908)	70,000	16,090
Street Ecclesial Community Fund	4,740	(47,522)	67,039	24,257
City Centre Fund	-	1,078,246	(62,174)	1,016,072
	1,006,519	1,304,560	(1,254,660)	1,056,419
TOTAL FUNDS	4,815,429	1,285,122	-	6,100,551

continued...

15. 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	1,235,267	(1,194,968)	40,299
Manse Major Repair Fund	1,582	(5,138)	(3,556)
Exchange Visits Fund	-	(2,505)	(2,505)
District Inclusive Gathering Fund	-	(3,091)	(3,091)
Finance Management Fund	-	(31,284)	(31,284)
Joint District Fund	-	(1,350)	(1,350)
Rural Fund	-	(3,294)	(3,294)
Training Fund	2,172	(16,829)	(14,657)
	1,239,021	(1,258,459)	(19,438)
Restricted funds			
District Advance Fund	902,970	(320,316)	582,654
Chaplaincy Fund	-	(50,952)	(50,952)
Mission and Youth Fund	41,108	(123,478)	(82,370)
Safeguarding Fund	56,456	(114,001)	(57,545)
Adavu Fund	-	(52,007)	(52,007)
Benevolent Fund	-	(6,036)	(6,036)
Inclusive Gathering Birmingham Fund	54,438	(114,346)	(59,908)
Street Ecclesial Community Fund	49,099	(96,621)	(47,522)
City Centre Fund	1,197,448	(119,202)	1,078,246
	2,301,519	(996,959)	1,304,560
TOTAL FUNDS	3,540,540	(2,255,418)	1,285,122

Purpose of Unrestricted Funds

General Fund

This fund represents funds for use at the discretion of the trustees in furtherance of the general objectives of the District for day-to-day running costs.

Designated Funds

District Advance Fund

This fund provides grants to churches and circuits within the District. These grants, along with amounts transferred from DAF into other district funds for work at district level, are authorised by the District Resourcing Mission Committee.

Capital Revaluation Fund

This fund represents the balance sheet value of tangible fixed assets held by the District's General Fund, namely Wesley International House and 36 Amesbury Road

continued...

15. MOVEMENT IN FUNDS - continued

Manse Major Repair Fund
Amounts are transferred annually from the General Fund towards future major repairs on the district manse.

Exchange Visits Fund
This fund enabled the District Chair to lead a group from the Birmingham District of the Methodist Church to visit our exchange partners in Kadoma, Zimbabwe in October 2023.

This fund was fully expended as at 31 August 2024.

District Inclusive Gathering Fund
This fund supports the work of District IGB, a LGBTQIA+ affirming, justice-seeking church for all.

Finance Management Fund
This fund supports the financial management of the District.

Joint District Fund
This fund supports costs incurred concerning the merger due to take effect between the Birmingham District of the Methodist Church and the Wolverhampton & Shrewsbury District of the Methodist Church.

Rural Fund
This fund is a project whose aim is to support mission in rural communities.

Training Fund
This fund supports training costs incurred by the District.

Mission and Youth Fund
This fund supports the work of the mission adviser and the youth engagement officer.

Safeguarding Fund
This fund supports the work of two safeguarding officers whose combined costs are shared with Wolverhampton and Shrewsbury Methodist District.

Benevolent Fund
This fund is for use at the Chair's discretion to reimburse costs incurred in cases of hardship and need.

Restricted Funds

Chaplaincy Fund
This fund supports chaplaincy at the NEC together with the co-ordination of chaplains working within the District.

This fund was fully expended as at 31 August 2024.

Inclusive Gathering Birmingham Fund
This fund supports the work of IGB, a LGBTQIA+ affirming, justice-seeking church for all.

Street Ecclesial Community Fund
This fund is for the work of Street Banquet, engaging the homelessness sector, providing outreach and chaplaincy.

continued...

15. MOVEMENT IN FUNDS - continued

City Centre Fund
This fund supports God's work in Birmingham City Centre, including grants to Inclusive Gathering Birmingham and Street Ecclesial Community. The fund, managed by Birmingham Methodist Circuit until 1 September 2022 and transferred to the District on that date, represents the remaining proceeds from the sale of the head lease of Birmingham City Mission in 2014-15, plus 47 Grove Avenue, the manse occupied by Rev Neil Johnson, the pastor of Street Ecclesial Community.

TRANSFERS BETWEEN FUNDS

Transfers between funds as at 31 August 2023 and 31 August 2024 represent movements between the District's General Fund and the District's designated funds and movements between restricted funds.

As at 31 August 2024 the decision was taken to transfer the District Advance Fund from restricted funds and into unrestricted designated funds in accordance with the prescribed format of The Methodist Church. Similar fund transfers have also taken place for The Mission and Youth Fund, The Safeguarding Fund and The Benevolent Fund.

16. FUTURE GRANT COMMITMENTS AND OTHER CONTINGENT LIABILITIES

District Advance Fund
Future grant commitments from the District Advance Fund are shown below.

As at 31 August 2024 future grant commitments from the District Advance Fund were as follows:

Year to	£
31 August 2025	527,538
31 August 2026	166,026
31 August 2027	54,743
31 August 2028	53,952
	802,259

City Centre Fund
Future grant commitments from the City Centre Fund are shown below.

As at 31 August 2024 future grant commitments from the City Centre Fund were as follows:

Year to	£
31 August 2025	42,737
31 August 2026	44,504
31 August 2027	35,123
31 August 2028	7,500
	129,864

All such future payments are conditional upon the Resourcing Mission Committee being satisfied, on the basis of progress reports from the grantee, that the project's achievements to date justify the payment of further instalments of the grant.

continued...

16. FUTURE GRANT COMMITMENTS AND OTHER CONTINGENT LIABILITIES - continued

Other
Estimated employer debt on withdrawal of former employee pensions under the Growth Plan 3 scheme is £2,191 at the latest valuation date, being 30 September 2023.

17. RELATED PARTY DISCLOSURES

Transactions with other Methodist entities and associated charities are disclosed in the Report of the Trustees.

18. POST BALANCE SHEET EVENTS

Merger between the Birmingham District of the Methodist Church and the Wolverhampton & Shrewsbury District of the Methodist Church
The proposed merger between the Birmingham District of the Methodist Church and the Wolverhampton & Shrewsbury District of the Methodist Church was approved by the two District Synods in April 2024.

It was recommended and approved at the Methodist Conference in June 2024 that the two Districts will become one combined West Midlands District with effect from September 2025.

Work will proceed before the merger becomes effective in September 2025 to ensure that all aspects of each District's work will come together, and that the merger takes place smoothly by the end of August 2025.

The Birmingham District's mission and ministries work will continue alongside these preparations.

West Midlands Methodist District

England & Wales - Charity number 1134167

Accounts

REGISTERED CHARITY NUMBER: 1134167

REPORT OF THE TRUSTEES AND

FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 AUGUST 2023

FOR

BIRMINGHAM DISTRICT
OF THE METHODIST CHURCH

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

BIRMINGHAM DISTRICT
OF THE METHODIST CHURCH

CONTENTS OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2023

	Page
Report of the Trustees	1 to 10
Report of the Independent Auditors	11 to 13
Statement of Financial Activities	14
Balance Sheet	15 to 16
Cash Flow Statement	17
Notes to the Cash Flow Statement	18
Notes to the Financial Statements	19 to 33

BIRMINGHAM DISTRICT
OF THE METHODIST CHURCH

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

Methodists belong to local churches or ecumenical partnerships, but also feel part of a larger connected community, the Connexion. There are around 4,000 Methodist churches across the country, grouped within circuits. Birmingham Methodist District is one of 30 districts within the Methodist Church in Britain and comprises some 120 - 130 churches, grouped in 10 circuits across Birmingham, Worcestershire, Warwickshire, Herefordshire and Staffordshire.

District Policy Statement

"The calling of the Methodist Church is to respond to the gospel of God's love in Christ and to live out its discipleship in worship and mission. It does this through worship learning and caring, service and evangelism."

The Birmingham Methodist District seeks to be a network of communities where people are included and grow, being transformed by the love of God and sharing their story of God's grace. In collaboration with others where possible the District is committed to creating safer spaces and working for a just and sustainable world. We have a vision for a growing, evangelistic, justice-seeking and inclusive church without walls. In the power of the Holy Spirit, we seek to grow disciples of Jesus Christ. Growing ...

- in numbers of new disciples,
- in depth of discipleship,
- in the transformation of communities and society.

Ensuring our work delivers our aims

We review our aims, objectives and activities each year. This review looks at what we achieved and the outcomes of our work in the previous 12 months. The review looks at the success of each key activity and the benefits they have brought to those groups of people we are set up to help. The review also helps us to ensure that our aim, objectives and activities remained focused on our stated purposes.

We have referred to the guidance contained in the Charity Commission's general guidance on public benefit when reviewing our aims and objectives and in planning our future activities. In particular, the trustees consider how planned activities will contribute to the aims and objectives they have set.

The focus of our work

The focus of our work continues to be that of a charity set up to be a network of communities where people are included and grow, being transformed by the love of God and sharing their story of God's grace.

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.

Our charitable activities have been carried out within the framework of our policy statement, namely with the aim of growth, not only within Methodism in Birmingham but also growth in the outworking of our discipleship, by seeking to work for the public benefit of the community around us. Our chaplaincy and other projects demonstrate our aim to show the love of Jesus Christ outside the church walls.

OBJECTIVES AND ACTIVITIES

Grantmaking

The Resourcing Mission Committee meets three times a year to oversee the finance function of the district, to oversee district property and to approve grants to circuits and churches within the District.

Volunteers

Birmingham Methodist District is heavily reliant on volunteers at church, circuit and district level. Volunteers give their time and skills to further the aims of the district. Much of this work is by serving on committees and by acting as trustees. The district is grateful to all of them for their help and commitment.

Trustees

Reimbursements of expenses paid to trustees are disclosed in the notes to the accounts. Payments to trustees for services that are required by the District are also disclosed in the accounts. The District Council ensures that any such services are in the best interests of the District. Measures are in place to ensure that no conflict of interest arises from any such payment.

ACHIEVEMENTS AND PERFORMANCE

Review of the year

- We welcomed Rev Novette Headley as Chair at the start of the Methodist Year. There was a celebratory welcome service held at Coventry Central Hall in September 2022. Novette has been a key player in the conversation with Wolverhampton and Shrewsbury District regarding the planned merger with that District in September 2025 to form a new West Midlands District. She and Rachel Parkinson, the Chair of Wolverhampton and Shrewsbury District, have shared in many significant events during the year including a pilgrimage through the Golden Valley and participation in the joint district youth event, Amplify.

- The City Centre Fund was transferred to Birmingham Methodist District on 1 September 2022. The City Centre Fund comprises money from the sale of the head lease of Birmingham Methodist Central Hall in 2014 - 2015. Synod initially delegated responsibility for the management of the fund to Birmingham Methodist Circuit but the responsibility reverted to the District in September 2022 following a change in Birmingham Circuit's constitution. The fund is ring-fenced for God's work within Birmingham City Centre. Decisions regarding grants from the City Centre Fund are made by the District Resourcing Mission Committee.

- The manse occupied by Rev Neil Johnson at 47 Grove Avenue had been bought from money held within the City Centre Fund in March 2022. This manse, held as an asset of the City Centre Fund, passed to the District on 1 September 2022.

- The work of our district officers and district projects continued as described below. The NEC project ceased at 31 August 2023, Connexional grant funding for chaplaincy having been withdrawn.

- A decision to appoint a Finance Officer was made, to take up office in September 2023.

- A decision to appoint JW Hinks LLP as auditors was approved by District Council in July 2023.

Charitable activities

In the year to 31 August 2023 resources have been deployed in the following ways:

- The provision of funding for our Mission Adviser, Adam Sanders. Adam is a key member of the District team. He leads on the District Development Plan which seeks to integrate social justice and evangelism. He works closely with the Connexion, developing the District's New Places for New People projects, whilst working closely with the circuits, advising on their Mission Action Plans. He also liaises with the Learning Network to help with the relevant delivery of training resources.

ACHIEVEMENT AND PERFORMANCE

Charitable activities

- The provision of funding and support mission projects in the District including the work of the Lozells Community Project.

- The provision of funding and support for a new District project called Street Banquet, launched in September 2022 and led by pioneer minister, Rev Neil Johnson. Also known as Street Ecclesial Community, this project engages with the homelessness sector, providing outreach and chaplaincy.

- The provision of chaplaincy at the NEC. Chaplaincy at the NEC ceased to be a District project in August 2023. The work is continuing, however, with Rev David Butterworth and his assistant, Paul Chesterman, having been taken on as employees of the NEC.

- The provision of two safeguarding officers who work across the Birmingham District and Wolverhampton and Shrewsbury District.

- The provision of funding to enable the provision of chaplaincy at three universities within the area of Birmingham District, namely the University of Aston, the University of Birmingham and the University of Warwick.

- The provision of funding and support for the work of Inclusive Gathering Birmingham - a diverse LGBTQIA+ affirming, justice-seeking church for all. This new "church" is growing in many ways. Plans are being developed to adopt the model in new locations across the District.

- The provision of funding and leadership for young people from the District to attend youth events. These events included "3Gen", the annual Methodist youth gathering held at the NEC, and "Amplify", a joint district youth event with Wolverhampton and Shrewsbury District, held in Shropshire.

- The provision of funding and organisation for a visit from the President and Vice-President of the Methodist Conference in March 2023, marked by an open mic youth event, a district conference and a tea for supernumerary ministers.

- Seeking the promotion of equality, diversity and inclusion with society as well as the Church.

- The promotion of the District's aim to become an "EcoDistrict" whereby every church is encouraged to incorporate "Caring for Creation" into all of their activities.

- Continuing to act as managing trustees for Wesley International House, a property owned by Birmingham Methodist District, and supporting Birmingham International Student Homes, the charity which administers the management of two Methodist buildings providing accommodation for international students of different faiths within a safe and supportive environment.

FINANCIAL REVIEW

Financial position

During the year the district received total income from all sources amounting to £2,258k (2022: £1,070k) and disbursed £1,126k (2022: £981k), giving a net surplus of income over expenditure of £1,132k (2022: £89k. Total reserves at 31 August 2023 were £5,948k (2022: £4,815k). £4,203k represents freehold land & buildings (2022: £3,750k). £1,078k (2022: £1,007k) are restricted held within 8 ring fenced funds. £1,069k (2022: £16k) is unrestricted and held within designated funds. Free Reserves represent the balance on the General Fund of £50k (2022: £43k).

The district continues to own the district manse at 36 Amesbury Road and Wesley International House (one of two Methodist properties in Birmingham and managed by Birmingham International Student Homes, a separate charity). 47 Grove Avenue, the manse occupied by Rev Neil Johnson, had been acquired by the City Centre Fund in March 2022 for £452,922, before the transfer of the City Centre Fund from Birmingham Methodist Circuit to Birmingham Methodist District on 1 September 2022.

The value of the City Centre Fund at the date of transfer was £1,146,691 comprising cash at bank of £693,769 and 47 Grove Avenue at £452,922.

The trustees have agreed the fair value of the district manse as £750,000. Wesley International House is valued at £3,000k (2022 - £3,000k). The combined value of Freehold Property of £4,203k (2022 - £3,750k) is shown within Tangible Fixed Assets.

No fund was in deficit at the year end.

Investment policy and performance

To comply with Methodist Standing Orders, money for long term investment is lodged with the Trustees for Methodist Church Purposes (TMCP) or with the Central Finance Board of the Methodist Church (CFB). 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 Birmingham Methodist District 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 £58,410 (2022: £4,709).

FINANCIAL REVIEW

Reserves policy

"Free Reserves" represent the balance on the General Fund of £50k (2022: £43k). Total reserves ar 31 August 2023 were £5,948k (2022: £4,815k).

The General Fund derives its income principally from circuit contributions (also known as assessments). The majority of this income is paid over to the central Methodist Church Fund, the balance of circuit contributions being held within the General Fund, to finance the day-to-day running costs of the District. The trustees believe that the balance on the General Fund should be in the region of £30k - £40k to cover four to six months of District running costs. If the District makes a surplus over budget for any particular year that surplus is returned to the circuits via a future budget. Taking this into account we believe that the amount held within the General Fund at 31 August 2023 is in line with our reserves policy.

The Manse Major Repair Fund seeks to build up a reserve, by means of annual transfers from the General Fund, to be used for any significant costs that may arise in the future relating to the district manse.

Income in the District Advance Fund is derived principally from distributions from the Connexional Priority Fund (i.e. from central Methodist sources) and from levies on trust funds held at circuit level (i.e. from local Methodist sources). Decisions regarding District Advance Fund spending and its allocation to projects are made by the Resourcing Mission Committee. Reserves held in the District Advance Fund will be sufficient to cover the future grant commitments from that fund. The reserves policy of the District Advance Fund is that at any point in time the total of the future commitments from the District Advance Fund will not exceed the cash held within that fund. At the same time the District ensures that future grant commitments almost match the amount held within the District Advance Fund, meaning that there will not be excess reserves held within the District Advance Fund.

For all restricted funds the reserves policy is to hold grants and donations within dedicated ring-fenced funds, to be used for the specific purposes of those grants and donations.

Going concern

The trustees of the District have every reason to believe that the District is a going concern. The circuits continue to meet their assessments and reserves are considered adequate. Reserves policies are reviewed annually. There are no subsidiary undertakings. Methodist membership is in decline across all districts with a resultant loss of income at church level. However, proceeds from the sale of church buildings are partly used to meet ongoing costs at circuit level, including the circuits' assessment payments to the District.

FUTURE PLANS

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

- Charlotte Hambly, our Youth Engagement Officer, enabled a group of young people to attend "3Gen", the annual Methodist youth gathering held at the NEC in October 2023.

- In September 2023 Synod approved the appointment of Rev Richard Wilde as Rural Life Officer. This is a new District project which aims to support mission in the rural communities.

- Mrs Patrycja Nedza took up the post of Finance Officer in September 2023.

- Rev Novette Headley led a group from Birmingham District on a trip to Zimbabwe to visit our exchange partners in Kadoma in October 2023.

- Neil Bishop was appointed District Treasurer with effect from January 2024.

- Birmingham District continues to consult with Wolverhampton and Shrewsbury District with a view to forming a West Midlands District in September 2025. Both synods have voted to explore the merger. Discussions are taking place at circuit level for formal Synod ratification in 2024.

STRUCTURE, GOVERNANCE AND MANAGEMENT

Governing document

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

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.

Governance

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

Key management remuneration

In the trustees' opinion, the key management personnel of the District responsible for the direction, control, running and operation of the District on a day-to-day basis consists of the Board of Trustees.

Key management personnel - trustees

All trustees give of their time freely and no trustee received remuneration during the year with the exception of the District Chair whose salary is paid from central Methodist funds and totalled £45,826 for the year ended 31 August 2023 (2022: £42,740).

STRUCTURE, GOVERNANCE AND MANAGEMENT

Management

The District Council meets four times a year. The responsibilities of the District Council, as laid down in Methodist Standing Orders, are as follows.

- To formulate and promote policies which will advance the mission of the Church in the circuits and local churches and in particular to supervise the use of resources of personnel, property and finance and to assist local churches and circuits having exceptional problems.
- To encourage inter-circuit and ecumenical co-operation.
- To act in an executive capacity remitted to the Council by the Synod.
- To keep within its purview all district concerns not dealt with elsewhere.
- To contribute and respond, as the case may be, to the development of connexional policies as reflected in the work of the Conference and the Methodist Council and to carry out its other responsibilities with any such development in mind.

The District Council oversees the work of the Resourcing Mission Committee, stationing, safeguarding, authorisations to preside at communion, extensions to local preacher training and other matters as necessary.

Related parties

Methodist entities, whether they be districts, circuits or churches, are obliged to register as individual charities if they meet the requirements of registration laid down by the Charity Commission.

Birmingham Methodist District receives income from the circuits within the Birmingham District. All of the circuits are registered charities. Contributions from circuits, sometimes known as "the circuit assessment", are used to pay contributions to the central Methodist Church Fund and to meet the day-to-day running costs of the district. In the year to 31 August 2023 income from circuit assessments totalled £586,500 (2022: £585,336). In addition, the district receives from each circuit holding a Circuit Model Trust Fund (CMTF), a levy based on the size of the CMTF at the start of the year. In the year to 31 August 2023 the total levy, credited automatically to the District Advance Fund by TMCP, was £104,895 (2022: £153,338).

Methodist Church in Britain (MCB) is the largest Methodist entity, based at 25 Tavistock Place, London, and is an individual charity. In 2022-23 Birmingham Methodist District paid £508,495 (2022: £511,343) to the Methodist Church Fund as a contribution towards the running costs of MCB. The District Advance Fund receives annual grant income from the Connexional Priority Fund held within the accounts of MCB. In the year to 31 August 2023 £190,937 was received from the Connexional Priority Fund (2022: £117,141).

Wesley International House is a freehold property held by TMCP as custodian trustees for Birmingham Methodist District. A separate charity called Birmingham International Student Homes (BISH) is responsible for all aspects of the upkeep and maintenance of Wesley International House. BISH reports annually to Birmingham Methodist District Council.

Risk management

The trustees have a duty to identify and review the risks to which the charity is exposed and to ensure appropriate controls are in place to provide reasonable assurance against fraud and error.

STRUCTURE, GOVERNANCE AND MANAGEMENT

Fundraising

The majority of the District's income is derived from circuit contribution, Connexional and other grants, Circuit Model Trust Fund levies and Connexional Priority Fund distributions. The District does not engage in public fundraising and does not use professional fundraisers or commercial participators,

REFERENCE AND ADMINISTRATIVE DETAILS

Registered Charity number

1134167

Principal address

36 Amesbury Road
Moseley
Birmingham
West Midlands
B13 8LE

Trustees

Deacon A Allport		
Rev I Ballard		
Rev N Bishop	- appointed 25 January 2024	
Ms S Clutterbuck		
Mr P Dipple		- resigned 5 October 2023
Rev N Headley (Chair)	- appointed 1 September 2022	
Rev D Koffie-Williams		
Rev S Levett		
Mr C Osborn		
Mr T Pethick		
Rev A Richards		- resigned 31 August 2023
Rev S Shortman	- appointed 1 September 2022	
Rev C Sibanda	- appointed 1 September 2023	
Deacon M Slowe		
Rev A Smith		- resigned 31 August 2023
Ms S Smith		
Rev J Suray		- resigned 31 August 2023
Rev J Thornton		
Ms J Tolley	- appointed 1 September 2022	
Rev P Warrey	- appointed 1 September 2023	
Mr H Watton	- appointed 1 September 2022	
Ms G Weller		
Rev S Willey	- appointed 1 September 2022	
Ms H Woodall		

Auditors

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

REFERENCE AND ADMINISTRATIVE DETAILS

Bankers

Trustees for Methodist Church Purposes
Oldham Street
Manchester
M1 1JQ

Central Finance Board of the Methodist Church
9 Bonhill Street
London
EC2A 4PE

Co-operative Bank
PO Box 250
Skelmersdale
WN8 6WT

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.

JW Hinks LLP were appointed as auditors on 20 October 2023. A resolution to re-appoint JW Hinks LLP as auditors will be proposed at the District Council meeting to be held on 20 March 2024.

Approved by order of the board of trustees on 20 March 2024 and signed on its behalf by:

Trustee N L Healey

Opinion

We have audited the financial statements of Birmingham District of the Methodist Church (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.

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:

- 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; and
- confirming accounts receivable and other accounts with a third party.

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 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 LLP
Chartered Accountants
and Statutory Auditors
19 Highfield Road
Edgbaston
Birmingham
B15 3BH

20 March 2024

BIRMINGHAM DISTRICT
OF THE METHODIST CHURCH

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					
Donations and legacies	3	**588,423**	**1,611,058**	**2,199,481**	1,065,099
Investment income	4	**7,163**	**51,247**	**58,410**	4,709
Total		**595,586**	**1,662,305**	**2,257,891**	1,069,808
EXPENDITURE ON					
Charitable activities	5				
Grants and donations		-	**285,339**	**285,339**	97,579
Contributions to Methodist Church Fund		**508,945**	-	**508,945**	511,343
Other		**77,441**	**254,033**	**331,474**	372,257
Total		**586,386**	**539,372**	**1,125,758**	981,179
NET INCOME		**9,200**	**1,122,933**	**1,132,133**	88,629
Transfers between funds	14	**(3,000)**	**3,000**	-	-
Net movement in funds		**6,200**	**1,125,933**	**1,132,133**	88,629
RECONCILIATION OF FUNDS					
Total funds brought forward		**3,808,910**	**1,006,519**	**4,815,429**	4,726,800
TOTAL FUNDS CARRIED FORWARD		**3,815,110**	**2,132,452**	**5,947,562**	4,815,429

The notes form part of these financial statements

BIRMINGHAM DISTRICT
OF THE METHODIST CHURCH

BALANCE SHEET
31 AUGUST 2023

	Notes	Unrestricted funds £	Restricted funds £	**2023 Total funds £**	2022 Total funds £
FIXED ASSETS					
Tangible assets	11	**3,750,000**	**452,922**	**4,202,922**	3,750,000
CURRENT ASSETS					
Debtors	12	-	**14,007**	**14,007**	14,289
Cash at bank		**72,605**	**1,666,779**	**1,739,384**	1,079,121
		72,605	**1,680,786**	**1,753,391**	1,093,410
CREDITORS					
Amounts falling due within one year	13 & 15	**(7,495)**	**(1,256)**	**(8,751)**	(27,981)
NET CURRENT ASSETS		**65,110**	**1,679,530**	**1,744,640**	1,065,429
TOTAL ASSETS LESS CURRENT LIABILITIES		**3,815,110**	**2,132,452**	**5,947,562**	4,815,429
NET ASSETS		**3,815,110**	**2,132,452**	**5,947,562**	4,815,429

The notes form part of these financial statements

continued...

BIRMINGHAM DISTRICT
OF THE METHODIST CHURCH

BALANCE SHEET - continued
31 AUGUST 2023

FUNDS	14		
Unrestricted funds:			
General Fund		**49,840**	43,146
Capital Revaluation Reserve Fund		**3,750,000**	3,750,000
Manse Major Repair Fund		**15,270**	15,764
		3,815,110	3,808,910
Restricted funds:			
District Advance Fund		**943,139**	828,913
Chaplaincy Fund		**8,873**	31,575
Mission and Youth Fund		**72,279**	61,649
Safeguarding Fund		**20,549**	17,452
Adavu Fund		**-**	52,007
Benevolent Fund		**4,148**	4,185
Inclusive Gathering Birmingham Fund		**12,562**	5,998
Street Ecclesial Community Fund		**16,676**	4,740
City Centre Fund		**1,054,226**	-
		2,132,452	1,006,519
TOTAL FUNDS		**5,947,562**	4,815,429

The financial statements were approved by the Board of Trustees and authorised for issue on 20 March 2024 and were signed on its behalf by:

Trustee N S Headley

Trustee R E Woodall

The notes form part of these financial statements

BIRMINGHAM DISTRICT
OF THE METHODIST CHURCH

CASH FLOW STATEMENT
FOR THE YEAR ENDED 31 AUGUST 2023

	Notes	2023 £	2022 £
Cash flows from operating activities			
Cash generated from operations	1	**1,054,775**	93,095
Net cash provided by operating activities		**1,054,775**	93,095
Cash flows from investing activities			
Purchase of tangible fixed assets		**(452,922)**	-
Interest received		**58,410**	4,709
Net cash (used in)/provided by investing activities		**(394,512)**	4,709
Change in cash and cash equivalents in the reporting period		**660,263**	97,804
Cash and cash equivalents at the beginning of the reporting period		**1,079,121**	981,317
Cash and cash equivalents at the end of the reporting period		**1,739,384**	1,079,121

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)	**1,132,133**	88,629
Adjustments for:		
Interest received	**(58,410)**	(4,709)
Decrease/(increase) in debtors	**282**	(11,352)
(Decrease)/increase in creditors	**(19,230)**	20,527
Net cash provided by operations	**1,054,775**	93,095

2. ANALYSIS OF CHANGES IN NET FUNDS

	At 1.9.22	Cash flow	**At 31.8.23**
	£	£	**£**
Net cash			
Cash at bank and in hand	**1,079,121**	**660,263**	**1,739,384**
	1,079,121	**660,263**	**1,739,384**
Total	**1,079,121**	**660,263**	**1,739,384**

The notes form part of these financial statements

1. ACCOUNTING POLICIES

GENERAL INFORMATION AND BASIS OF PREPARING THE FINANCIAL STATEMENTS

General information

Birmingham District of the Methodist Church is an unincorporated charity registered in England and Wales. The District's principal address and place of activity is 36 Amesbury Road, Moseley, Birmingham, B13 8LE.

Accounting convention

The financial statements of the District, 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 United Kingdom 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 using the historic cost convention, as modified by the revaluation of certain assets, and are presented in sterling which is the functional currency of the District, rounded to the nearest £1.

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 District to continue as a going concern. 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 District has adequate resources to continue in operational existence for the foreseeable future and that there are no material uncertainties about the District's ability to continue as a going concern. As a result the trustees continue to adopt the going concern basis of accounting in preparing the financial statements.

CONSOLIDATION

Birmingham Methodist District oversees the work of ministers and lay workers in churches and circuits within the District but does not have financial control over those circuits or churches. For this reason the financial statements of the churches and circuits within the District are not consolidated into these financial statements.

INCOME

All income is recognised in the Statement of Financial Activities once the charity has entitlement to the funds, it is probable that the income will be received and the amount can be measured reliably.

Grants are included in the Statement of Financial Activities on a receivable basis. The balance of income received for specific purposes but not expended during the period is shown in the relevant funds on the Balance Sheet. Where income is received in advance of entitlement of receipt its recognition is deferred and included in creditors as deferred income. Where entitlement occurs before income is received, the income is accrued.

Donations are recognised on a receivable basis where there is certainty of receipt and the amount can be reliably measured. If there are conditions attached to the donation and this requires a level of performance before entitlement can be obtained, then income is deferred until those conditions are fully met or the fulfilment of those conditions is within the control of the charity and it is probable that they will be fulfilled.

The value of services donated by volunteers is not quantified.

continued...

1. ACCOUNTING POLICIES - continued

INCOME
Investment income is earned through holding assets such as cash on deposit. It includes interest receivable. Interest income is recognised using the effective interest rate method and is recognised as the District's right to receive payment is established.

EXPENDITURE
Liabilities are recognised as expenditure as soon as there is a legal or constructive obligation committing the charity to that expenditure, it is probable that a transfer of economic benefits will be required in settlement and the amount of the obligation can be measured reliably. Expenditure is accounted for on an accruals basis and has been classified under headings that aggregate all cost related to the category. Where costs cannot be directly attributed to particular headings they have been allocated to activities on a basis consistent with the use of resources.

Grants are recognised annually as and when the performance conditions attaching to the award are met, even when the award is for a recurrent grant over more than one year. All grants awarded for payment in future financial years are conditional on the Resourcing Mission Committee being satisfied, on the basis of progress reports from the grantee, that the project's achievements to date justify the payment of further instalments of the grant. Future commitments from the District Advance Fund are shown in the notes to the accounts.

Support costs are those that assist with the work of the District but do not directly represent charitable activities and include office costs, governance costs and other administrative costs.

Governance costs are those 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.

ALLOCATION AND APPORTIONMENT OF COSTS
All costs are allocated between the expenditure categories of the Statement of Financial Activities on the basis designed to reflect the use of the resource. Costs relating to a particular activity are allocated directly, others are apportioned on an appropriate basis e.g. floor areas, per capita or estimated usage.

TANGIBLE FIXED ASSETS
Fixed assets are initially recognised at cost or fair valuation.

Freehold property is not depreciated. The trustees consider that this policy is necessary in order for the financial statements to give a true and fair view because current values and changes in current values are of prime importance rather than the calculation of systematic annual depreciation.

TAXATION
The District is exempt from tax on its charitable activities.

FINANCIAL INSTRUMENTS
Financial assets and financial liabilities are recognised when the District becomes a party to the contractual provisions of the instrument. All financial assets and liabilities are initially measured at transaction price (including transaction costs). Basic financial instruments are initially recognised at transaction value and subsequently measured at their settlement value.

CASH AND CASH EQUIVALENTS
Cash and cash equivalents include deposits held at call with banks.

continued...

1. ACCOUNTING POLICIES - continued

PENSION COSTS AND OTHER POST-RETIREMENT BENEFITS
The charity operates a defined contribution pension scheme. Contributions payable to the charity's pension scheme are charged to the Statement of Financial Activities in the period to which they relate.

DEBTORS AND CREDITORS RECEIVABLE/PAYABLE WITHIN 1 YEAR
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.

EMPLOYEE BENEFITS
When employees have rendered service to the District short-term employee benefits to which the employees are entitled to are recognised at the undiscounted amount expected to be paid in exchange for that service.

PENSION COSTS AND OTHER POST-RETIREMENT BENEFITS
The District operates a defined contribution pension scheme. The assets of the scheme are held separately from those of the District. The pension cost charge represents contributions paid by the District to the fund.

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

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 particular restricted purposes within the objects of the District. Restrictions arise when specified by the donor or when funds are raised for particular restricted purposes.

Further explanation of the nature and purpose of each fund is included in the notes to the financial statements.

2. CRITICAL ACCOUNTING JUDGEMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY

In the application of the District's accounting policies, the trustees are required to make judgements, estimates and assumptions about the carrying amount of assets and liabilities that are not readily apparent from other sources.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised where the revision affects only that period or in the period of the revision and future periods where the revision affects both current and future periods.

continued...

3. DONATIONS AND LEGACIES

	2023	2022
	£	£
Circuit contributions	**586,500**	585,336
Donations	**18,769**	28,839
Connexional and other grants	**109,877**	146,176
Circuit Model Trust Fund levies	**104,895**	153,338
Connexional Priority Fund distribution	**190,937**	117,141
Other income	**41,812**	34,269
Exceptional items - City Centre Fund	**1,146,691**	-
	2,199,481	1,065,099

Exceptional items - donations (City Centre Fund)

Exceptional items totalling £1,146,691 for the year ended 31 August 2023 consists of assets transferred to the Birmingham District of the Methodist Church on 1 September 2022 from the Birmingham Methodist Circuit. Synod initially delegated responsibility for the management of this fund to Birmingham Methodist Circuit but the responsibility reverted to the District in September 2022 following a change in Birmingham Methodist Circuit's constitution. This fund is ring-fenced for activities within Birmingham city centre and decisions regarding grants from the City Centre Fund are made by the District Resourcing Mission Committee. The assets transferred were cash at bank (£693,769) and 47 Grove Avenue (£452,922).

Grants received, included in the above, are as follows:

	2023	2022
	£	£
Connexional and other grants	**109,877**	146,176

4. INVESTMENT INCOME

	2023	2022
	£	£
Deposit account interest	**58,410**	4,709

continued...

5. CHARITABLE ACTIVITIES COSTS

	Grant funding of activities (see note 6)	Support costs (see note 7)	Totals
	£	£	£
Grants and donations	**285,339**	-	**285,339**
Contributions to Methodist Church Fund	**508,945**	-	**508,945**
Other	-	**331,474**	**331,474**
	794,284	**331,474**	**1,125,758**

6. GRANTS PAYABLE

	2023	2022
	£	£
Grants and donations	**285,339**	97,579
Contributions to Methodist Church Fund	**508,945**	511,343
	794,284	608,922

The total grants paid to institutions during the year was as follows:

	2023	2022
	£	£
Methodist Church Fund	**508,945**	511,343
Mission projects	**233,092**	92,486
Property projects	-	3,000
Other grants and donations	**52,247**	2,093
	794,284	608,922

Other grants and donations - Adavu CIO

Included within other grants and donations totalling £52,247 for the year ended 31 August 2023 (2022: £2,093) is a donation of £52,007 (2022: £nil) made to Adavu CIO. The District's Adavu Fund ceased to be a district project on 1 September 2022 at which date the remaining funds were transferred to a new independent charity, Adavu CIO. During the year ended 31 August 2023 Adavu continued to support survivors of modern slavery.

continued...

7. SUPPORT COSTS

	Management	Governance costs	Totals
	£	£	£
Other	**325,474**	**6,000**	**331,474**

Support costs, included in the above, are as follows:

MANAGEMENT

	2023	2022
	Other	Total activities
	£	£
Wages	**193,872**	**216,146**
Social security	**15,473**	**21,373**
Pensions	**20,833**	**16,374**
Employees expenses	**17,228**	**13,403**
Training	**11,811**	**11,403**
District office costs	**4,479**	**4,274**
Manse costs	**11,733**	**20,677**
Trustees' expenses	**997**	**1,000**
Administrative costs	**32,375**	**43,194**
Subscriptions	**2,122**	**2,160**
Professional fees	**1,198**	**1,485**
Other expenses	**13,353**	**16,268**
	325,474	**367,757**

GOVERNANCE COSTS

	2023	2022
	Other	Total activities
	£	£
Auditors' remuneration	**6,000**	**4,500**

8. 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.

continued...

8. TRUSTEES' REMUNERATION AND BENEFITS - continued

TRUSTEES' EXPENSES

There were trustees' expenses of £997 paid during the year ended 31 August 2023 (2022: £1,000).

9. STAFF COSTS

	2023	2022
	£	£
Wages and salaries	**193,872**	216,146
Social security costs	**15,473**	21,373
Other pension costs	**20,833**	16,374
	230,178	253,893

The average monthly number of full-time equivalent employees during the year was as follows:

	2023	2022
Average	**6.3**	7.7

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

Key management personnel
Key management personnel consists of the District Chair, whose salary is paid from Central Methodist Funds. Key management personnel remuneration for the year totalled £45,826 (2022: £42,740).

10. PENSION COMMITMENTS

The District contributes to the individual pension plans of certain employees. The assets of these schemes are held separately from those of the District in independently administered funds.

The total contributions for the year amounted to £20,833 (2022: £16,374) and outstanding contributions as at 31 August 2023 amounted to £nil (2022: £nil).

11. TANGIBLE FIXED ASSETS

	Freehold property
	£
COST	
At 1 September 2022	**3,750,000**
Additions	**452,922**
At 31 August 2023	**4,202,922**
NET BOOK VALUE	
At 31 August 2023	**4,202,922**
At 31 August 2022	3,750,000

continued...

11. TANGIBLE FIXED ASSETS - continued

Tangible fixed assets were valued by the trustees on the basis of their open market value. The resulting surplus has been carried to a capital reserve which is not available for distribution.

The freehold properties comprise Amesbury Road, valued at £750,000, Wesley International House, valued at £3,000,000 and Grove Avenue valued at £452,922. In the opinion of the trustees the current open market valuation of the properties is not materially different from the amounts at which they are included in the accounts.

Whilst Wesley International House is owned by the Trustees for Methodist Church Purposes on trust for Birmingham Methodist District, the property is managed by Birmingham International Student Homes, a separate charity (registered charity number 1095730). Birmingham Methodist District authorises Birmingham International Student Homes to be responsible for all aspects of the upkeep and maintenance of Wesley International House except final ownership.

12. DEBTORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2023	2022
	£	£
Prepayments	14,007	14,289

13. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2023	2022
	£	£
Accruals and deferred income	8,751	27,981

Deferred income included above consists of the following.

	2023	2022
	£	£
Deferred income as at 1 September 2022	20,000	-
Resources deferred during the year	-	20,000
Amounts released from previous years	(20,000)	-
Deferred income as at 31 August 2023	-	20,000

Disclosure regarding future grant commitments and other contingent liabilities can be found in note 15 of the financial statements.

continued...

14. MOVEMENT IN FUNDS

	At 1.9.22 £	Net movement in funds £	Transfers between funds £	At 31.8.23 £
Unrestricted funds				
General Fund	**43,146**	**13,694**	**(7,000)**	**49,840**
Capital Revaluation Reserve Fund	**3,750,000**	**-**	**-**	**3,750,000**
Manse Major Repair Fund	**15,764**	**(4,494)**	**4,000**	**15,270**
	3,808,910	**9,200**	**(3,000)**	**3,815,110**
Restricted funds				
District Advance Fund	**828,913**	**246,836**	**(132,610)**	**943,139**
Chaplaincy Fund	**31,575**	**(50,952)**	**28,250**	**8,873**
Mission and Youth Fund	**61,649**	**(24,370)**	**35,000**	**72,279**
Safeguarding Fund	**17,452**	**(25,903)**	**29,000**	**20,549**
Adavu Fund	**52,007**	**(52,007)**	**-**	**-**
Benevolent Fund	**4,185**	**(3,037)**	**3,000**	**4,148**
Inclusive Gathering Birmingham Fund	**5,998**	**(23,436)**	**30,000**	**12,562**
Street Ecclesial Community Fund	**4,740**	**(25,924)**	**37,860**	**16,676**
City Centre Fund	**-**	**1,081,726**	**(27,500)**	**1,054,226**
	1,006,519	**1,122,933**	**3,000**	**2,132,452**
TOTAL FUNDS	**4,815,429**	**1,132,133**	**-**	**5,947,562**

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

	Incoming resources £	Resources expended £	Movement in funds £
Unrestricted funds			
General Fund	**594,942**	**(581,248)**	**13,694**
Manse Major Repair Fund	**644**	**(5,138)**	**(4,494)**
	595,586	**(586,386)**	**9,200**
Restricted funds			
District Advance Fund	**394,877**	**(148,041)**	**246,836**
Chaplaincy Fund	**-**	**(50,952)**	**(50,952)**
Mission and Youth Fund	**28,665**	**(53,035)**	**(24,370)**
Safeguarding Fund	**26,486**	**(52,389)**	**(25,903)**
Adavu Fund	**-**	**(52,007)**	**(52,007)**
Benevolent Fund	**-**	**(3,037)**	**(3,037)**
Inclusive Gathering Birmingham Fund	**24,602**	**(48,038)**	**(23,436)**
Street Ecclesial Community Fund	**20,800**	**(46,724)**	**(25,924)**
City Centre Fund	**1,166,875**	**(85,149)**	**1,081,726**
	1,662,305	**(539,372)**	**1,122,933**
TOTAL FUNDS	**2,257,891**	**(1,125,758)**	**1,132,133**

continued...

14. MOVEMENT IN FUNDS - continued

Comparatives for movement in funds

	At 1.9.21 £	Net movement in funds £	Transfers between funds £	At 31.8.22 £
Unrestricted funds				
General Fund	42,642	1,487	(983)	43,146
Capital Revaluation Reserve Fund	3,750,000	-	-	3,750,000
Designated Fund	23,222	(7,972)	(15,250)	-
Manse Major Repair Fund	-	65	15,699	15,764
	3,815,864	(6,420)	(534)	3,808,910
Restricted funds				
District Advance Fund	748,246	243,967	(163,300)	828,913
Chaplaincy Fund	13,999	(36,424)	54,000	31,575
Mission and Youth Fund	51,738	(18,089)	28,000	61,649
Safeguarding Fund	10,385	(21,433)	28,500	17,452
Adavu Fund	41,433	(37,426)	48,000	52,007
Benevolent Fund	2,099	(914)	3,000	4,185
Manse Major Repaid Fund	11,699	-	(11,699)	-
Cameroonian Fund	3,386	(3,345)	(41)	-
Inclusive Gathering Birmingham Fund	20,639	(22,641)	8,000	5,998
Digital Church Fund	7,312	(8,386)	1,074	-
Street Ecclesial Community Fund	-	(260)	5,000	4,740
	910,936	95,049	534	1,006,519
TOTAL FUNDS	4,726,800	88,629	-	4,815,429

continued...

14. 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	592,543	(591,056)	1,487
Designated Fund	-	(7,972)	(7,972)
Manse Major Repair Fund	65	-	65
	592,608	(599,028)	(6,420)
Restricted funds			
District Advance Fund	340,471	(96,504)	243,967
Chaplaincy Fund	18,754	(55,178)	(36,424)
Mission and Youth Fund	25,989	(44,078)	(18,089)
Safeguarding Fund	20,676	(42,109)	(21,433)
Adavu Fund	53,404	(90,830)	(37,426)
Benevolent Fund	-	(914)	(914)
Cameroonian Fund	-	(3,345)	(3,345)
Inclusive Gathering Birmingham Fund	17,906	(40,547)	(22,641)
Digital Church Fund	-	(8,386)	(8,386)
Street Ecclesial Community Fund	-	(260)	(260)
	477,200	(382,151)	95,049
TOTAL FUNDS	1,069,808	(981,179)	88,629

continued...

14. MOVEMENT IN FUNDS - continued

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	42,642	15,181	(7,983)	49,840
Capital Revaluation Reserve Fund	3,750,000	-	-	3,750,000
Designated Fund	23,222	(7,972)	(15,250)	-
Manse Major Repair Fund	-	(4,429)	19,699	15,270
	3,815,864	2,780	(3,534)	3,815,110
Restricted funds				
District Advance Fund	748,246	490,803	(295,910)	943,139
Chaplaincy Fund	13,999	(87,376)	82,250	8,873
Mission and Youth Fund	51,738	(42,459)	63,000	72,279
Safeguarding Fund	10,385	(47,336)	57,500	20,549
Adavu Fund	41,433	(89,433)	48,000	-
Benevolent Fund	2,099	(3,951)	6,000	4,148
Manse Major Repaid Fund	11,699	-	(11,699)	-
Cameroonian Fund	3,386	(3,345)	(41)	-
Inclusive Gathering Birmingham Fund	20,639	(46,077)	38,000	12,562
Digital Church Fund	7,312	(8,386)	1,074	-
Street Ecclesial Community Fund	-	(26,184)	42,860	16,676
City Centre Fund	-	1,081,726	(27,500)	1,054,226
	910,936	1,217,982	3,534	2,132,452
TOTAL FUNDS	4,726,800	1,220,762	-	5,947,562

continued...

14. 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	1,187,485	(1,172,304)	15,181
Designated Fund	-	(7,972)	(7,972)
Manse Major Repair Fund	709	(5,138)	(4,429)
	1,188,194	(1,185,414)	2,780
Restricted funds			
District Advance Fund	735,348	(244,545)	490,803
Chaplaincy Fund	18,754	(106,130)	(87,376)
Mission and Youth Fund	54,654	(97,113)	(42,459)
Safeguarding Fund	47,162	(94,498)	(47,336)
Adavu Fund	53,404	(142,837)	(89,433)
Benevolent Fund	-	(3,951)	(3,951)
Cameroonian Fund	-	(3,345)	(3,345)
Inclusive Gathering Birmingham Fund	42,508	(88,585)	(46,077)
Digital Church Fund	-	(8,386)	(8,386)
Street Ecclesial Community Fund	20,800	(46,984)	(26,184)
City Centre Fund	1,166,875	(85,149)	1,081,726
	2,139,505	(921,523)	1,217,982
TOTAL FUNDS	3,327,699	(2,106,937)	1,220,762

Purpose of Unrestricted Funds

General Fund

This fund represents funds for use at the discretion of the trustees in furtherance of the general objectives of the District for day-to-day running costs.

Designated Funds

Capital Revaluation Fund

This fund represents the balance sheet value of tangible fixed assets held by the District's General Fund, namely Wesley International House and 36 Amesbury Road.

Designated Fund

The Designated Fund was established in 2016 for specific costs over the period to 31 August 2022. The fund was closed at that date and the balance was transferred to the General Fund.

Manse Major Repair Fund

Amounts are transferred annually from the General Fund towards future major repairs on the district manse. This fund was reclassified from restricted to designated during the year ended 31 August 2022.

continued...

14. MOVEMENT IN FUNDS - continued

Restricted Funds

District Advance Fund
This fund provides grants to churches and circuits within the District. These grants, along with amounts transferred from DAF into other district funds for work at district level, are authorised by the District Resourcing Mission Committee.

City Centre Fund
This fund supports God's work in Birmingham City Centre, including grants to Inclusive Gathering Birmingham and Street Ecclesial Community. The fund, managed by Birmingham Methodist Circuit until 1 September 2022 and transferred to the District on that date, represents the remaining proceeds from the sale of the head lease of Birmingham City Mission in 2014-15, plus 47 Grove Avenue, the manse occupied by Rev Neil Johnson, the pastor of Street Ecclesial Community.

Chaplaincy Fund
This fund supports chaplaincy at the NEC together with the co-ordination of chaplains working within the District.

Mission and Youth Fund
This fund supports the work of the mission adviser and the youth engagement officer.

Safeguarding Fund
This fund supports the work of two safeguarding officers whose combined costs are shared with Wolverhampton and Shrewsbury Methodist District.

Adavu Fund
Adavu ceased to be a district project on 1 September 2022 at which date the remaining funds were transferred to the new independent charity, Adavu CIO. During the year ended 31 August 2022 Adavu supported survivors of modern slavery and its grant funding was from Methodism and external funders the including Lloyds Bank Foundation.

Benevolent Fund
This fund is for use at the Chair's discretion to reimburse costs incurred in cases of hardship and need.

Cameroonian Fund
This fund represents funds used to support the Cameroonian Christian Fellowship whose role is to foster links between the Methodist Church and Cameroonian Christians in the UK.

This fund was fully expended as at 31 August 2022.

Inclusive Gathering Birmingham Fund
This fund supports the work of IGB, a LGBTQIA+ affirming, justice-seeking church for all.

Digital Church Fund
This fund supported an experimental project for the cultivation of an online congregation.

This fund was fully expended as at 31 August 2022.

Street Ecclesial Community Fund
This fund is for the work of Street Banquet, engaging the homelessness sector, providing outreach and chaplaincy.

continued...

14. MOVEMENT IN FUNDS - continued

TRANSFERS BETWEEN FUNDS

Transfers between funds as at 31 August 2022 and 31 August 2023 represent movements between the District's General Fund and the District's designated funds and movements between restricted funds.

15. FUTURE GRANT COMMITMENTS AND OTHER CONTINGENT LIABILITIES

As at 31 August 2023 future grant commitments from the District Advance Fund were as follows:

Year to	£
31 August 2024	572,009
31 August 2025	156,750
31 August 2026	141,493
31 August 2027	30,465
31 August 2028	39,575
	940,292

Future grant commitments from the District Advance Fund are shown above.

All such future payments are conditional upon the Resourcing Mission Committee being satisfied, on the basis of progress reports from the grantee, that the project's achievements to date justify the payment of further instalments of the grant.

Estimated employer debt on withdrawal of former employee pensions under the Growth Plan 3 scheme is £2,692 at the latest valuation date, being 30 September 2022.

16. RELATED PARTY DISCLOSURES

Transactions with other Methodist entities and associated charities are disclosed in the Report of the Trustees.

West Midlands Methodist District

England & Wales - Charity number 1134167

Accounts

REGISTERED CHARITY NUMBER: 1134167

Birmingham District of the Methodist Church

Report of the Trustees and Audited Financial Statements

Year Ended 31 August 2022

Haines Watts

Birmingham District of the Methodist Church

Contents of the Financial Statements
for the Year Ended 31 August 2022

	Page
Reference and Administrative Details	1
Report of the Trustees	2 to 6
Report of the Independent Auditors	7 to 9
Statement of Financial Activities	10
Balance Sheet	11
Cash Flow Statement	12
Notes to the Cash Flow Statement	13
Notes to the Financial Statements	14 to 21
Detailed Statement of Financial Activities	22

Trustees	Deacon A Allport Rev I Ballard (appointed 7 May 2022) Rev J Braund (resigned 31 August 2022) Ms S Clutterbuck P Dipple Rev C Hague (resigned 31 August 2022) Rev N Headley (Chair, appointed 1 September 2022) Rev I Howarth (resigned 31 August 2022) Rev N Johnson (resigned 31 August 2022) Rev D Koffie-Williams (appointed 11 September 2021) Rev S Levett Mrs H Lynskey (resigned 31 December 2021) Rev F Mapamula (resigned 11 September 2021) C Osborn T Pethick Rev K Pickering (resigned 31 August 2022) Rev A Richards (appointed 1 September 2022) Deacon M Slowe Rev A Smith Ms S A Smith Rev J B Suray Rev N S J Suray (resigned 31 August 2022) Rev J Thornton (appointed 1 September 2022) Mrs J Tolley (appointed 1 September 2022) H Watton (appointed 1 September 2022) Mrs G R Weller Rev S Willey (appointed 1 September 2022) Mrs H E Woodall Mrs G Woolf (resigned 31 August 2022)
Registered Charity number	1134167
Principal address	36 Amesbury Road Moseley Birmingham West Midlands B13 8LE
Auditors	Haines Watts Birmingham LLP 5-6 Greenfield Crescent Edgbaston Birmingham B15 3BE
Bankers	Trustees for Methodist Church Purposes Oldham Street Manchester M1 1JQ Central Finance Board of the Methodist Church 9 Bonhill Street London EC2A 4PE Co-operative Bank PO Box 250 Skelmersdale WN8 6WT

The trustees present their report with the financial statements for the year ended 31 August 2022. 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 ACTIVITES

Birmingham Methodist District

Methodists belong to local churches or ecumenical partnerships, but also feel part of a larger connected community, the Connexion. There are around 4,000 Methodist churches across the country, grouped within circuits. Birmingham Methodist District is one of 30 districts within the Methodist Church in Britain and comprises some 100 churches, grouped in 10 circuits across Birmingham, Worcestershire, Warwickshire, Herefordshire and Staffordshire.

District Policy Statement

The calling of the Methodist Church is to respond to the gospel of God's love in Christ and to live out its discipleship in worship and mission. It does this through worship, learning and caring, service and evangelism. The Birmingham Methodist District seeks to be a network of communities where people are included and grow, being transformed by the love of God and sharing their story of God's grace. In collaboration with others where possible the District is committed to creating safer spaces and working for a just and sustainable world. We have a vision for a growing, evangelistic, justice-seeking and inclusive church without walls. In the power of the Holy Spirit, we seek to grow disciples of Jesus Christ. Growing...
in numbers of new disciples,
in depth of discipleship,
in the transformation of communities and society.

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.

Our charitable activities have been carried out within the framework of our policy statement, namely with the aim of growth, not only within Methodism in Birmingham but also growth in the outworking of our discipleship, by seeking to work for the public benefit of the community around us. Our chaplaincy and other projects demonstrate our aim to show the love of Jesus Christ outside the church walls.

Grant making

The Resourcing Mission Committee meets three time a year to oversee the finance function of the district, to oversee district property and to approve grants to circuits and churches within the district.

Volunteers

Birmingham Methodist District is heavily reliant on volunteers, at church, circuit and district level. Volunteers give their time and skills to further the aims of the district. Much of this work is by serving on committees and by acting as trustees. The district is grateful to all of them for their help and commitment.

Trustees

Reimbursements of expenses paid to trustees are disclosed in the notes to the accounts. Payments to trustees for services that are required by the district are also disclosed in the accounts. The District Council ensures that any such services are in the best interests of the district. Measures are in place to ensure that no conflict of interest arises from any such payment.

REVIEW OF THE YEAR

Rev Ian Howarth retired as Chair at the end of the Methodist year, with a farewell service at Coventry Central Hall in July. Ian had served as District Chair since 2013, and the district had grown significantly during his tenure, in terms of outreach, district projects and district personnel. His collaborative leadership skills, his musical talents and his many other gifts were a blessing to the district.

Charitable Activities

In the year to 31 August 2022 resources have been deployed in the following ways:

- providing funding for our Mission Adviser, Adam Sanders. Adam is a key member of the district team. He leads on the district development plan, which seeks to integrate social justice and evangelism. He works closely with the Connexion, developing the district's New Places for New People projects, whilst working closely with the circuits, advising on their Mission Action Plans. He also liaises with the Learning Network to help relevant delivery of training resources.
- providing funding and support for mission projects in the district, including the work of the Lozells Community Project.
- the provision of chaplaincy at the NEC. Rev David Butterworth works as a chaplain at the NEC, supported by his assistant, Paul Chesterman. David offers support to employees and visitors, as well as liaising with board directors, HR consultants and events managers.
- the co-ordination of chaplaincy across the Birmingham District. Rev David Butterworth, also a champion for Church Without Walls, is in regular contact with more than 50 volunteer and paid chaplains at institutions in the Birmingham District, providing information, training opportunities and support.
- the provision of two safeguarding officers who work across the Birmingham District and the Wolverhampton & Shrewsbury District. Kay Redfern was appointed in January 2022, to assist Sue Holder in safeguarding matters and to deliver training.
- support for adult victims of modern slavery through the district project "Adavu". From 1 September 2022, Adavu became a charity in its own right, but during the year to 31 August 2022 it was a project of Birmingham Methodist District, with four members of staff.
- funding towards the provision of chaplaincy at three universities within the area of the Birmingham District, namely University of Aston, University of Birmingham and University of Warwick.
- providing funding and support for the work of Inclusive Gathering Birmingham – a diverse LGBTQIA+ affirming, justice-seeking church for all.
- providing funding and leadership for young people from the district to attend youth events, including "3Gen", the annual Methodist youth rally, held at the NEC.
- seeking to promote equality, diversity and inclusion within society as well as the Church.
- promoting the district's aim to become an "EcoDistrict", whereby every church is encouraged to incorporate 'Caring for Creation' into all their activities.
- acting as managing trustees for Wesley International House, a property owned by Birmingham Methodist District, and supporting Birmingham International Student Homes, the charity which administers the management of two Methodist buildings providing accommodation for international students of different faiths within a safe and supportive environment.

FINANCIAL REVIEW

Financial Position

During the year, the district received total income from all sources amounting to £1,070K (2021 - £1,000K) and disbursed £981K (2021 - £945K), giving a net surplus of income over expenditure of £89K (2021 - £55K). Total reserves at 31 August 2022 were £4,815K (2021 - £4,727K). £3,750K represents Freehold Land & Buildings (2021 - £3,750K). £1,007K (2021 - £911K) are restricted, held within 8 ring-fenced funds. £16K (2021 - £23K) is unrestricted and held within designated funds. Free Reserves represent the balance on the General Fund of £43K (2021 - £43K).

No fund was in deficit at the year end.

The district continues to hold two freehold properties: the district manse at 36 Amesbury Road and Wesley International House (one of two Methodist properties in Birmingham managed by Birmingham International Student Homes, a separate charity). The trustees have agreed the fair value of the district manse as £750,000. Wesley International House is valued at £3,000,000, as agreed by the trustees. The combined amount of £3,750,000 is shown as Tangible Fixed Assets, with a corresponding amount of £3,750,000 held in the Capital Revaluation Reserve.

Going Concern

The trustees of the district have every reason to believe that the district is a going concern. The circuits continue to meet their assessments, and reserves are considered adequate. Reserves policies are reviewed annually. There are no subsidiary undertakings. Methodist membership is in decline across all districts, with a resultant loss of income at church level. However, proceeds from the sale of church buildings are partly used to meet ongoing costs at circuit level, including the circuits' assessment payments to the district.

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 Birmingham Methodist District 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 2022 was £4,709 (2021 - £2,157).

Reserves Policies

"Free Reserves" represent the balance on the General Fund of £43K (2021 - £43K). Total reserves at 31 August 2022 were £4,815K (2021 - £4,727K).

The General Fund derives its income principally from circuit contributions (also known as assessments). The majority of this income is paid over to the central Methodist Church Fund, the balance of circuit contributions being held within the General Fund, to finance the day-to-day running costs of the district. The trustees believe that the balance on the General Fund should be in the region of £20K - 30K, to cover four to six months of district running costs. If the district makes a surplus over budget in any particular year, that surplus is returned to the circuits via a future budget. Taking this into account, we believe that the amount held within the General Fund at 31 August 2022 is in line with our reserves policy.

The Manse Major Repair Fund seeks to build up a reserve, by means of annual transfers from the General Fund, to be used for any significant costs that may arise in the future relating to the district manse.

Income in the District Advance Fund is derived principally from distributions from the Connexional Priority Fund (ie from central Methodist sources) and from levies on trust funds held at circuit level (ie from local Methodist sources). Decisions regarding District Advance Fund spending and its allocation to projects are made by the Resourcing Mission Committee. Reserves held in the District Advance Fund will be sufficient to cover the future grant commitments from that fund. The reserves policy of the District Advance Fund is that at any point in time, the total of the future commitments from the District Advance Fund will not exceed the cash held within that fund. At the same time, the district ensures that future grant commitments almost match the amount held within the District Advance Fund, meaning that there will not be excess reserves held within the District Advance Fund.

For all restricted funds, the reserves policy is to hold grants and donations within dedicated ring-fenced funds, to be used for the specific purposes of those grants and donations.

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

Rev Novette Headley was appointed as the new Chair of the District. Novette moved into the district manse during August 2022. A welcome service at Coventry Central Hall was held in September. Novette has been introduced to the circuits, has led worship services and has been involved with district, circuit and connexional meetings, including the stationing of future ministers in the district.

A new district project called Street Banquet was launched in September, led by pioneer minister, Rev Neil Johnson. Also known as Street Ecclesial Community, this project engages with the homelessness sector, providing outreach and chaplaincy.

Inclusive Gathering Birmingham now has a physical presence within the Gay Village in Birmingham. There are weekly gatherings, including the live streaming of worship.

Adavu ceased to be a district project, and from 1 September 2022 is an independent Charitable Incorporated Organisation. Rev Ian Howarth, our former District Chair, continues as a trustee of Adavu CIO, alongside Rev Neil Johnson.

The City Centre Fund, formerly administered by Birmingham Circuit, was transferred to Birmingham Methodist District on 1 September 2022. The City Centre Fund represents the proceeds of the head lease of the former Methodist Central Hall in Birmingham. The fund is for work which is understood to be God's mission in Birmingham City Centre. The administration of the City Centre Fund is dealt with by the Resourcing Mission Committee.

Conversations are continuing with Wolverhampton & Shrewsbury District to strengthen collaborative ways of working. Birmingham District has provided funding in 2022-23 for a Community Organiser pilot project. This project is run by Wolverhampton & Shrewsbury District and provides services across both districts.

Charlotte Hambly, our Youth Engagement Officer, led young people from the district at 3Gen, a Methodist-wide youth event in September held at the NEC. Charlotte is planning a youth event called Amplify in March 2023, for young people from the Birmingham District and the Wolverhampton & Shrewsbury District.

A visit from the President and Vice-President of the Methodist Conference is planned for March 2023, which will be marked by an open mic youth event, a district rally and a tea for supernumerary ministers.

STRUCTURE, GOVERNANCE AND MANAGEMENT

Governing Document
The district is governed by the Methodist Church Act 1976 and the Deed of Union 1932.

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.

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

Management
The District Council meets four times a year. The responsibilities of the District Council, as laid down in Methodist Standing Orders, are as follows:

- to formulate and promote policies which will advance the mission of the Church in the circuits and local churches, and in particular to supervise the use of resources of personnel, property and finance and to assist local churches; and circuits having exceptional problems;
- to encourage inter-circuit and ecumenical co-operation;
- to act in an executive capacity remitted to the Council by the Synod;
- to keep within its purview all district concerns not dealt with elsewhere;
- to contribute and respond, as the case may be, to the development of connexional policies as reflected in the work of the Conference and the Methodist Council, and to carry out its other responsibilities with any such development in mind

The District Council oversees the work of the Resourcing Mission Committee, stationing, Safeguarding, authorisations to preside at communion, extensions to local preacher training and other matters as necessary.

Related parties
Methodist entities, whether they be districts, circuits or churches, are obliged to register as individual charities if they meet the requirements of registration laid down by the Charity Commission.

Birmingham Methodist District receives income from the circuits within the Birmingham District. All of the circuits are registered charities. Contributions from circuits, sometimes known as "the circuit assessment", are used to pay contributions to the central Methodist Church Fund and to meet the day-to-day running costs of the district. In the year to 31 August 2022 income from circuit assessments totalled £585,336 (2021 - £592,200). In addition, the district receives from each circuit holding a Circuit Model Trust Fund (CMTF) a levy based on the size of the CMTF at the start of the year. In the year to 31 August 2022, the total levy, credited automatically to the District Advance Fund by TMCP, was £153,338 (2021 - £117,458).

Methodist Church in Britain (MCB) is the largest Methodist entity, based at 25 Marylebone Road, London, and is an individual charity. In 2021-22 Birmingham Methodist District paid £511,343 (2021 - £526,753) to the Methodist Church Fund, as a contribution towards the running costs of MCB. The District Advance Fund receives annual grant income from the Connexional Priority Fund, held within the accounts of MCB. In the year to 31 August 2022, £117,141 was received from the Connexional Priority Fund (2021 - £87,920).

Wesley International House is a freehold property held by TMCP as custodian trustees for Birmingham Methodist District. A separate charity called Birmingham International Student Homes (BISH) is responsible for all aspects of upkeep and maintenance of Wesley International House. BISH reports to annually to Birmingham Methodist District Council.

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), including Financial Reporting Standard 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland".

The law applicable to charities in England and Wales, the Charities Act 2011, Charity (Accounts and Reports) Regulations 2008 and the provision of the trust deed, 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 apply them consistently using the accruals method;
- 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 to operate;

The trustees are responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the district and which enable the trustees 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 responsible for safeguarding the assets of the district and hence for taking reasonable steps to ensure appropriate controls are in place to provide reasonable assurance against fraud and other irregularities.

Auditors

Haines Watts Birmingham LLP have signified their willingness to continue in office. A resolution to re-appoint Haines Watts Birmingham LLP as auditors will be proposed at the District Council meeting to be held on 29 March 2023.

Approved by order of the District Council on 29 March 2023 and signed on its behalf by:

N.L. Headley

Rev Novette Headley - Chair

Opinion

We have audited the financial statements of Birmingham District of the Methodist Church (the 'charity') for the year ended 31 August 2022 which comprise the Statement of Financial Activities, the Statement of Financial Position, the Statement of Cash Flows 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), including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland'.

In our opinion the financial statements:

- give a true and fair view of the state of the charity's affairs as at 31 August 2022 and of its incoming resources and application of resources for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice, including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and the Republic of Ireland'; 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 charitable company'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 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, 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.

Opinion on other matters prescribed by the Companies Act 2006

In our opinion, based on the work undertaken in the course of the audit:

- the information given in the Report of the Trustees for the financial year for which the statements are prepared is consistent with the financial statements; and
- the Report of the Trustees has been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception
We have nothing to report in respect of the following matters where the Charities Act 2011 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 set out on page eight, 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 auditor under section 1443 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 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.

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 obtained an understanding of the legal and regulatory framework applicable to both the charitable company itself and the sector in which it operates. We identified areas of laws and regulations that could reasonably be expected to have a material effect on the financial statements from our sector experience and through discussion with the trustees and other management. The most significant were identified as the Charities Act 2011 and Charities SORP (FRS102).

We considered the extent of compliance with those laws and regulations as part of our procedures on the related financial statements. Our audit procedures included, but were not limited to:

- making enquires of management as to where they consider there to be a susceptibility to fraud and whether they have any knowledge or suspicion of fraud;
- obtaining an understanding of the internal controls established to mitigate risks related to fraud or non-compliance with laws and regulations;
- assessing the design effectiveness of the controls in place to prevent and detect fraud;
- assessing the risk of management override including identifying and testing journal entries;
- challenging the assumptions and judgements made by management in its significant accounting estimates.

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

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

Report of the Independent Auditors to the Trustees of Birmingham District of the Methodist Church

Year ended 31 August 2022

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.

Haines Watts

Haines Watts Birmingham LLP
Eligible to act as an auditor in terms of Section 1212 of the Companies Act 2006
5-6 Greenfield Crescent
Edgbaston
Birmingham
B15 3BE

14.04.23

Birmingham District of the Methodist Church

Statement of Financial Activities
for the Year Ended 31 August 2022

	Notes	Unrestricted funds £	Restricted funds £	2022 Total Funds £	2021 Total Funds £
INCOME AND ENDOWMENTS FROM					
Donations and legacies	2	**591,655**	**473,444**	**1,065,099**	997,650
Investment income	3	**953**	**3,756**	**4,709**	2,157
Total		**592,608**	**477,200**	**1,069,808**	999,807
EXPENDITURE ON					
Charitable activities					
Grants and donations	4	**750**	**96,829**	**97,579**	80,672
Contributions to Methodist Church Fund	4	**511,343**	**-**	**511,343**	526,753
Other	6	**86,935**	**285,322**	**372,257**	337,525
Total		**599,028**	**382,151**	**981,179**	944,950
NET INCOME/(EXPENDITURE)		**(6,420)**	**95,049**	**88,629**	54,857
Transfers between funds	13	**(534)**	**534**	**-**	-
Other recognised gains/(losses)					
Gains/(losses) on revaluation of fixed assets		**-**	**-**	**-**	-
Net movement in funds		**(6,954)**	**95,583**	**88,629**	54,857
RECONCILIATION OF FUNDS					
Total funds brought forward		**3,815,864**	**910,936**	**4,726,800**	4,671,943
TOTAL FUNDS CARRIED FORWARD		**3,808,910**	**1,006,519**	**4,815,429**	4,726,800

CONTINUING OPERATIONS
All income and expenditure has arisen from continuing activities.

The notes form part of these financial statements

Balance Sheet
At 31 August 2022

	Notes	Unrestricted funds £	Restricted funds £	2022 Total funds £	2021 Total funds £
FIXED ASSETS					
Tangible assets	10	**3,750,000**	-	**3,750,000**	3,750,000
CURRENT ASSETS					
Debtors	11	**802**	**13,487**	**14,289**	2,937
Cash at bank		**63,908**	**1,015,213**	**1,079,121**	981,317
		64,710	**1,028,700**	**1,093,410**	984,254
CREDITORS					
Amounts falling due within one year	12	**(5,800)**	**(22,181)**	**(27,981)**	(7,454)
NET CURRENT ASSETS		**58,910**	**1,006,519**	**1,065,429**	976,800
TOTAL ASSETS LESS CURRENT LIABILITIES		**3,808,910**	**1,006,519**	**4,815,429**	4,726,800
NET ASSETS		**3,808,910**	**1,006,519**	**4,815,429**	4,726,800
FUNDS	13				
Unrestricted funds:					
General fund				**43,146**	42,642
Capital revaluation reserve				**3,750,000**	3,750,000
Designated fund				-	23,222
Manse major repair fund				**15,764**	-
				3,808,910	3,815,864
Restricted funds:					
District Advance Fund				**828,913**	748,246
Chaplaincy Fund				**31,575**	13,999
Mission Fund				**61,649**	51,738
Safeguarding Fund				**17,452**	10,385
Adavu Fund				**52,007**	41,433
Benevolent Fund				**4,185**	2,099
Manse Major Repair Fund				-	11,699
Cameroonian Fund				-	3,386
Inclusive Gathering Birmingham Fund				**5,998**	20,639
Digital Church Fund				-	7,312
Street Ecclesial Community Fund				**4,740**	-
				1,006,519	910,436
TOTAL FUNDS				**4,815,429**	4,726,300

The financial statements were approved by the Board of Trustees on 29 March 2023 and were signed on its behalf by:

N. L. Headley
Rev N Headley –Trustee

H E Woodall
Mrs H E Woodall – Trustee

The notes form part of these financial statements

continued...

Birmingham District of the Methodist Church

Cash Flow Statement
for the Year Ended 31 August 2022

	Notes	2022 £	2021 £
Cash flows from operating activities:			
Cash generated from operations	1	**93,095**	50,863
Net cash provided by (used in) operating activities		**93,095**	50,863
Cash flows from investing activities:			
Interest received		**4,709**	2,157
Net cash provided by investing activities		**4,709**	2,157
Change in cash and cash equivalents in the reporting period		**97,804**	53,020
Cash and cash equivalents at the beginning of the reporting period		**981,317**	928,297
Cash and cash equivalents at the end of the reporting period		**1,079,121**	981,317

The notes form part of these financial statements

1. RECONCILIATION OF NET INCOME/(EXPENDITURE) TO NET CASH FLOW FROM OPERATING ACTIVITIES

	2022 £	2021 £
Net income/ (expenditure) for the reporting period (as per the statement of financial activities)	**88,629**	54,857
Adjustments for:		
Interest received	**(4,709)**	(2,157)
(Increase)/decrease in debtors	**(11,352)**	260
Increase/ (decrease) in creditors	**20,527**	(2,097)
Net cash (used in)/ provided by operating activities	**93,095**	50,863

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.

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. 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 resources to continue in operational existence for the foreseeable future and there are no material uncertainties about the Charity's ability to continue as a going concern, thus they continue to adopt the going concern basis of accounting in preparing the financial statements.

Consolidation
Birmingham Methodist District oversees the work of ministers and lay workers in churches and circuits within the district but does not have financial control over those circuits or churches. For this reason, the financial statements of the churches and circuits within the district are not consolidated into these financial statements.

Income
Income is brought into account when it is more likely than not that the economic benefit of the income will accrue to the District. No attempt is made to measure the value of services donated by volunteers, further information is given in the Trustees' report.

Grants receivable
Grants are included in the Statement of Financial Activities on a receivable basis. The balance of income received for specific purposes but not expended during the period is shown in the relevant funds on the balance sheet. Where income is received in advance of entitlement of receipt its recognition is deferred and included in creditors as deferred income. Where entitlement occurs before income is received, the income is accrued.

Donations
Donations are recognised on a receivable basis where there is certainty of receipt and the amount can be reliably measured. If there are conditions attached to the donation and this requires a level of performance before entitlement can be obtained then income is deferred until those conditions are fully met or the fulfilment of those conditions is within the control of the charity and it is probable that they will be fulfilled.

Expenditure
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 District to pay out resources.

Grants are recognised annually only as and when the performance conditions attaching to the award are met, even when the award is for a recurrent grant over more than one year. All grants awarded for payment in future financial years are conditional on the Resourcing Mission Committee being satisfied, on the basis of progress reports from the grantee, that the project's achievements to date justify the payment of further instalments of the grant. Future commitments from the District Advance Fund are shown in the notes to the accounts.

Governance costs
These are the 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.

Fixed assets
Fixed assets are initially recognised at cost or fair valuation.

Freehold property is not depreciated.

Taxation
The charity is exempt from tax on its charitable activities.

1. ACCOUNTING POLICIES

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 particular restricted purposes within the objects of the charity. Restrictions arise when specified by the donor or when funds are raised for particular restricted purposes. Further explanation of the nature and purpose of each fund is included in the notes to the financial statements.

Pension costs and other post-retirement benefits
The charity operates a defined contribution pension scheme. The assets of the scheme are held separately from those of the charity. The pension cost charge represents contributions paid by the charity to the fund.

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

Debtors and creditors receivable/payable within one year
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.

2. DONATIONS AND LEGACIES

	2022	2021
	£	£
Circuit contributions	585,336	592,200
Donations	28,839	26,766
Connexional and other grants	146,176	172,569
Circuit Model Trust Fund Levies	153,338	117,458
Connexional Priority Fund distribution	117,141	87,920
Other income	34,269	737
	1,065,099	997,650

3. INVESTMENT INCOME

	2022	2021
	£	£
Deposit account interest	4,709	2,157

4. CHARITABLE ACTIVITIES COSTS

	Grant funding of activities (See note 5)	Totals
	£	£
Grants and donations	97,579	97,579
Contribution to Methodist Church Fund	511,343	511,343
	608,922	608,922

5. GRANTS PAYABLE

	2022	2021
	£	£
Grants and donations	97,579	80,672
Contribution to Methodist Church Fund	511,343	526,753
	608,922	607,425

The total grants paid to institutions during the year was as follows:

	2022	2021
	£	£
Mission projects	92,486	69,991
Methodist Church Fund	511,343	526,753
Property projects	3,000	9,000
Other grants and donations	2,093	1,681
	608,922	607,425

5. GRANTS PAYABLE - continued

During the year, in addition to the above, the District Advance Fund transferred £48,000 to the Adavu Fund, £28,500 to the Safeguarding Fund, £28,000 to the Mission & Youth Fund, £27,000 to the Chaplaincy Fund, £8,000 to the Inclusive Gathering Birmingham Fund, £5,000 to the Street Ecclesial Community Fund and £1,000 to the Digital Church Fund.

6. SUPPORT COSTS

	Management	Governance costs	Totals
	£	£	£
Other resources expended	367,757	4,500	372,257

Support costs, included in the above, are as follows:

	2022	2021
	£	£
Salaries and associated costs	253,893	253,222
Trustee expenses	1,000	203
Manse costs	20,677	22,514
Training, including retreats	11,403	2,791
Administration, telephone, travel etc.	49,628	44,814
Other expenses	16,268	2,601
Employee expenses	13,403	6,010
Professional fees	1,485	1,350
Auditors' remuneration	4,500	4,020
	372,257	337,525

7. TRUSTEES' REMUNERATION AND BENEFITS

During the year ended 31 August 2022 £2,213 (2021 - £6,500) was paid to Mrs H Lynskey for Finance Administration as authorised by the trustees. From 1 January 2022 Mrs H Lynskey ceased to be a trustee.

Trustees' expenses

There were trustees' expenses of £1,000 paid for the year ended 31 August 2022 (2021 - £203).

8. STAFF COSTS

	2022	2021
	£	£
Wages and salaries	216,146	220,622
Social security costs	21,373	15,392
Other pension costs	16,374	17,208
	253,893	253,222

The average monthly number of employees during the period, calculated on the basis of full time equivalents, was 7.7 (2021 – 8.0).

No employee received remuneration at a rate of £60,000 or more per year.

Key management personnel
Key management personnel consists of the District Chair, whose salary is paid from central Methodist Funds. Key management personnel remuneration for the year totalled £42,740 (2021 - £42,150).

9. COMPARATIVES FOR THE STATEMENT OF FINANCIAL ACTIVITIES - YEAR ENDED 31 AUGUST 2021

	Unrestricted funds £	Restricted funds £	Total funds 2021 £
INCOME AND ENDOWMENTS FROM			
Donations and legacies	592,589	405,061	997,650
Investment income	190	1,967	2,157
Total	592,779	407,028	999,807
EXPENDITURE ON			
Charitable activities			
Grants and donations	100	80,572	80,672
Contribution to Methodist Church Fund	526,753	-	526,753
Other	57,324	280,201	337,525
Total	584,177	360,773	944,950
NET INCOME/(EXPENDITURE)	8,602	46,255	54,857
Transfers between funds	(4,000)	4,000	-
Other recognised gains/(losses)			
Gains/(losses) on revaluation of fixed assets	-	-	-
Net movement in funds	4,602	50,255	54,857
RECONCILIATION OF FUNDS			
Total funds brought forward	3,811,262	860,681	4,671,943
TOTAL FUNDS CARRIED FORWARD	3,815,864	910,936	4,726,800

10. TANGIBLE FIXED ASSETS

	Freehold property £
COST OR VALUATION	
At 1 September 2021	3,750,000
At 31 August 2022	3,750,000
NET BOOK VALUE	
At 31 August 2022	3,750,000
At 31 August 2021	3,750,000

Tangible fixed assets were valued by the trustees on the basis of their open market value. The resulting surplus has been carried to a capital reserve which is not available for distribution.

The freehold properties comprise the Manse, valued at £750,000, and Wesley International House, valued at £3,000,000. In the opinion of the trustees the current open market valuation of the properties is not materially different from the amounts at which they are included in the accounts.

10. TANGIBLE FIXED ASSETS – continued

Whilst Wesley International House is owned by the Trustees for Methodist Church Purposes on trust for Birmingham Methodist District, the property is managed by Birmingham International Student Homes, a separate charity (registered charity number 1095730). Birmingham Methodist District authorises Birmingham International Student Homes to be responsible for all aspects of the upkeep and maintenance of Wesley International House except final ownership.

11. DEBTORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2022	2021
	£	£
Prepayments and accrued income	14,289	2,937

12. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2022	2021
	£	£
Accruals and deferred income	27,981	7,454

13. MOVEMENT IN FUNDS

	At 1.9.21	Net movement in funds	Transfers between funds	At 31.8.22
	£	£	£	£
Unrestricted funds				
General fund	42,642	1,487	(983)	43,146
Capital revaluation reserve	3,750,000	-	-	3,750,000
Designated fund	23,222	(7,972)	(15,250)	-
Manse major repair fund	-	65	15,699	15,764
	3,815,864	(6,420)	(534)	3,808,910
Restricted funds				
District Advance Fund	748,246	243,967	(163,300)	828,913
Chaplaincy Fund	13,999	(36,424)	54,000	31,575
Mission and Youth Fund	51,738	(18,089)	28,000	61,649
Safeguarding Fund	10,385	(21,433)	28,500	17,452
Adavu Fund	41,433	(37,426)	48,000	52,007
Benevolent Fund	2,099	(914)	3,000	4,185
Manse Major Repair Fund	11,699	-	(11,699)	-
Cameroonian Fund	3,386	(3,345)	(41)	-
Inclusive Gathering Birmingham Fund	20,639	(22,641)	8,000	5,998
Digital Church Fund	7,312	(8,386)	1,074	-
Street Ecclesial Community Fund	-	(260)	5,000	4,740
	910,936	95,049	534	1,006,519
TOTAL FUNDS	4,726,800	88,629	-	4,815,429

13. MOVEMENT IN FUNDS - continued

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

	Incoming resources £	Resources expended £	Gains and losses £	Movement in funds £
Unrestricted funds				
General fund	592,543	(591,056)	-	1,487
Designated fund	-	(7,972)	-	(7,972)
Capital revaluation reserve	-	-	-	-
Manse major repair fund	65	-	-	65
	592,608	(599,028)	-	(6,420)
Restricted funds				
District Advance Fund	340,471	(96,504)	-	243,967
Chaplaincy Fund	18,754	(55,178)	-	(36,424)
Mission and Youth Fund	25,989	(44,078)	-	(18,089)
Safeguarding Fund	20,676	(42,109)	-	(21,433)
Adavu Fund	53,404	(90,830)	-	(37,426)
Benevolent fund	-	(914)	-	(914)
Manse major repair fund	-	-	-	-
Cameroonian fund	-	(3,345)	-	(3,345)
Inclusive Gathering Birmingham fund	17,906	(40,547)	-	(22,641)
Digital Church fund	-	(8,386)	-	(8,386)
Street Ecclesial Community fund	-	(260)		(260)
	477,200	(382,151)	-	95,049
TOTAL FUNDS	1,069,808	(981,179)	-	88,629

13. MOVEMENT IN FUNDS - continued

General fund
The purpose of the fund is for use at the discretion of the trustees in the furtherance of the general objectives of the district, for day-to-day running costs.

Designated fund
The designated fund was established in 2016 for specific costs over the period to 31 August 2022. The fund was closed at that date and the balance was transferred to the general fund.

Manse major repair fund
Amounts are transferred annually from the general fund, towards future major repairs on the district manse. This fund was reclassified from restricted to designated during the year.

District advance fund
This fund provides grants to churches and circuits within the district. These grants, along with amounts transferred from DAF into other district funds, for work at district level, are authorised by the Resourcing Mission Committee.

Chaplaincy fund
This fund supports chaplaincy at the NEC, together with the co-ordination of Chaplains working within the district.

Mission and Youth Fund
This fund supports the work of the mission adviser and the youth engagement officer.

Safeguarding fund
This fund supports the work of two safeguarding officers, whose combines costs is shared with Wolverhampton & Shrewsbury District.

Adavu fund
Adavu ceased to be a district project on 1 September 2022, on which date the remaining funds were transferred to the new independent charity, Adavu CIO. In the year under review, Adavu supported survivors of modern slavery and its grant funding was from Methodism and external funders, including Lloyds Bank Foundation.

Benevolent fund
This fund is for use at the Chair's discretion, to reimburse costs incurred in cases of hardship and need.

Inclusive Gathering Birmingham fund
This fund supports the work of IGB, a LGBTQIA+ affirming, justice-seeking church for all.

Street Ecclesial Community fund
This fund is for the work of Street Banquet, engaging with the homelessness sector, providing outreach and chaplaincy.

14. CONTINGENT LIABILITIES

As at 31 August 2022 future grant commitments from the District Advance Fund were as follows:

Year to	£
31 August 2023	324,353
31 August 2024	238,059
31 August 2025	165,900
31 August 2026	63,743
31 August 2027	28,040
	820,095

Future grant commitments from the District Advance Fund are shown above.

All such future payments are conditional upon the Resourcing Mission Committee being satisfied, on the basis of progress reports from the grantee, that the project's achievements to date justify the payment of further instalments of the grant.

Estimated employer debt on withdrawal of former employee pensions under the Growth Plan 3 scheme is £3,550 at the latest valuation date, being 30 September 2021.

15. RELATED PARTY DISCLOSURES

Transactions with other Methodist entities and associated charities are disclosed in the Report of the Trustees.

	2022 £	2021 £
INCOME AND ENDOWMENTS		
Donations and legacies		
Circuit contributions	**585,336**	592,200
Donations	**28,839**	26,766
Connexional and other grants	**146,176**	172,569
Circuit Model Trust Fund Levies	**153,338**	117,458
Connexional Priority Fund distribution	**117,141**	87,920
Other income	**34,269**	737
	1,065,099	997,650
Investment income		
Deposit account interest	**4,709**	2,157
Total incoming resources	**1,069,808**	999,807
EXPENDITURE		
Charitable activities		
Grants and donations	**608,922**	607,425
Support costs		
Salaries and associated costs	**253,893**	253,222
Trustee expenses	**1,000**	203
Manse costs	**20,677**	22,514
Training, including retreats	**11,403**	2,791
Administration, telephone, travel etc.	**49,628**	44,814
Other expenses	**16,268**	2,601
Employee expenses	**13,403**	6,010
Professional fees	**1,485**	1,350
	367,757	333,505
Governance costs		
Auditors' remuneration	**4,500**	4,020
Total resources expended	**981,179**	944,950
Net income/(expenditure)	**88,629**	54,857

West Midlands Methodist District

England & Wales - Charity number 1134167

Accounts

REGISTERED CHARITY NUMBER: 1134167

Birmingham District of the Methodist Church

Report of the Trustees and Audited Financial Statements

Year Ended 31 August 2021

Haines Watts

Birmingham District of the Methodist Church

Contents of the Financial Statements
for the Year Ended 31 August 2021

	Page
Reference and Administrative Details	1
Report of the Trustees	2 to 8
Report of the Independent Auditors	9 to 11
Statement of Financial Activities	12
Balance Sheet	13
Cash Flow Statement	14
Notes to the Cash Flow Statement	15
Notes to the Financial Statements	16 to 22
Detailed Statement of Financial Activities	23

Reference and Administrative Details for the Year Ended 31 August 2021

Trustees	Deacon A Allport	- appointed 1.9.21
	I Athey	- resigned 31.8.21
	Rev J Braund	- resigned 31.8.21
	Ms S Clutterbuck	- appointed 1.9.21
	J M Cowan	- resigned 21.1.21
	Rev C Hague	
	P Dipple	- appointed 1.9.21
	Rev I Howarth (Chair)	
	Rev N Johnson	
	Rev N Jones	- resigned 31.8.21
	Rev D Koffie-Williams	- appointed 11.9.21
	Rev S Levett	- appointed 1.9.21
	Mrs H Lynskey	-resigned 1.1.22
	Rev F Mapamula	-resigned 11.9.21
	C Osborn	
	T Pethick	
	Rev K Pickering	
	Deacon M Slowe	
	Rev A Smith	
	Ms S A Smith	
	Rev J B Suray	
	Rev N S J Suray	- appointed 21.1.21
	Rev P J Warrey	- resigned 31.8.21
	Rev K Webber	- resigned 31.8.21
	Mrs G R Weller	
	Mrs G Wilkins	- resigned 31.8.21
	Mrs H E Woodall	- appointed 1.9.20
	Mrs G Woolf	
Registered Charity number	1134167	
Principal address	36 Amesbury Road Moseley Birmingham West Midlands B13 8LE	
Auditors	Haines Watts Birmingham LLP 5-6 Greenfield Crescent Edgbaston Birmingham B15 3BE	
Bankers	Trustees for Methodist Church Purposes Oldham Street Manchester M1 1JQ Central Finance Board of the Methodist Church 9 Bonhill Street London EC2A 4PE Co-operative Bank PO Box 250 Skelmersdale WN8 6WT	

The trustees present their report with the financial statements for the year ended 31 August 2021. 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

Birmingham Methodist District

Methodists belong to local churches or ecumenical partnerships, but also feel part of a larger connected community, the Connexion. There are more than 4,000 Methodist churches across the country, grouped within circuits. Birmingham Methodist District is one of 30 districts within the Methodist Church in Britain and comprises some 130 churches, grouped in 10 circuits across Birmingham, Worcestershire, Warwickshire, Hertfordshire and Staffordshire.

The main role of the district is to support its churches and circuits, administratively and spiritually. In addition, the Birmingham District is active in many other ways, as detailed in *Achievements and Performance* below.

District policy statement

The calling of the Methodist Church is to respond to the gospel of God's love in Christ and to live out its discipleship in worship and mission. It does this through worship, learning and caring, service and evangelism. The Birmingham Methodist District seeks to be a network of communities where people are included and grow, being transformed by the love of God and sharing their story of God's grace. In collaboration with others where possible the District is committed to creating safer spaces and working for a just and sustainable world. We have a vision for a growing, evangelistic, justice-seeking and inclusive church without walls. In the power of the Holy Spirit, we seek to grow disciples of Jesus Christ. Growing...

- in numbers of new disciples
- in depth of discipleship
- in transformation of communities and society

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.

Our charitable activities, set out in Achievements and Performance below, have been carried out within the framework of our policy statement, namely with the aim of growth, not only within Methodism in Birmingham but also growth in the outworking of our discipleship, by seeking to work for the public benefit of the community around us. Our chaplaincy and other projects demonstrate our aim to show the love of Jesus Christ outside the church walls.

Grant making

The District Grants Committee ceased to exist during 2020-21, and the final meeting was on 6 May 2021. A new Resourcing Mission Committee is in the process of being formed, and its first meeting took place on 16 November 2021. This change is to reflect the changes in connexional funding. Birmingham District is within the first tranche of the new process for connexional funding, whereby grants will only be available for projects fitting the criteria for New Places for New People or Church at the Margins. All future connexional funding is geared towards planting new ecclesial communities. Districts are required to match-fund the grants awarded by Connexion. The new Resourcing Mission Committee will oversee the allocation of all the district funds, not just the District Advance Fund. The Resourcing Mission Committee will approve the General Fund budget annually, in advance of its being discussed with Circuit treasurers. The Resourcing Mission Committee will have financial oversight of all the district projects and resources.

Volunteers

Birmingham Methodist District is heavily reliant on volunteers, at church, circuit and district level. Volunteers give their time and skills to further the aims of the District. Much of this work is by serving on committees and by acting as trustees. The District is grateful to all of them for their help and commitment.

Trustees

Reimbursements of expenses paid to trustees are disclosed in the notes to the accounts. Payments to trustees for services that are required by the District are also disclosed in the accounts. The District Council ensures that any such services are in the best interests of the District. Measures are in place to ensure that no conflict of interest arises from any such payment.

ACHIEVEMENT AND PERFORMANCE

Charitable activities

In the year to 31 August 2021 resources have been deployed in the following ways:

- Providing funding for our Mission Adviser, Adam Sanders. Adam is a key member of the district team. He leads on the district development plan, which seeks to integrate social justice and evangelism. He works closely with the Connexion, developing the district's New Places for New People projects, whilst working closely with the circuits, advising on their Mission Action Plans. He also liaises with the Learning Network to help relevant delivery of training resources. Providing funding and support for mission and property projects in the circuits and churches. The district particularly values the work of the Lozells Community Project.
- Providing funding and support for mission projects in the district, including the work of the Lozells Community Project. The co-ordination of chaplaincy across the Birmingham District. Rev David Butterworth, also a champion for Church Without Walls, is in regular contact with more than 50 volunteer and paid chaplains at institutions in the Birmingham District, providing information, training opportunities and support.
- The provision of chaplaincy at the NEC. Rev David Butterworth works as a chaplain at the NEC, supported by his assistant, Paul Chesterman. David offers support to employees and visitors, as well as liaising with board directors, HR consultants and events managers.
- The co-ordination of chaplaincy across the Birmingham District. Rev David Butterworth, also a champion for Church Without Walls, is in regular contact with more than 50 volunteer and paid chaplains at institutions in the Birmingham District, providing information, training opportunities and support.
- The provision of a Safeguarding Officer. Mrs Sue Holder ensures that regulations relating to Safeguarding
- are properly fulfilled. She provides Safeguarding training to circuit staff and church leaders.
- Support for adult victims of modern slavery through the District project "Adavu". Adavu currently has a project manager and three case workers, as well as volunteers. In addition to funding from Methodist sources and other grant-giving bodies, Adavu is also funded with the support of the Lloyds Bank Foundation for England and Wales.
- The provision of chaplaincy at universities within the area of the Birmingham District, namely University of Aston, University of Birmingham and University of Warwick.
- funding towards the provision of chaplaincy at three universities within the area of the Birmingham District,
- namely University of Aston, University of Birmingham and University of Warwick.
- providing funding and support for the work of Inclusive Gathering Birmingham - a bold, truly inclusive faith community, relevant for the 21st century. Danielle Wilson continues as pastor and significant growth has occurred in IGB during 2020-21.
- Supporting the Cameroonian Christian Fellowship, whose role is to foster links between the Methodist Church and Cameroonian Christians in the UK.
- Keeping in touch with our exchange partners in the Kadoma circuit of the Methodist Church of Zimbabwe and the Methodist Church in Chemnitz, Germany.
- Seeking to promote equality, diversity and inclusion within society as well as the Church
- promoting the district's aim to become an "EcoDistrict", whereby every church is encouraged to incorporate
- 'Caring for Creation' into all their activities.
- Acting as managing trustees for Wesley International House, a property owned by Birmingham Methodist District, and supporting Birmingham International Student Homes, the charity which administers the management of two Methodist buildings providing accommodation for international students of different faiths within a safe and supportive environment

Effect of Covid019 on Charitable activities

- Online district services were broadcast until April 2021. Churches began to open their doors for worship at around that time. Most churches have seen reduced congregations after the lockdown, compared with pre-pandemic levels. Some local churches are modelling the concept of "hybrid church", a combination of traditional and online worship.
- Meetings have continued to take place, largely, via Zoom, though some face-to-face meetings are now happening.
- Both synods in the 2020-21 Methodist year took place via Zoom. The synod held in September 2021 took place at Coventry Central Hall for those wishing to attend in person. The synod was live-streamed for those who wished to participate from home.
- Some churches have made the decision to "cease to meet", i.e. to close, partly because of the financial effects of Covid and partly because of smaller, ageing congregations.

FINANCIAL REVIEW

Financial position

During the year, the district received total income from all sources amounting to just under £1,000K (2020 - £1,043K) and disbursed £945K (2020 - £998K), giving a net surplus of income over expenditure of £55K (2020 - £46K). Total reserves at 31 August 2021 were £4,726K (2020 - £4,672K). £3,750K represents Freehold Land & Buildings (2020 - £3,750K). £910K (2020 - £861K) are restricted, held within 10 ring-fenced funds. £23K (2020 - £34K) is unrestricted and held within a Designated Fund. Free Reserves represent the balance on the General Fund of £43K (2019 - £27K).

No fund was in deficit at the year end.

The district continues to hold two freehold properties: the district manse at 36 Amesbury Road and Wesley International House (one of two Methodist properties in Birmingham managed by Birmingham International Student Homes, a separate charity). The trustees have agreed the fair value of the district manse as £750,000. Wesley International House is valued at £3,000,000, as agreed by the trustees. The combined amount of £3,750,000 is shown as Tangible Fixed Assets, with a corresponding amount of £3,750,000 held in the Capital Revaluation Reserve.

Going Concern

The trustees of the district have every reason to believe that the district is a going concern. The circuits continue to meet their assessments, and reserves are considered adequate. Reserves policies are reviewed annually. There are no subsidiary undertakings. Covid-19 has had financial implications for all the circuits and churches within the district. Historically, reserves held at churches and circuits throughout Methodism have been high, and these reserves have been drawn upon as local churches experienced a loss of letting and offertory income. The district receives all its income for day-to-day running costs from an assessment levied annually upon the circuits. The district treasurer meets with the circuit treasurers to discuss this allocation, which is calculated partly on an ability-to-pay basis. It is understood that this assessment is not optional, and circuits would be expected to make savings in other areas in order to pay the district assessment in full.

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 Birmingham Methodist District 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 2021 was £2,157 (2020 - £7,723).

FINANCIAL REVIEW (continued)

Reserves policy
"Free Reserves" represent the balance on the General Fund of £43K (2020 - £27K). Total reserves at 31 August 2021 were £4,726K (2020 - £4,672K). £3,750K (2020 - £3,750K) represent Freehold Land & Buildings. £910K (2020 - £861K) represent restricted funds. £23K (2019 - £34K) represent unrestricted designated funds.

The General Fund derives its income principally from circuit contributions (also known as assessments). The majority of this income is paid over to the central Methodist Church Fund, the balance of circuit contributions being held within the General Fund, to finance the day-to-day running costs of the district. The trustees believe that the balance on the General Fund should be in the region of £20K - 30K, to cover four to six months of district running costs. During the pandemic, actual district costs have been lower than budgeted costs. The district does not seek to make a profit from the circuits. The surplus over budget in 2020-21 of £16K will be returned to the circuits by means of a reduction in the 2022-23 budget. As such, we believe that the amount held within the General Fund at 31 August 2021 is in line with our reserves policy.

The Designated Fund comprises transfers from the General Fund in recent years, to cover certain known costs which will arise in the period to 31 August 2022, as detailed in the notes to the financial statements. The reserves policy for the Designated Fund is that the district will review the position at the end of each year, and any money not spent on the purpose for which it was intended will be returned to the General Fund or re-designated. The fund will close at 31 August 2022.

Income in the District Advance Fund is derived principally from distributions from the Connexional Priority Fund (i.e. from central Methodist sources) and from levies on trust funds held at circuit level (i.e. from local Methodist sources). Decisions regarding District Advance Fund spending and its allocation to projects are made by the Resourcing Mission Committee. Reserves held in the District Advance Fund will be sufficient to cover the future grant commitments from that fund. The reserves policy of the District Advance Fund is that at any point in time, the total of the future commitments from the District Advance Fund will not exceed the cash held within that fund. At the same time, the district ensures that future grant commitments almost match the amount held within the District Advance Fund, meaning that there will not be excess reserves held within the District Advance Fund.

Income into the Chaplaincy Fund is derived partly from external sources and partly from transfers from the District Advance Fund. The purpose of the fund is to finance the work of the NEC Chaplain/District chaplaincy co-ordinator and certain costs of the manse in which he lives, together with the employment costs of the assistant for this project. Connexional funding for this project is paid firstly into the District Advance Fund, which transfers sums into the Chaplaincy Fund sufficient to meet the costs of the Chaplaincy Fund for the year ahead. Money received from external sources into the Chaplaincy fund is ring-fenced for the purpose of the fund. The balance held within the Chaplaincy Fund is reviewed annually, and surplus amounts could be transferred back to the District Advance Fund, provided they do not represent any ring-fenced donations/grants.

The Mission & Youth Fund finances the work of the Mission Advisor. Money from the District Advance Fund, sufficient to meet the costs of the Mission Adviser for year ahead, is transferred into the Mission Fund at the start of the financial year. The district is currently in receipt of a connexional "Our Calling" grant, which is ring-fenced within the Mission Fund. The Our Calling grant money is earmarked for specific mission activities including youth events and the employment costs of the Youth Engagement Officer.

The Safeguarding Fund finances the work of the Safeguarding Officer. Money from the District Advance Fund, sufficient to meet the costs of the year ahead, is transferred into the Safeguarding Fund at the start of the financial year. The reserves policy for the Safeguarding Fund is that the reserves should not be allowed to build up within the Safeguarding Fund, so that surplus amounts in this fund can be transferred back to the District Advance Fund.

The Benevolent Fund is for use at the Chair's discretion, to reimburse costs incurred in cases of hardship and need. The amount currently held in this fund is thought to be adequate for the purposes for which it is intended. Transfers from the General Fund are made from time to time, as required.

The Adavu project seeks to help victims of modern slavery and to raise awareness levels relating to this subject. Grants have been received from external funders for specific purposes, together with donations from individuals and organisations. Such grants/donations are held within the Adavu Fund and are used for the work of the Adavu project. The reserves policy of the Adavu Fund is to hold all grants and donations within the ring-fenced fund, to be used for the specific purposes of those donations/grants.

FINANCIAL REVIEW (continued)

Reserves policy *(continued)*
The Manse Major Repair Fund seeks to build up a reserve, by means of annual transfers from the Designated Fund, to be used for any significant costs that may arise in the future relating to the district manse.

The Cameroonian Fund finances the work of the Cameroonian Christian Fellowship, whose aim is to integrate Cameroonian Christians into the Methodist Church. Income is derived principally from a Methodist connexional grant, together with contributions from the District Advance Fund and from the Birmingham (West) and Oldbury Circuit, where the project is based. The reserves policy of the Cameroonian Fund is to hold the grant money within the ring-fenced fund, to be used for the specific purposes of the grant.

The reserves policy of Inclusive Gathering Birmingham is to hold all grants and donations within the ring-fenced fund, to be used for the specific purposes of those grants.

The Digital Church Fund holds within a ring-fenced fund the money received as "seed money" from the Connexion to pilot a New Places for New People project – a digitally-based new ecclesial community. The pilot will be evaluated during the 2021-22 Methodist year.

FUTURE PLANS

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

- Ian Howarth, our district chair, is due to retire in August 2022. The Chair Nomination Group, which met several times during 2020-21, appointed Rev Novette Headley to be the district chair from September 2022. Novette has expressed a willingness to engage in collaborative ways of working with Wolverhampton & Shrewsbury District.
- An assistant Safeguarding Office has been appointed who will commence work in January 2022. The two Safeguarding officers will work jointly across both Birmingham Methodist District and Wolverhampton and Shrewsbury Methodist District.
- There is funding in place for the NEC chaplaincy to continue in its current form until August 2023. Discussions are taking place during 2021-22 to consider the future of this work after 2023.
- Adavu is in the process of exploring a new status of CIO (Charitable Incorporated Organisation). This change in status is envisaged during the 2021-22 Methodist year. The purpose for the change is to enable Adavu to attract grants from external funders who are currently not able to offer funding while Adavu remains a project of Birmingham Methodist District. The district will continue to support and maintain close links with Adavu by means of a partnership agreement, which is in the process of being drawn up.
- The Cameroonian project ceased in September 2021, a few months ahead of the scheduled end date of August 2022. All 2021-22 grant funding for this project was cancelled.
- As Inclusive Gathering Birmingham continues to grow, Danielle Wilson, whose salary is currently based on 20 hours a week, will receive a salary based on 30 hours a week in 2021-22. Grant funding from Methodist sources will continue until 2025. It is expected that IGB will be financially self-supporting in time.
- The district has agreed to welcome a new Global Mission Fellow for the period from September 2022 to June 2024. The appointment has been made, but the start date is being delayed on account of visa issues.
- A new system for connexional grants is in place. Commitments to old-style Mission & Ministry connexional grants already agreed will be honoured, subject to the normal fulfilment of grant conditions. In September 2021 Birmingham Methodist District received confirmation of connexional funding, under the New Places for New People (NPNP) system, for a district project entitled Street Ecclesial Community, due to start in September 2022.
- Changes to district grant funding have become necessary to reflect the changes to connexional grant funding. The former District Grants Committee had its final meeting in May 2021. A new Resourcing Mission Committee held its first meeting in November 2021. Decisions regarding District Advance Fund spending and its allocation to projects will be made by the Resourcing Mission Committee. Priority will need to be given to district projects, including NPNP projects and funding for the roles of district office holders.
- The new Resourcing Mission Committee will oversee the allocation of all the district funds, not just the District Advance Fund. The Resourcing Mission Committee will approve the General Fund budget annually, in advance of its being discussed with Circuit treasurers. The Resourcing Mission Committee will have financial oversight of all district resources.
- The City Centre Fund, currently administered by and included in the accounts of Birmingham Methodist Circuit, will be transferred to the accounts of Birmingham Methodist District on 1 September 2022. The district trustees will be the managing trustees of the City Centre Fund. The Resourcing Mission Committee will make recommendations to District Council on City Centre Fund spending.
- A new district treasurer is being sought, following the resignation of Helen Lynskey as an employee and as a trustee on 1 January 2022.

STRUCTURE, GOVERNANCE AND MANAGEMENT

Governing document
The charity is governed by the Methodist Church Act 1976 and the Deed of Union 1932.

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.

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

Management
The District Council meets four times a year. The responsibilities of the District Council, as laid down in Methodist Standing Orders, are as follows:

- to formulate and promote policies which will advance the mission of the Church in the circuits and local churches, and in particular to supervise the use of resources of personnel, property and finance and to assist local churches and circuits having exceptional problems
- to encourage inter-circuit and ecumenical co-operation
- to act in an executive capacity remitted to the Council by the Synod
- to keep within its purview all district concerns not dealt with elsewhere
- to contribute and respond, as the case may be, to the development of connexional policies as reflected in the work of the Conference and the Methodist Council, and to carry out its other responsibilities with any such development in mind

The District Council oversees the work of the District Grants Committee, finance, property, the District manse and office, stationing, safeguarding, authorisations to preside at communion, extensions to local preacher training and other matters as necessary.

Related parties
Methodist entities, whether they be districts, circuits or churches, are obliged to register as individual charities if they meet the requirements of registration laid down by the Charity Commission.

Birmingham Methodist District receives income from the circuits within the Birmingham District. All of the circuits are registered charities. Contributions from circuits, sometimes known as "the circuit assessment", are used to pay contributions to the central Methodist Church Fund and to meet the day-to-day running costs of the district. In the year to 31 August 2021 income from circuit assessments totalled £592,200 (2020 - £580,000). In addition, the district receives from each circuit holding a Circuit Model Trust Fund (CMTF) a levy based on the size of the CMTF at the start of the year. In the year to 31 August 2020, the total levy, credited automatically to the District Advance Fund by TMCP, was £117,458 (2020 - £173,304).

Methodist Church in Britain (MCB) is the largest Methodist entity, based at 25 Marylebone Road, London, and is an individual charity. In 2020-21 Birmingham Methodist District paid £526,753 (2020 - £518,574) to the Methodist Church Fund, as a contribution towards the running costs of MCB. The District Advance Fund receives annual grant income from the Connexional Priority Fund, held within the accounts of MCB. In the year to 31 August 2021, £87,920 was received from the Connexional Priority Fund (2020 - £21,077).

Wesley International House is a freehold property held by TMCP as custodian trustees for Birmingham Methodist District. A separate charity called Birmingham International Student Homes (BISH) is responsible for all aspects of upkeep and maintenance of Wesley International House. BISH reports to annually to Birmingham Methodist District Council.

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), including Financial Reporting Standard 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland".

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.

Auditors
Haines Watts Birmingham LLP have signified their willingness to continue in office. A resolution to re-appoint Haines Watts Birmingham LLP as auditors will be proposed at the District Council meeting to be held on 22 March 2022.

Approved by order of the board of trustees on 22 March 2022 and signed on its behalf by:

Ian Howarth

Rev Ian Howarth - Chair

Opinion

We have audited the financial statements of Birmingham District of the Methodist Church (the 'charity') for the year ended 31 August 2021 which comprise the Statement of Financial Activities, the Statement of Financial Position, the Statement of Cash Flows 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), including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland'.

In our opinion the financial statements:

- give a true and fair view of the state of the charity's affairs as at 31 August 2021 and of its incoming resources and application of resources for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice, including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and the Republic of Ireland'; 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 charitable company'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.

However, not all future events or conditions can be predicted. The COVID-19 viral pandemic is one of the most significant economic events for the UK with unprecedented levels of uncertainty of outcomes. It is therefore difficult to evaluate all of the potential implications on the entity's activities, funders, suppliers and wider economy. The Trustees' view on the impact of COVID-19 is disclosed in the Report of the Charity Trustees.

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 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, 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.

Opinion on other matters prescribed by the Companies Act 2006

In our opinion, based on the work undertaken in the course of the audit:

- the information given in the Report of the Trustees for the financial year for which the statements are prepared is consistent with the financial statements; and
- the Report of the Trustees has been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception
We have nothing to report in respect of the following matters where the Charities Act 2011 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 set out on page eight, 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 auditor under section 1443 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 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.

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 obtained an understanding of the legal and regulatory framework applicable to both the charitable company itself and the sector in which it operates. We identified areas of laws and regulations that could reasonably be expected to have a material effect on the financial statements from our sector experience and through discussion with the trustees and other management. The most significant were identified as the Charities Act 2011 and Charities SORP (FRS102).

We considered the extent of compliance with those laws and regulations as part of our procedures on the related financial statements. Our audit procedures included:

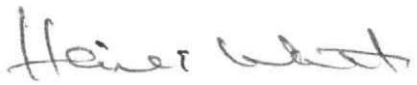
- making enquires of management as to where they consider there to be a susceptibility to fraud and whether they have any knowledge or suspicion of fraud;
- obtaining an understanding of the internal controls established to mitigate risks related to fraud or non-compliance with laws and regulations;
- assessing the design effectiveness of the controls in place to prevent and detect fraud;
- assessing the risk of management override including identifying and testing journal entries;
- challenging the assumptions and judgements made by management in its significant accounting estimates.

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

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



Haines Watts Birmingham LLP
Eligible to act as an auditor in terms of Section 1212 of the Companies Act 2006
5-6 Greenfield Crescent
Edgbaston
Birmingham
B15 3BE

13 April 2022

Birmingham District of the Methodist Church

Statement of Financial Activities
for the Year Ended 31 August 2021

	Notes	Unrestricted funds £	Restricted funds £	2021 Total Funds £	2020 Total Funds £
INCOME AND ENDOWMENTS FROM					
Donations and legacies	2	**592,589**	**405,061**	**997,650**	1,035,745
Investment income	3	**190**	**1,967**	**2,157**	7,723
Total		**592,779**	**407,028**	**999,807**	1,043,468
EXPENDITURE ON					
Charitable activities					
Grants and donations	4	**100**	**80,572**	**80,672**	108,842
Contributions to Methodist Church Fund	4	**526,753**	**-**	**526,753**	518,574
Other	6	**57,324**	**280,201**	**337,525**	370,349
Total		**584,177**	**360,773**	**944,950**	997,765
NET INCOME/(EXPENDITURE)		**8,602**	**46,255**	**54,857**	45,703
Transfers between funds	13	**(4,000)**	**4,000**	**-**	-
Other recognised gains/(losses)					
Gains/(losses) on revaluation of fixed assets		**-**	**-**	**-**	-
Net movement in funds		**4,602**	**50,255**	**54,857**	45,703
RECONCILIATION OF FUNDS					
Total funds brought forward		**3,811,262**	**860,681**	**4,671,943**	4,626,240
TOTAL FUNDS CARRIED FORWARD		**3,815,864**	**910,936**	**4,726,800**	4,671,943

CONTINUING OPERATIONS
All income and expenditure has arisen from continuing activities.

The notes form part of these financial statements

Birmingham District of the Methodist Church

Balance Sheet
At 31 August 2021

	Notes	Unrestricted funds £	Restricted funds £	2021 Total funds £	2020 Total funds £
FIXED ASSETS					
Tangible assets	10	**3,750,000**	-	**3,750,000**	3,750,000
CURRENT ASSETS					
Debtors	11	-	**2,937**	**2,937**	3,197
Cash at bank		**71,453**	**909,864**	**981,317**	928,297
		71,453	**912,801**	**984,254**	931,494
CREDITORS					
Amounts falling due within one year	12	**(5,589)**	**(1,865)**	**(7,454)**	(9,551)
NET CURRENT ASSETS		**65,864**	**910,936**	**976,800**	921,943
TOTAL ASSETS LESS CURRENT LIABILITIES		3,815,864	910,936	4,726,800	4,671,943
NET ASSETS		3,815,864	910,936	4,726,800	4,671,943
FUNDS	13				
Unrestricted funds:					
General fund				**42,642**	26,904
Capital revaluation reserve				**3,750,000**	3,750,000
Designated fund				**23,222**	34,358
				3,815,864	3,811,262
Restricted funds:					
District Advance Fund				**748,246**	707,625
Chaplaincy Fund				**13,999**	3,989
Mission Fund				**51,738**	40,547
Safeguarding Fund				**10,385**	6,976
Adavu Fund				**41,433**	70,337
Benevolent Fund				**2,099**	3,132
Manse Major Repair Fund				**11,699**	7,688
Cameroonian Fund				**3,386**	1,903
New Inclusive Church Fund				**20,639**	18,484
Digital Church Fund				**7,312**	-
				910,936	860,681
TOTAL FUNDS				**4,726,800**	4,671,943

The financial statements were approved by the Board of Trustees on 22 March 2022 and were signed on its behalf by:

Rev I Howarth –Trustee

Mrs H E Woodall – Trustee

The notes form part of these financial statements

continued...

Cash Flow Statement
for the Year Ended 31 August 2021

	Notes	2021 £	2020 £
Cash flows from operating activities:			
Cash generated from operations	1	50,863	37,393
Net cash provided by (used in) operating activities		50,863	37,393
Cash flows from investing activities:			
Interest received		2,157	7,723
Net cash provided by investing activities		2,157	7,723
Change in cash and cash equivalents in the reporting period		53,020	45,116
Cash and cash equivalents at the beginning of the reporting period		928,297	883,181
Cash and cash equivalents at the end of the reporting period		981,317	928,297

The notes form part of these financial statements

1. RECONCILIATION OF NET INCOME/(EXPENDITURE) TO NET CASH FLOW FROM OPERATING ACTIVITIES

	2021 £	2020 £
Net income/ (expenditure) for the reporting period (as per the statement of financial activities)	**54,857**	45,703
Adjustments for:		
Interest received	**(2,157)**	(7,723)
(Increase)/decrease in debtors	**260**	(151)
(Decrease)/increase in creditors	**(2,097)**	(436)
Net cash (used in)/ provided by operating activities	**50,863**	37,393

1. ACCOUNTING POLICIES

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 particular restricted purposes within the objects of the charity. Restrictions arise when specified by the donor or when funds are raised for particular restricted purposes. Further explanation of the nature and purpose of each fund is included in the notes to the financial statements.

Pension costs and other post-retirement benefits
The charity operates a defined contribution pension scheme. The assets of the scheme are held separately from those of the charity. The pension cost charge represents contributions paid by the charity to the fund.

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

Debtors and creditors receivable/payable within one year
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.

2. DONATIONS AND LEGACIES

	2021	2020
	£	£
Circuit contributions	**592,200**	580,000
Donations	**26,766**	37,841
Connexional and other grants	**172,569**	209,068
Circuit Model Trust Fund Levies	**117,458**	173,304
Connexional Priority Fund distribution	**87,920**	21,077
Other income	**737**	14,455
	997,650	1,035,745

3. INVESTMENT INCOME

	2021	2020
	£	£
Deposit account interest	**2,157**	7,723

4. CHARITABLE ACTIVITIES COSTS

	Grant funding of activities (See note 5)	Totals
	£	£
Grants and donations	**80,672**	**80,672**
Contribution to Methodist Church Fund	**526,753**	**526,753**
	607,425	**607,425**

5. GRANTS PAYABLE

	2021	2020
	£	£
Grants and donations	**80,672**	108,842
Contribution to Methodist Church Fund	**526,753**	518,574
	607,425	627,416

The total grants paid to institutions during the year was as follows:

	2021	2020
	£	£
Mission projects	**69,991**	75,168
Methodist Church Fund	**526,753**	518,574
Property projects	**9,000**	15,000
Other grants and donations	**1,681**	18,674
	607,425	627,416

5. GRANTS PAYABLE - continued

During the year, in addition to the above, the District Advance Fund transferred £25,750 to the Chaplaincy Fund, £5,000 to the Cameroonian Fund, £8,500 to the Adava Fund, £8,000 to the Inclusive Gathering Birmingham Fund, £27,000 to the Mission and Youth Fund and £28,000 to the Safeguarding Fund.

6. SUPPORT COSTS

	Management	Governance costs	Totals
	£	£	£
Other resources expended	333,505	4,020	337,525

Support costs, included in the above, are as follows:

	2021	2020
	£	£
Salaries and associated costs	253,222	249,401
Trustee expenses	203	1,198
Manse costs	22,514	28,012
Training, including retreats	2,791	11,586
Administration, telephone, travel etc.	44,814	49,410
Other expenses	2,601	14,199
Employee expenses	6,010	11,450
Professional fees	1,350	1,193
Auditors' remuneration	4,020	3,900
	337,525	370,349

7. TRUSTEES' REMUNERATION AND BENEFITS

During the year ended 31 August 2021 £6,500 (2020 - £6,330) was paid to Mrs H Lynskey for Finance Administration as authorised by the trustees.

Trustees' expenses

There were trustees' expenses of £203 paid for the year ended 31 August 2021 (2020 - £1,198).

8. STAFF COSTS

	2021	2020
	£	£
Wages and salaries	220,623	222,832
Social security costs	15,392	10,141
Other pension costs	17,208	16,428
	253,223	249,401

The average monthly number of employees during the period, calculated on the basis of full time equivalents, was 8 (2020 – 8.5).

No employee received remuneration at a rate of £60,000 or more per year.

Key management personnel
Key management personnel consists of the District Chair, whose salary is paid from central Methodist Funds. Key management personnel remuneration for the year totalled £42,150 (2020 - £41,180).

9. COMPARATIVES FOR THE STATEMENT OF FINANCIAL ACTIVITIES - YEAR ENDED 31 AUGUST 2020

	Unrestricted funds £	Restricted funds £	Total funds 2020 £
INCOME AND ENDOWMENTS FROM			
Donations and legacies	598,502	437,243	1,035,745
Investment income	1,247	6,476	7,723
Total	599,749	443,719	1,043,468
EXPENDITURE ON			
Charitable activities			
Grants and donations	15,074	93,768	108,842
Contribution to Methodist Church Fund	518,574	-	518,574
Other	65,691	304,658	370,349
Total	599,339	398,426	997,765
NET INCOME/(EXPENDITURE)	410	45,293	45,703
Transfers between funds	500	(500)	-
Other recognised gains/(losses)			
Gains/(losses) on revaluation of fixed assets	-	-	-
Net movement in funds	910	44,793	45,703
RECONCILIATION OF FUNDS			
Total funds brought forward	3,810,352	815,888	4,626,240
TOTAL FUNDS CARRIED FORWARD	3,811,262	860,681	4,671,943

10. TANGIBLE FIXED ASSETS

	Freehold property £
COST OR VALUATION	
At 1 September 2020	**3,750,000**
At 31 August 2021	**3,750,000**
NET BOOK VALUE	
At 31 August 2021	**3,750,000**
At 31 August 2020	3,750,000

Tangible fixed assets were valued by the trustees on the basis of their open market value. The resulting surplus has been carried to a capital reserve which is not available for distribution.

The freehold properties comprise the Manse, valued at £750,000, and Wesley International House, valued at £3,000,000. In the opinion of the trustees the current open market valuation of the properties is not materially different from the amounts at which they are included in the accounts.

10. TANGIBLE FIXED ASSETS – continued

Whilst Wesley International House is owned by the Trustees for Methodist Church Purposes on trust for Birmingham Methodist District, the property is managed by Birmingham International Student Homes, a separate charity (registered charity number 1095730). Birmingham Methodist District authorises Birmingham International Student Homes to be responsible for all aspects of the upkeep and maintenance of Wesley International House except final ownership.

11. DEBTORS: AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR

	2021	2020
	£	£
Prepayments and accrued income	2,937	3,197

12. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2021	2020
	£	£
Accruals and deferred income	7,454	9,551

13. MOVEMENT IN FUNDS

	At 1.9.20	Net movement in funds	Transfers between funds	At 31.8.21
	£	£	£	£
Unrestricted funds				
General fund	26,904	15,738	-	42,642
Capital revaluation reserve	3,750,000	-	-	3,750,000
Designated fund	34,358	(7,136)	(4,000)	23,222
	3,811,262	8,602	(4,000)	3,815,864
Restricted funds				
District Advance Fund	707,625	200,171	(159,550)	748,246
Chaplaincy Fund	3,989	(41,490)	51,500	13,999
Mission Fund	40,547	(15,809)	27,000	51,738
Safeguarding Fund	6,976	(24,591)	28,000	10,385
Adavu Fund	70,337	(45,404)	16,500	41,433
Benevolent Fund	3,132	(1,033)	-	2,099
Manse Major Repair Fund	7,688	11	4,000	11,699
Cameroonian Fund	1,903	(22,067)	23,550	3,386
New Inclusive Church Fund	18,484	(10,845)	13,000	20,639
Global Mission Fellow Fund	-	7,312	-	7,312
	860,681	46,255	4,000	910,936
TOTAL FUNDS	4,671,943	54,857	-	4,726,800

13. MOVEMENT IN FUNDS - continued

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

	Incoming resources £	Resources expended £	Gains and losses £	Movement in funds £
Unrestricted funds				
General fund	592,779	(577,041)	-	15,738
Designated fund	-	-	-	-
Capital revaluation reserve	-	(7,136)	-	(7,136)
	592,779	(584,177)	-	8,602
Restricted funds				
District Advance Fund	279,896	(79,725)	-	200,171
Chaplaincy Fund	19,000	(60,490)	-	(41,490)
Mission and Youth Fund	18,455	(34,264)	-	(15,809)
Safeguarding Fund	500	(25,091)	-	(24,591)
Adavu Fund	54,098	(99,502)	-	(45,404)
Benevolent fund	298	(1,331)	-	(1,033)
Manse major repair fund	11	-	-	11
Cameroonian fund	5,000	(27,067)	-	(22,067)
Inclusive Gathering Birmingham fund	19,770	(30,615)	-	(10,845)
Digital Church fund	10,000	(2,688)	-	7,312
	407,028	(360,773)	-	46,255
TOTAL FUNDS	999,807	(944,950)	-	54,857

General fund
The purpose of the fund is for use at the discretion of the trustees in the furtherance of the general objectives of the district, for day-to-day running costs.

Designated fund
The designated fund comprises £9,200 set aside for future exchange visits, £3,382 for future website/communications costs, £6,640 for salary for Helen Lynskey (finance administration) in 2021-22, and £4,000 for transfer to the Manse major repair fund in 2021-22. The designated fund will close on 31 August 2022. Any balance unspent at that date will be transferred to the General Fund.

Restricted funds
The purpose of each restricted fund, together with its reserve policy, is set out in the Report of the Trustees.

Adavu Fund
The Adavu project is supported by the Lloyds Bank Foundation for England and Wales.

14. CONTINGENT LIABILITIES

As at 31 August 2021 future grant commitments from the District Advance Fund were as follows:

Year to	£
31 August 2022	217,251
31 August 2023	224,543
31 August 2024	128,537
31 August 2025	97,000
31 August 2026	61,500
	728,831

Future grant commitments from the District Advance Fund are shown above.

All such future payments are conditional upon the District Grants Committee being satisfied, on the basis of progress reports from the grantee, that the project's achievements to date justify the payment of further instalments of the grant.

Estimated employer debt on withdrawal of former employee pensions under the Growth Plan 3 scheme is £5,235 at the latest valuation date, being 30 September 2019.

15. RELATED PARTY DISCLOSURES

Transactions with other Methodist entities and associated charities are disclosed in the Report of the Trustees.

West Midlands Methodist District

England & Wales - Charity number 1134167

Accounts

REGISTERED CHARITY NUMBER: 1134167

Birmingham District of the Methodist Church

Report of the Trustees and Audited Financial Statements

Year Ended 31 August 2020

Haines Watts

Birmingham District of the Methodist Church

Contents of the Financial Statements
for the Year Ended 31 August 2020

	Page
Reference and Administrative Details	1
Report of the Trustees	2 to 8
Report of the Independent Auditors	9 to 10
Statement of Financial Activities	11
Balance Sheet	12
Cash Flow Statement	13
Notes to the Cash Flow Statement	14
Notes to the Financial Statements	15 to 21
Detailed Statement of Financial Activities	22

Birmingham District of the Methodist Church

Reference and Administrative Details
for the Year Ended 31 August 2020

Trustees	I Athey	
	Rev J Braund	
	J M Cowan	- appointed 1.9.19, resigned 21.1.21
	Rev C Hague	
	Mrs J Hamilton	- resigned 31.8.20
	Rev I Howarth (Chair)	
	Rev V Jambawo	- resigned 31.8.20
	Rev N Johnson	- appointed 1.9.19
	Rev N Jones	
	Mrs H Lynskey	
	Rev F Mapamula	- appointed 1.9.19
	C Osborn	
	T Pethick	
	Rev K Pickering	- appointed 1.9.19
	Deacon M Slowe	- appointed 1.9.19
	Rev A Smith	- appointed 1.9.19
	Ms S A Smith	
	Rev J B Suray	
	Rev N S J Suray	- appointed 21.1.21
	Rev P J Warrey	
	Rev K Webber	
	Mrs G R Weller	
	Mrs G Wilkins	
	Mrs H E Woodall	- resigned 31.8.19, appointed 1.9.20
	Mrs G Woolf	- appointed 1.9.19
Registered Charity number	1134167	
Principal address	36 Amesbury Road Moseley Birmingham West Midlands B13 8LE	
Auditors	Haines Watts Birmingham LLP 5-6 Greenfield Crescent Edgbaston Birmingham B15 3BE	
Bankers	Trustees for Methodist Church Purposes Oldham Street Manchester M1 1JQ Central Finance Board of the Methodist Church 9 Bonhill Street London EC2A 4PE Co-operative Bank PO Box 250 Skelmersdale WN8 6WT	

The trustees present their report with the financial statements for the year ended 31 August 2020. 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

Birmingham Methodist District

Methodists belong to local churches or ecumenical partnerships, but also feel part of a larger connected community, the Connexion. There are more than 4,000 Methodist churches across the country, grouped within circuits. Birmingham Methodist District is one of 30 districts within the Methodist Church in Britain and comprises some 130 churches, grouped in 10 circuits across Birmingham, Worcestershire, Warwickshire, Hertfordshire and Staffordshire.

The main role of the district is to support its churches and circuits, administratively and spiritually. In addition, the Birmingham District is active in many other ways, as detailed in *Achievements and Performance* below.

District policy statement

The calling of the Methodist Church is to respond to the gospel of God's love in Christ and to live out its discipleship in worship and mission. It does this through worship, learning and caring, service and evangelism. The Birmingham Methodist District seeks to be a network of communities where people are included and grow, being transformed by the love of God and sharing their story of God's grace. In collaboration with others where possible the District is committed to creating safer spaces and working for a just and sustainable world. We have a vision for a growing, evangelistic, justice-seeking and inclusive church without walls. In the power of the Holy Spirit, we seek to grow disciples of Jesus Christ. Growing…

- in numbers of new disciples
- in depth of discipleship
- in transformation of communities and society

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.

Our charitable activities, set out in Achievements and Performance below, have been carried out within the framework of our policy statement, namely with the aim of growth, not only within Methodism in Birmingham but also growth in the outworking of our discipleship, by seeking to work for the public benefit of the community around us. Our chaplaincy and other projects demonstrate our aim to show the love of Jesus Christ outside the church walls.

Grant making

The Birmingham District grants committee meets twice a year to consider grants to be paid out of the District Advance Fund. Applications from Methodist circuits and churches are considered, as well as grants for district projects. Grants are prioritised to target situations that have growth potential, in line with our district policy statement. Where grants are payable over a period of years, project reporting is required to demonstrate that the ongoing work fulfils the aims of growth set out in the district policy statement. Reimbursements towards the cost of training courses aimed at developing the spiritual growth of individuals (ordained or lay) are made from the General Fund. Payments from the Benevolent Fund, for reimbursement of expenses incurred in cases of hardship or need, are made at the Chair's discretion.

Volunteers

Birmingham Methodist District is heavily reliant on volunteers, at church, circuit and district level. Volunteers give their time and skills to further the aims of the District. Much of this work is by serving on committees and by acting as trustees. The District is grateful to all of them for their help and commitment.

Trustees

Reimbursements of expenses paid to trustees are disclosed in the notes to the accounts. Payments to trustees for services that are required by the District are also disclosed in the accounts. The District Council ensures that any such services are in the best interests of the District. Measures are in place to ensure that no conflict of interest arises from any such payment.

ACHIEVEMENT AND PERFORMANCE

Charitable activities

In the year to 31 August 2020 resources have been deployed in the following ways:

- Providing funding for Adam Sanders, our Mission Adviser, who joined the District Team in September 2019. Adam is also pastor of Jazz Community Church, a recent church plant in the Birmingham District. Adam has been inspiring us with his enthusiasm, co-ordinating mission plans around the district, championing Church Without Walls, using his technical skills to help with the district website and the broadcasting of online worship, and using his musical skills to enrich that worship.
- Providing funding and support for mission and property projects in the circuits and churches. The district particularly values the work of the Lozells Community Project.
- The provision of chaplaincy at the NEC. Rev David Butterworth works as a chaplain at the NEC, supported by his assistant, Paul Chesterman. David offers support to employees and visitors, as well as liaising with board directors, HR consultants and event managers.
- The co-ordination of chaplaincy across the Birmingham District. Rev David Butterworth, also a champion for Church Without Walls, is in regular contact with more than 50 volunteer and paid chaplains at institutions in the Birmingham District, providing information, training opportunities and support.
- The provision of a Safeguarding Officer. Mrs Sue Holder ensures that regulations relating to Safeguarding are properly fulfilled. She provides Safeguarding training to circuit staff and church leaders.
- Support for refugees. The district took part in a Community Sponsorship programme, providing a home for a Syrian refugee family and helping them towards independent living. This project finished in February 2020, and we keep in touch with the family, now settled in a new home.
- Support for adult victims of modern slavery through the District project “Adavu”. Adavu currently has a project manager and three case workers, as well as volunteers. In addition to funding from Methodist sources and other grant-giving bodies, Adavu is also funded with the support of the Lloyds Bank Foundation for England and Wales.
- The provision of chaplaincy at universities within the area of the Birmingham District, namely University of Aston, University of Birmingham and University of Warwick.
- Providing funding and support for the work of Inclusive Gathering Birmingham (formerly New Inclusive Church) a bold, truly inclusive faith community, relevant for the 21st century. Danielle Wilson was appointed as pastor on 1 September 2019, and significant growth has occurred in IGB during 2019-20
- Supporting the Cameroonian Christian Fellowship, whose role is to foster links between the Methodist Church and Cameroonian Christians in the UK
- Keeping in touch with our exchange partners in the Kadoma circuit of the Methodist Church of Zimbabwe and the Methodist Church in Chemnitz, Germany.
- Seeking to promote equality, diversity and inclusion within society as well as the Church
- Pioneering the role of a Global Mission Fellow in the UK. Global Ministries seeks to place young missionaries across the world. As a pilot scheme in the UK, Birmingham District was asked to host a Global Mission Fellow. Ruda, a young Zimbabwean, was with us in February 2019 until the programme ended in July 2020. Ruda did valuable work engaging with our young people.
- Acting as managing trustees for Wesley International House, a property owned by Birmingham Methodist District, and supporting Birmingham International Student Homes, the charity which administers the management of two Methodist buildings providing accommodation for international students of different faiths within a safe and supportive environment
- Improving the District website.
- Collecting donations for charitable causes. An appeal was made at Christmas 2019 to support our exchange partners in Zimbabwe. Donations totalling £7,670 were received, used partly to fund food hampers to rural regions of the Kadoma circuit. Following flooding in early 2020, another district appeal was made. More than £7,000 was raised, split between Hertfordshire Community Foundation and Borderlands Rural Chaplaincy (a project of the Wolverhampton & Shrewsbury district).
- Organising and subsidising a youth residential weekend that took place in March 2020, just before the lockdown.

Effect of Covid019 on Charitable activities

- The District acted swiftly at the start of the lockdown to keep in touch with the circuits and churches in the district, to keep them informed and offer encouragement
- Meetings have taken place via Zoom. Meetings of the District Leadership Team took place weekly at the start of the pandemic. Zoom meetings worked well, saving travelling time, travel expenses and carbon footprint. It is acknowledged, however, that we miss meeting in person.

- A District online service has been broadcast, via the District website, from the very beginning of the pandemic. At a time when local churches were closed, folk from around the district (and beyond) were grateful to be able to join in this weekly act of worship, led by our Chair, Ian Howarth. Ian's musical ability, and that of his daughter Rosie, added a special dimension. Comments on the Facebook chat noted appreciation for being able to feel part of a District-wide worshipping community.
- For the future, some local churches are looking at the concept of "hybrid church", a combination of traditional and online worship.
- No district employees were furloughed. All work continued, with adaptations. Many staff were busier than ever.
- Spring Synod could not take place in a physical setting – it was pre-recorded and put on the District website as a Youtube presentation.
- The visit from our exchange partners in Chemnitz, Germany, planned for April 2020, had to be cancelled, though they sent their greetings to our April synod via a video clip.
- Plans for community outreach in Together in Mission week, scheduled for May 2020, could not go ahead, but we were encouraged to focus our thoughts on post-Covid mission opportunities in our local churches.
- Inclusive Gathering Birmingham had previously been meeting for monthly worship at Carrs Lane in the centre of Birmingham, but now their worship services are weekly and online. Their membership and their income have increased significantly.
- The Cameroonian Fellowship, which is a nationwide project, had previously been meeting quarterly for worship, but now they worship weekly, via zoom.
- Covid-19 has forced us to do things differently and to think differently. Although we have missed being able to meet in person, many new opportunities have presented themselves. At this time of crisis, we have felt ourselves bound together spiritually.
- There has been considerable concern regarding finance. There have been many meetings of Methodist treasurers at all levels. With churches closed for long periods, there has been a decline in income from lettings and from the collection plate. There are significant cash reserves held at all levels of Methodism, and this has helped to offset the current losses. Many Methodist members give regularly by standing order, which has helped keep income steady. A few churches plan not to re-open at all, either because of finance or because of ageing congregations. The sale proceeds of buildings will help to strengthen cash reserves in the circuits. Contributions to the Methodist Church Fund are expected to be paid in full. An emergency fund has been set aside within DAF, to assist circuits who may find themselves unable to pay staff costs and the district assessment. Wealth has been re-distributed, to a certain degree, between the circuits. Circuits have been made aware that they will need to carefully consider what they can afford, going forward, particularly in terms of employment costs.

FINANCIAL REVIEW

Financial position

During the year the District received total income from all sources amounting to £1,043K (2019 - £937K) and disbursed £998K (2019 - £913K), giving a net surplus of income over expenditure of £46K (2019 - £24K). Total reserves at 31 August 2020 were £4,672K (2019 - £4,626K). £3,750K represents Freehold Land & Buildings (2019 - £3,750K). £816K (2019 - £816K) are restricted, held within 9 ring-fenced funds. £34K (2019 - £41K) is unrestricted and held within a Designated Fund. Free Reserves represent the balance on the General Fund of £27K (2019 - £20K). No fund was in deficit at the year end.

The District continues to hold two freehold properties: the District manse at 36 Amesbury Road and Wesley International House (one of two Methodist properties in Birmingham managed by Birmingham International Student Homes, a separate charity). The trustees have agreed the fair value of the District manse as £750,000. Wesley International House is valued at £3,000,000, as agreed by the trustees. The combined amount of £3,750,000 is shown as Tangible Fixed Assets, with a corresponding amount of £3,750,000 held in the Capital Revaluation Reserve.

The trustees of the District have every reason to believe that the District is a going concern. The circuits continue to meet their assessments, and reserves are considered adequate to cover shortfalls, should they arise. The reserves policy is reviewed annually. There are no subsidiary undertakings. The trustees do not foresee any factors that will significantly affect the financial performance or position in the next year or two.

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 Birmingham Methodist District 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 2020 was £7,723 (2019 - £7,032).

FINANCIAL REVIEW (continued)

Reserves policy
"Free Reserves" represent the balance on the General Fund of £27K (2019 - £20K).Total reserves at 31 August 2020 were £4,672K (2019 - £4,626K). £3,750K (2019 - £3,750K) represent Freehold Land & Buildings. £861K (2019 - £816K) represent restricted funds. £34K (2019 - £41K) represent unrestricted designated funds.

The General Fund derives its income principally from circuit contributions (also known as assessments). The majority of this income is paid over to the central Methodist Church Fund, the balance of circuit contributions being held within the General Fund, to finance the day-to-day running costs of the District. The trustees believe that the balance on the General Fund should be in the region of £20K - 30K, to cover four to six months of District running costs.

The Designated Fund comprises transfers from the General Fund in recent years, to cover certain known costs which will arise in the period to 31 August 2022, as detailed in the notes to the financial statements. The reserves policy for the Designated Fund is that the District will review the position at the end of each year, and any money not spent on the purpose for which it was intended will be returned to the General Fund.

Income in the District Advance Fund is derived principally from distributions from the Connexional Priority Fund (ie from central Methodist sources) and from levies on Circuit Model Trust Funds (ie from local Methodist sources). The principal purpose of the District Advance Fund is to award grants, in accordance with specific guidelines, covering future periods of up to five years. Reserves held in the District Advance Fund will be sufficient to cover the future grant commitments from that fund. The reserves policy of the District Advance Fund is that at any point in time, the total of the future commitments from the District Advance Fund will not exceed the cash held within that fund. At the same time, the District ensures that future grant commitments almost match the amount held within the District Advance Fund, meaning that there will not be excess reserves held within the District Advance Fund.

Income into the Chaplaincy Fund is derived partly from external sources and partly from transfers from the District Advance Fund. The purpose of the fund is to finance the work of the NEC Chaplain/District chaplaincy co-ordinator and certain costs of the manse in which he lives, together with the employment costs of the assistant for this project. Connexional funding for this project is paid firstly into the District Advance Fund, which transfers sums into the Chaplaincy Fund sufficient to meet the costs of the Chaplaincy Fund for the year ahead. Money received from external sources into the Chaplaincy fund is ring-fenced for the purpose of the fund. The balance held within the Chaplaincy Fund is reviewed annually, and surplus amounts could be transferred back to the District Advance Fund, provided they do not represent any ring-fenced donations/grants.

The Mission Fund finances the work of the Mission Advisor. Money from the District Advance Fund, sufficient to meet the costs of the year ahead, is transferred into the Mission Fund at the start of the finacial year. The district is currently in receipt of a connexional "Our Calling" grant, which is ring fenced within the Mission Fund. The Our Calling grant money is earmarked for specific mission activities including the employment costs of the Youth Engagement Officer.

The Safeguarding Fund finances the work of the Safeguarding Officer. Money from the District Advance Fund, sufficient to meet the costs of the year ahead, is transferred into the Safeguarding Fund at the start of the financial year. The reserves policy for the Safeguarding Fund is that the reserves should not be allowed to build up within the Safeguarding Fund, so that surplus amounts in this fund can be transferred back to the District Advance Fund.

The Benevolent Fund is for use at the Chair's discretion, to reimburse costs incurred in cases of hardship and need. The amount currently held in this fund is thought to be adequate for the purposes for which it is intended. Transfers from the General Fund will be made at a future date, as required.

The Refugee Fund is used for the family of Syrian refugees we are supporting under the Community Sponsorship Programme. This project ceased in February 2020, a small overspend being financed from the Benevolent Fund.

The Adavu project seeks to help victims of modern slavery and to raise awareness levels relating to this subject. Grants have been received from external funders for specific purposes, together with donations from individuals and organisations. Such grants/donations are held within the Adavu Fund and are used for the work of the Adavu project. The reserves policy of the Adavu Fund is to hold all grants and donations within the ring-fenced fund, to be used for the specific purposes of those donations/grants.

The Manse Major Repair Fund seeks to build up a reserve, by means of annual transfers from the Designated Fund, to be used for any significant costs that may arise in the future relating to the district manse.

FINANCIAL REVIEW (continued)

Reserves policy (continued)

The Cameroonian Fund finances the work of the Cameroonian Christian Fellowship, whose aim is to integrate Cameroonian Christians into the Methodist Church. Income is derived principally from a Methodist connexional grant, together with contributions from the District Advance Fund and from the Birmingham (West) and Oldbury Circuit, where the project is based. The reserves policy of the Cameroonian Fund is to hold the grant money within the ring-fenced fund, to be used for the specific purposes of the grant.

The reserves policy of the Inclusive Gathering Birmingham (formerly New Inclusive Church) Fund is to hold all grants and donations within the ring-fenced fund, to be used for the specific purposes of those grants.

The Global Mission Fellow Fund holds within a ring-fenced fund the money received from Global Ministries to finance the role of Rudaviro Mvundura for a defined period. This fund closed in July 2020, a small overspend being financed from the Our Calling grant held within the Mission Fund.

FUTURE PLANS

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

- A new district development plan is being developed, for discussion at synod in Spring 2021. Mission action plans from circuits will be shared, to enable circuit strategic planning. The new district development plan will reflect the connexional God for All programme, it will encourage online models of church and it will recognise the importance of EDI (equality, diversity and inclusion), social justice and youth engagement. It will also include a recognition that the Church itself needs to be prepared to undergo significant cultural shifts in order to achieve its aims.
- Charlotte Hambly has been appointed as Youth Engagement Officer, for 12 hours a week, with effect from September 2020. Charlotte is building up a network of youth leaders, and she encourages our young people in various ways.
- There is funding in place for the NEC chaplaincy to continue in its current form until August 2023, provided contributions of £15K per year are forthcoming from the NEC itself. A group is being set up to consider the future of this work after 2023.
- The work of the Safeguarding Officer continues, including the delivery of courses relating to online safeguarding issues.
- There is funding in place for Adavu to continue until 2022. The future of the project is dependent upon support from external funders.
- There is funding in place for the Cameroonian project to continue until August 2022.
- Methodist funding for Inclusive Gathering Birmingham will taper over the next couple of years as income from new IGB worshippers continues to grow. It is expected that IGB will be financially self-supporting in time.
- The district has agreed to welcome a further Global Mission Fellow at some point in the future. The GMF programme is currently on hold because of the pandemic.
- The district has pledged that EDI (equality, diversity and inclusion) will have a permanent place on our agendas. Rev Farai Mapamula is our EDI officer.
- We continue plans to become an “Eco District”, encouraging our churches to reduce their carbon footprint.
- The system for connexional grants has changed. There will be no new Mission and Ministry grants in 2020-21, although commitments to connexional grants already agreed will be honoured, subject to the normal fulfilment of grant conditions. A new connexional grants system, called God for All, is due to commence during 2021-22. At present we do not know how this will affect the work of the district, but we will be encouraged to focus on New Places for New People and Church at the Margins.
- District reviews – all Methodist districts are being asked to “engage in conversations alongside others about regional ways of working”. Birmingham District has been asked to undergo a district review in conjunction with Wolverhampton & Shrewsbury District. Meetings are taking place, facilitated by Kerry Scarlett of the Learning Network, at which we discuss our strengths, opportunities, aspirations and resources.
- Ian Howarth, our district chair, is due to retire in August 2022. Meetings of a Chair Nomination Group are currently taking place, in conjunction with district review meetings, to appoint a new district chair, with a view to appointing someone who will promote collaborative ways of working with Wolverhampton & Shrewsbury District.
- With effect from 1 September 2020, the district is using an accountancy software package called Data Developments for its bookkeeping. This is the same software used by Wolverhampton & Shrewsbury District. Helen Lynskey has expressed a wish to retire from her role in August 2022. The change in accounting software aims to facilitate an eventual handover of the treasury role, with the possibility of facilitating closer links with Wolverhampton & Shrewsbury in the future.
- The effects of the pandemic continue to shape much of the district thinking: how to re-open our churches safely, finance issues arising from churches’ being closed for so long, certain churches facing permanent closure, continuing to deliver district online services for the time being, delivering online training to help staff cope with pandemic-related trauma. There is a general feeling that we will not go back to doing things as they used to be done. Rather, we will need to adapt our mission plans to an ever-changing world.

STRUCTURE, GOVERNANCE AND MANAGEMENT

Governing document
The charity is governed by the Methodist Church Act 1976 and the Deed of Union 1932.

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.

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

Management
The District Council meets four times a year. The responsibilities of the District Council, as laid down in Methodist Standing Orders, are as follows:

- to formulate and promote policies which will advance the mission of the Church in the circuits and local churches, and in particular to supervise the use of resources of personnel, property and finance and to assist local churches and circuits having exceptional problems
- to encourage inter-circuit and ecumenical co-operation
- to act in an executive capacity remitted to the Council by the Synod
- to keep within its purview all district concerns not dealt with elsewhere
- to contribute and respond, as the case may be, to the development of connexional policies as reflected in the work of the Conference and the Methodist Council, and to carry out its other responsibilities with any such development in mind

The District Council oversees the work of the District Grants Committee, finance, property, the District manse and office, stationing, safeguarding, authorisations to preside at communion, extensions to local preacher training and other matters as necessary.

Related parties
Methodist entities, whether they be districts, circuits or churches, are obliged to register as individual charities if they meet the requirements of registration laid down by the Charity Commission.

Birmingham Methodist District receives income from the circuits within the Birmingham District. All of the circuits are registered charities. Contributions from circuits, sometimes known as "the circuit assessment", are used to pay contributions to the central Methodist Church Fund and to meet the day-to-day running costs of the District. In the year to 31 August 2020 income from circuit assessments totalled £580,000 (2019- £568,000). In addition, the District receives from each circuit holding a Circuit Model Trust Fund (CMTF) a levy based on the size of the CMTF at the start of the year. In the year to 31 August 2020, the total levy, credited automatically to the District Advance Fund by TMCP, was £173,304 (2019 - £163,879).

Methodist Church in Britain (MCB) is the largest Methodist entity, based at 25 Marylebone Road, London, and is an individual charity. In 2019-20 Birmingham Methodist District paid £518,574 (2019 - £530,286) to the Methodist Church Fund, as a contribution towards the running costs of MCB. The District Advance Fund receives annual grant income from the Connexional Priority Fund, held within the accounts of MCB. In the year to 31 August 2020, £21,077 was received from the Connexional Priority Fund (2019 - £12,779).

Wesley International House is a freehold property held by TMCP as custodian trustees for Birmingham Methodist District. A separate charity called Birmingham International Student Homes (BISH) is responsible for all aspects of upkeep and maintenance of Wesley International House. BISH reports to annually to Birmingham Methodist District Council.

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), including Financial Reporting Standard 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland".

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.

Auditors
Haines Watts Birmingham LLP have signified their willingness to continue in office. A resolution to re-appoint Haines Watts Birmingham LLP as auditors will be proposed at the District Council meeting to be held on 23 March 2021.

Approved by order of the board of trustees on 23 March 2021 and signed on its behalf by:

Rev Ian Howarth - Chair

Opinion
We have audited the financial statements of Birmingham District of the Methodist Church (the 'charity') for the year ended 31 August 2020 which comprise the Statement of Financial Activities, the Statement of Financial Position, the Statement of Cash Flows 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), including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland'.

In our opinion the financial statements:
- give a true and fair view of the state of the charity's affairs as at 31 August 2020 and of its incoming resources and application of resources for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice, including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and the Republic of Ireland'; 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
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.

However, not all future events or conditions can be predicted. The COVID-19 viral pandemic is one of the most significant economic events for the UK with unprecedented levels of uncertainty of outcomes. It is therefore difficult to evaluate all of the potential implications on the entity’s finances and wider economy. The Trustees’ view on the impact of COVID-19 is disclosed in the accounting policies note.

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 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, 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.

Opinion on other matters prescribed by the Companies Act 2006
In our opinion, based on the work undertaken in the course of the audit:
- the information given in the Report of the Trustees for the financial year for which the statements are prepared is consistent with the financial statements; and
- the Report of the Trustees has been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception
We have nothing to report in respect of the following matters where the Charities Act 2011 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.

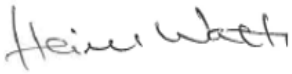
Responsibilities of trustees
As explained more fully in the Statement of Trustees Responsibilities set out on page eight, the trustees are responsible for the preparation of the financial statements which give a true and fair view, and for such internal control as the trustees determine is necessary 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
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.

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 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.



Haines Watts Birmingham LLP
Eligible to act as an auditor in terms of Section 1212 of the Companies Act 2006
5-6 Greenfield Crescent
Edgbaston
Birmingham
B15 3BE

9 April 2021

Birmingham District of the Methodist Church

Statement of Financial Activities
for the Year Ended 31 August 2020

	Notes	Unrestricted funds £	Restricted funds £	2020 Total Funds £	2019 Total Funds £
INCOME AND ENDOWMENTS FROM					
Donations and legacies	2	**598,502**	**437,243**	**1,035,745**	930,450
Investment income	3	**1,247**	**6,476**	**7,723**	7,032
Total		**599,749**	**443,719**	**1,043,468**	937,482
EXPENDITURE ON					
Charitable activities					
Grants and donations	4	**15,074**	**93,768**	**108,842**	70,668
Contributions to Methodist Church Fund	4	**518,574**	**-**	**518,574**	530,286
Other	6	**65,691**	**304,658**	**370,349**	312,516
Total		**599,339**	**398,426**	**997,765**	913,470
NET INCOME/(EXPENDITURE)		**410**	**45,293**	**45,703**	24,012
Transfers between funds	13	**500**	**(500)**	**-**	-
Other recognised gains/(losses)					
Gains/(losses) on revaluation of fixed assets		**-**	**-**	**-**	-
Net movement in funds		**910**	**44,793**	**45,703**	24,012
RECONCILIATION OF FUNDS					
Total funds brought forward		**3,810,352**	**815,888**	**4,626,240**	4,602,228
TOTAL FUNDS CARRIED FORWARD		**3,811,262**	**860,681**	**4,671,943**	4,626,240

CONTINUING OPERATIONS
All income and expenditure has arisen from continuing activities.

The notes form part of these financial statements

Birmingham District of the Methodist Church

Balance Sheet
At 31 August 2020

	Notes	Unrestricted funds £	Restricted funds £	2020 Total funds £	2019 Total funds £
FIXED ASSETS					
Tangible assets	10	**3,750,000**	**-**	**3,750,000**	3,750,000
CURRENT ASSETS					
Debtors	11	**233**	**2,964**	**3,197**	3,046
Cash at bank		**69,158**	**859,139**	**928,297**	883,181
		69,391	**862,103**	**931,494**	886,227
CREDITORS					
Amounts falling due within one year	12	**(8,129)**	**(1,422)**	**(9,551)**	(9,987)
NET CURRENT ASSETS		**61,262**	**860,681**	**921,943**	876,240
TOTAL ASSETS LESS CURRENT LIABILITIES		**3,811,262**	**860,681**	**4,671,943**	4,626,240
NET ASSETS		**3,811,262**	**860,681**	**4,671,943**	4,626,240
FUNDS	13				
Unrestricted funds:					
General fund				**26,904**	19,652
Capital revaluation reserve				**3,750,000**	3,750,000
Designated fund				**34,358**	40,700
				3,811,262	3,810,352
Restricted funds:					
District Advance Fund				**707,625**	712,315
Chaplaincy Fund				**3,989**	2,281
Mission Fund				**40,547**	11,659
Safeguarding Fund				**6,976**	4,493
Adavu Fund				**70,337**	52,615
Benevolent Fund				**3,132**	2,775
Refugee Fund				**-**	3,683
Manse Major Repair Fund				**7,688**	12,115
Cameroonian Fund				**1,903**	1,384
New Inclusive Church Fund				**18,484**	10,345
Global Mission Fellow Fund				**-**	2,223
				860,681	815,888
TOTAL FUNDS				**4,671,943**	4,626,240

The financial statements were approved by the Board of Trustees on 23 March 2021 and were signed on its behalf by:

Rev I Howarth –Trustee

Mrs H Lynskey – Trustee

The notes form part of these financial statements

continued...

Birmingham District of the Methodist Church

Cash Flow Statement
for the Year Ended 31 August 2020

	Notes	2020 £	2019 £
Cash flows from operating activities:			
Cash generated from operations	1	**37,393**	6,661
Net cash provided by (used in) operating activities		**37,393**	6,661
Cash flows from investing activities:			
Interest received		**7,723**	7,032
Net cash provided by investing activities		**7,723**	7,032
Change in cash and cash equivalents in the reporting period		**45,116**	13,693
Cash and cash equivalents at the beginning of the reporting period		**883,181**	869,488
Cash and cash equivalents at the end of the reporting period		**928,297**	883,181

The notes form part of these financial statements

1. RECONCILIATION OF NET INCOME/(EXPENDITURE) TO NET CASH FLOW FROM OPERATING ACTIVITIES

	2020	2019
	£	£
Net income/ (expenditure) for the reporting period (as per the statement of financial activities)	**45,703**	24,012
Adjustments for:		
Interest received	**(7,723)**	(7,032)
(Increase)/decrease in debtors	**(151)**	563
(Decrease)/increase in creditors	**(436)**	(10,882)
Net cash (used in)/ provided by operating activities	**37,393**	6,661

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.

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 company 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 operational existence for the foreseeable future and there are no material uncertainties about the charity's ability to continue as a going concern, thus they continue to adopt the going concern basis of accounting in preparing the financial statements.

Consolidation
Birmingham Methodist District oversees the work of ministers and lay workers in churches and circuits within the district but does not have financial control over those circuits or churches. For this reason, the financial statements of the churches and circuits within the district are not consolidated into these financial statements.

Income
Income is brought into account when it is more likely than not that the economic benefit of the income will accrue to the District. No attempt is made to measure the value of services donated by volunteers, further information is given in the Trustees' report.

Grants receivable
Grants are included in the Statement of Financial Activities on a receivable basis. The balance of income received for specific purposes but not expended during the period is shown in the relevant funds on the balance sheet. Where income is received in advance of entitlement of receipt its recognition is deferred and included in creditors as deferred income. Where entitlement occurs before income is received, the income is accrued.

Donations
Donations are recognised on a receivable basis where there is certainty of receipt and the amount can be reliably measured. If there are conditions attached to the donation and this requires a level of performance before entitlement can be obtained then income is deferred until those conditions are fully met or the fulfilment of those conditions is within the control of the charity and it is probable that they will be fulfilled.

Expenditure
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 District to pay out resources.

Grants are recognised annually only as and when the performance conditions attaching to the award are met, even when the award is for a recurrent grant over more than one year. All grants awarded for payment in future financial years are conditional on the Grants Committee being satisfied, on the basis of progress reports from the grantee, that the project's achievements to date justify the payment of further instalments of the grant. Future commitments from the District Advance Fund are shown in the notes to the accounts.

Governance costs
These are the 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.

Fixed assets
Fixed assets are initially recognised at cost or fair valuation.

Freehold property is not depreciated.

Taxation
The charity is exempt from tax on its charitable activities.

1. ACCOUNTING POLICIES

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 particular restricted purposes within the objects of the charity. Restrictions arise when specified by the donor or when funds are raised for particular restricted purposes. Further explanation of the nature and purpose of each fund is included in the notes to the financial statements.

Pension costs and other post-retirement benefits
The charity operates a defined contribution pension scheme. The assets of the scheme are held separately from those of the charity. The pension cost charge represents contributions paid by the charity to the fund.

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

Debtors and creditors receivable/payable within one year
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.

2. DONATIONS AND LEGACIES

	2020	2019
	£	£
Circuit contributions	**580,000**	568,000
Donations	**37,841**	28,930
Connexional and other grants	**209,068**	146,647
Circuit Model Trust Fund Levies	**173,304**	163,879
Connexional Priority Fund distribution	**21,077**	12,779
Other income	**14,455**	10,215
	1,035,745	930,450

3. INVESTMENT INCOME

	2020	2019
	£	£
Deposit account interest	**7,723**	7,032

4. CHARITABLE ACTIVITIES COSTS

	Grant funding of activities (See note 5)	**Totals**
	£	**£**
Grants and donations	**108,842**	**108,842**
Contribution to Methodist Church Fund	**518,574**	**518,574**
	627,416	**627,416**

5. GRANTS PAYABLE

	2020	2019
	£	£
Grants and donations	**108,842**	70,668
Contribution to Methodist Church Fund	**518,574**	530,286
	627,416	600,954

The total grants paid to institutions during the year was as follows:

	2020	2019
	£	£
Mission projects	**75,168**	53,150
Methodist Church Fund	**518,574**	530,286
Property projects	**15,000**	16,000
Other grants and donations	**18,674**	1,518
	627,416	600,954

5. GRANTS PAYABLE - continued

During the year, in addition to the above, the District Advance Fund transferred £28,900 to the Chaplaincy Fund, £5,000 to the Cameroonian Fund, £20,000 to the Adava Fund, £8,000 to the Inclusive Gathering Birmingham Fund, £44,000 to the Mission and Youth Fund, £25,500 to the Safeguarding Fund and £8,000 to the Designated Fund for exchange visit costs.

6. SUPPORT COSTS

	Management	Governance costs	Totals
	£	£	£
Other resources expended	**366,449**	**3,900**	**370,349**

Support costs, included in the above, are as follows:

	2020	2019
	£	£
Salaries and associated costs	**249,401**	188,508
Trustee expenses	**1,198**	1,705
Manse costs	**28,012**	19,881
Training, including retreats	**11,586**	15,366
Administration, telephone, travel etc.	**49,410**	59,702
Other expenses	**14,199**	7,791
Employee expenses	**11,450**	11,776
Professional fees	**1,193**	4,007
Auditors' remuneration	**3,900**	3,780
	370,349	312,516

7. TRUSTEES' REMUNERATION AND BENEFITS

During the year ended 31 August 2020 £6,330 (2019 - £6,151) was paid to Mrs H Lynskey for Finance Administration as authorised by the trustees.

Trustees' expenses

There were trustees' expenses of £1,198 paid for the year ended 31 August 2020 (2019 - £1,705).

8. STAFF COSTS

	2020	2019
	£	£
Wages and salaries	**222,832**	161,520
Social security costs	**10,141**	13,643
Other pension costs	**16,428**	13,345
	249,401	188,508

The average monthly number of employees during the period, calculated on the basis of full time equivalents, was 8.5 (2019 – 6.7).

No employee received remuneration at a rate of £60,000 or more per year.

Key management personnel
Key management personnel consists of the District Chair, whose salary is paid from central Methodist Funds. Key management personnel remuneration for the year totalled £42,496 (2019 - £42,342).

9. COMPARATIVES FOR THE STATEMENT OF FINANCIAL ACTIVITIES - YEAR ENDED 31 AUGUST 2019

	Unrestricted funds £	Restricted funds £	Total funds 2019 £
INCOME AND ENDOWMENTS FROM			
Donations and legacies	570,733	359,717	930,450
Investment income	1,069	5,963	7,032
Total	571,802	365,680	937,482
EXPENDITURE ON			
Charitable activities			
Grants and donations	108	70,560	70,668
Contribution to Methodist Church Fund	530,286	-	530,286
Other	77,112	235,404	312,516
Total	607,506	305,964	913,470
NET INCOME/(EXPENDITURE)	(35,704)	59,716	24,012
Transfers between funds	3,000	(3,000)	-
Other recognised gains/(losses)			
Gains/(losses) on revaluation of fixed assets	-	-	-
Net movement in funds	(32,704)	56,716	24,012
RECONCILIATION OF FUNDS			
Total funds brought forward	3,843,056	759,172	4,602,228
TOTAL FUNDS CARRIED FORWARD	3,810,352	815,888	4,626,240

10. TANGIBLE FIXED ASSETS

	Freehold property £
COST OR VALUATION	
At 1 September 2019	**3,750,000**
At 31 August 2020	**3,750,000**
NET BOOK VALUE	
At 31 August 2020	**3,750,000**
At 31 August 2019	3,750,000

Tangible fixed assets were valued by the trustees on the basis of their open market value. The resulting surplus has been carried to a capital reserve which is not available for distribution.

The freehold properties comprise the Manse, valued at £750,000, and Wesley International House, valued at £3,000,000. In the opinion of the trustees the current open market valuation of the properties is not materially different from the amounts at which they are included in the accounts.

10. TANGIBLE FIXED ASSETS – continued

Whilst Wesley International House is owned by the Trustees for Methodist Church Purposes on trust for Birmingham Methodist District, the property is managed by Birmingham International Student Homes, a separate charity (registered charity number 1095730). Birmingham Methodist District authorises Birmingham International Student Homes to be responsible for all aspects of the upkeep and maintenance of Wesley International House except final ownership.

11. DEBTORS: AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR

	2020	2019
	£	£
Prepayments and accrued income	**3,197**	3,046

12. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2020	2019
	£	£
Accruals and deferred income	**9,551**	9,987

13. MOVEMENT IN FUNDS

	At 1.9.19	**Net movement in funds**	**Transfers between funds**	**At 31.8.20**
	£	**£**	**£**	**£**
Unrestricted funds				
General fund	**19,652**	**10,782**	**(3,530)**	**26,904**
Capital revaluation reserve	**3,750,000**	**-**	**-**	**3,750,000**
Designated fund	**40,700**	**(10,372)**	**4,030**	**34,358**
	3,810,352	**410**	**500**	**3,811,262**
Restricted funds				
District Advance Fund	**712,315**	**195,835**	**(200,525)**	**707,625**
Chaplaincy Fund	**2,281**	**(50,092)**	**51,800**	**3,989**
Mission Fund	**11,659**	**(12,622)**	**41,510**	**40,547**
Safeguarding Fund	**4,493**	**(23,017)**	**25,500**	**6,976**
Adavu Fund	**52,615**	**(22,278)**	**40,000**	**870,337**
Benevolent Fund	**2,775**	**(3,015)**	**3,372**	**3,132**
Refugee Fund	**3,683**	**(3,811)**	**128**	**-**
Manse Major Repair Fund	**12,115**	**(8,427)**	**4,000**	**7,688**
Cameroonian Fund	**1,384**	**(22,706)**	**23,225**	**1,903**
New Inclusive Church Fund	**10,345**	**139**	**8,000**	**18,484**
Global Mission Fellow Fund	**2,223**	**(4,713)**	**2,490**	**-**
	815,888	**45,293**	**(500)**	**860,681**
TOTAL FUNDS	**4,626,240**	**45,703**	**-**	**4,671,943**

13. MOVEMENT IN FUNDS - continued

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

	Incoming resources £	Resources expended £	Gains and losses £	Movement in funds £
Unrestricted funds				
General fund	**584,175**	**(573,393)**	**-**	**10,782**
Designated fund	**-**	**-**	**-**	**-**
Capital revaluation reserve	**15,574**	**(25,946)**	**-**	**(10,372)**
	599,749	**(599,339)**	**-**	**410**
Restricted funds				
District Advance Fund	**286,857**	**(91,022)**	**-**	**195,835**
Chaplaincy Fund	**11,500**	**(61,592)**	**-**	**(50,092)**
Mission Fund	**25,231**	**(37,853)**	**-**	**(12,622)**
Safeguarding Fund	**-**	**(23,017)**	**-**	**(23,017)**
Adavu Fund	**70,577**	**(92,855)**	**-**	**(22,278)**
Refugee Fund	**-**	**(3,015)**	**-**	**(3,015)**
Manse Major Repair Fund	**2,736**	**(6,547)**	**-**	**(3,811)**
Cameroonian Fund	**100**	**(8,527)**	**-**	**(8,427)**
New Inclusive Church Fund	**5,000**	**(27,706)**	**-**	**(22,706)**
Benevolent Fund	**26,351**	**(26,212)**	**-**	**139**
Global Mission Fellow Fund	**15,367**	**(20,080)**	**-**	**(4,713)**
	443,719	**(398,426)**	**-**	**45,293**
TOTAL FUNDS	**1,043,468**	**(997,765)**	**-**	**45,703**

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

Designated fund
The designated funds includes an amount of £9,200 set aside for future exchange visits, £3,000 set aside for future website costs, £13,000 set aside for two further years' salary for Helen Lynskey (finance administration), £8,000 set aside for two further years' transfers to the Manse major repair fund and a balance of £1,158 remaining out of the amount previously set aside for communications.

Restricted funds
The purpose of each restricted fund, together with its reserve policy, is set out in the Report of the Trustees.

Adavu Fund
The Adavu project is supported by the Lloyds Bank Foundation for England and Wales.

14. CONTINGENT LIABILITIES

As at 31 August 2020 future grant commitments from the District Advance Fund were as follows:

Year to	£
31 August 2021	292,053
31 August 2022	162,311
31 August 2023	138,103
31 August 2024	115,137
	707,604

Future grant commitments from the District Advance Fund are shown above.

All such future payments are conditional upon the District Grants Committee being satisfied, on the basis of progress reports from the grantee, that the project's achievements to date justify the payment of further instalments of the grant.

Estimated employer debt on withdrawal of former employee pensions under the Growth Plan 3 scheme is £5,235 at the latest valuation date, being 30 September 2019.

15. RELATED PARTY DISCLOSURES

Transactions with other Methodist entities and associated charities are disclosed in the Report of the Trustees.

Birmingham District of the Methodist Church

Detailed Statement of Financial Activities
for the Year Ended 31 August 2020

	2020 £	2019 £
INCOME AND ENDOWMENTS		
Donations and legacies		
Circuit contributions	**580,000**	568,000
Donations	**37,841**	28,930
Connexional and other grants	**209,068**	146,647
Circuit Model Trust Fund Levies	**173,304**	163,879
Connexional Priority Fund distribution	**21,077**	12,779
Other income	**14,455**	10,215
	1,035,745	930,450
Investment income		
Deposit account interest	**7,723**	7,032
Total incoming resources	**1,043,468**	937,482
EXPENDITURE		
Charitable activities		
Grants and donations	**627,416**	600,954
Support costs		
Salaries and associated costs	**249,401**	188,508
Trustee expenses	**1,198**	1,705
Manse costs	**28,012**	19,881
Training, including retreats	**11,586**	15,366
Administration, telephone, travel etc.	**49,410**	59,702
Other expenses	**14,199**	7,791
Employee expenses	**11,450**	11,776
Professional fees	**1,193**	4,007
	366,449	308,736
Governance costs		
Auditors' remuneration	**3,900**	3,780
Total resources expended	**997,765**	913,470
Net income/(expenditure)	**45,703**	24,012