

**Birmingham District of the
Methodist Church**

**Report of the Trustees and
Audited Financial Statements**

Year Ended 31 August 2020

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

Birmingham District of the Methodist Church

Report of the Trustees for the Year Ended 31 August 2020

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.

Birmingham District of the Methodist Church

Report of the Trustees for the Year Ended 31 August 2020

- 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 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 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

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

Year ended 31 August 2020

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.

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

Year ended 31 August 2020

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.

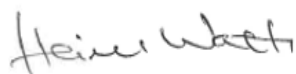
Our responsibilities for the audit of the financial statements

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	<u>1,247</u>	<u>6,476</u>	<u>7,723</u>	<u>7,032</u>
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	<u>65,691</u>	<u>304,658</u>	<u>370,349</u>	<u>312,516</u>
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		<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
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		<u>3,811,262</u>	<u>860,681</u>	<u>4,671,943</u>	<u>4,626,240</u>

CONTINUING OPERATIONS

All income and expenditure has arisen from continuing activities.

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

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	<u>37,393</u>	<u>6,661</u>
Net cash provided by (used in) operating activities		<u>37,393</u>	<u>6,661</u>
Cash flows from investing activities:			
Interest received		<u>7,723</u>	<u>7,032</u>
Net cash provided by investing activities		<u>7,723</u>	<u>7,032</u>
		<u> </u>	<u> </u>
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		<u>883,181</u>	<u>869,488</u>
Cash and cash equivalents at the end of the reporting period		<u><u>928,297</u></u>	<u><u>883,181</u></u>

The notes form part of these financial statements

Notes to the Cash Flow Statement
for the Year Ended 31 August 2020

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	<u>(436)</u>	<u>(10,882)</u>
Net cash (used in)/ provided by operating activities	<u>37,393</u>	<u>6,661</u>

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
	<u>1,035,745</u>	<u>930,450</u>

3. INVESTMENT INCOME

	2020 £	2019 £
Deposit account interest	<u>7,723</u>	<u>7,032</u>

4. CHARITABLE ACTIVITIES COSTS

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

5. GRANTS PAYABLE

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

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	<u>18,674</u>	<u>1,518</u>
	<u>627,416</u>	<u>600,954</u>

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	<u>366,449</u>	<u>3,900</u>	<u>370,349</u>
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		<u>3,900</u>	<u>3,780</u>
		<u>370,349</u>	<u>312,516</u>

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	<u>16,428</u>	<u>13,345</u>
	<u>249,401</u>	<u>188,508</u>

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	<u>1,069</u>	<u>5,963</u>	<u>7,032</u>
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	<u>77,112</u>	<u>235,404</u>	<u>312,516</u>
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	<u>3,810,352</u>	<u>815,888</u>	<u>4,626,240</u>

10. TANGIBLE FIXED ASSETS

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

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	<u>3,197</u>	<u>3,046</u>

12. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2020 £	2019 £
Accruals and deferred income	<u>9,551</u>	<u>9,987</u>

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	<u>40,700</u>	<u>(10,372)</u>	<u>4,030</u>	<u>34,358</u>
	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	<u>2,223</u>	<u>(4,713)</u>	<u>2,490</u>	<u>-</u>
	815,888	45,293	(500)	860,681
TOTAL FUNDS	<u>4,626,240</u>	<u>45,703</u>	<u>-</u>	<u>4,671,943</u>

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	<u>15,574</u>	<u>(25,946)</u>	-	<u>(10,372)</u>
	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	<u>15,367</u>	<u>(20,080)</u>	-	<u>(4,713)</u>
	443,719	(398,426)	-	45,293
TOTAL FUNDS	<u>1,043,468</u>	<u>(997,765)</u>	-	<u>45,703</u>

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	<u>115,137</u>
	<u>707,604</u>

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