

THE SOUTH BEDFORDSHIRE METHODIST CIRCUIT

(Charity Registration No. 1134222)

TRUSTEES’ ANNUAL REPORT & FINANCIAL STATEMENTS

For the Year ending 31 August 2023

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1. Objectives and activities

In setting our objectives and planning our activities The Circuit Meeting (under the leadership of the Circuit Leadership Team [CLT]), as Circuit Trustees, meets at least three times in each year, has carefully considered the Charity Commissioners’ published guidance on public benefit and conforms to the Charities Act 2022.

Our mission and calling is to respond to the Gospel of God’s love in Christ and to live out its discipleship in worship and mission. In furtherance of this, we will use the circuit’s resources to:

- Increase awareness of God’s presence and celebrate God’s love
- Help people to grow and learn as Christians through mutual support and care
- Be a good neighbour to people in need and challenge injustice
- Make more followers of Christ
- In all the above we will seek to work ecumenically wherever possible

2. Achievements and performance

The principal purpose of the Circuit is to act as a supporting body between Churches, District and the Connexion. The Circuit is responsible for the selection and allocation of Presbyteral resources along with any lay workers who may be required in administrative and pastoral roles. Although the Circuit does have contact with the public, most of the direct contact is by the Churches within the Circuit.

The Circuit sets out its objectives through a “Next Steps” plan. This Plan is reviewed throughout the year and progress against the set objectives and strategies is monitored and documented. Action is taken where objectives are not being met. The Next Steps Plan serves as a dynamic tool and thus enables the Circuit to set goals and challenges on an ongoing basis.

Activities of the Circuit and its Churches and Community Engagement in 2022/23

Circuit Events

The annual Open-air Circuit Service took place in July 2023 on Dunstable Downs. About once a quarter an EDI Circuit Service is held both face-to-face and on zoom to be as inclusive as possible.

A Circuit service at The Square was held for a visit by the President of the Methodist Conference.

Local Preachers’ celebration for long service awards.

The Circuit team welcomed a new Baptist Minister for the Olive Tree Local Ecumenical Partnership.

Circuit Leadership Team

The Circuit Leadership Team has been working towards a staffing strategy that takes into account the needs of the Circuit Churches in terms of ordained ministerial allocation, in conjunction with a reduced Circuit budget going forward.

Hightown Methodist Church

Outreach activities in the Hightown Methodist Church in the 2022/23 Connexion year included a regular monthly coffee morning and networking with the Hightown community which led to a church meets the community gathering bringing together various professional from the Luton council and shop owners in the Hightown community. There was a community coral service held in December leading to the lighting of the Hightown Christmas tree.

Trinity Leighton Buzzard

The monthly Messy Church is an important part of Trinity’s outreach and mission. Our paid Messy Church leader moved away in September 2022, and a team of volunteers at Trinity kept it going for a few months. nThis put a heavy burden on a few individuals, we therefore took the decision to appoint a new paid leader starting in February 2023 to ensure the continuity of this outreach.

In September 2022 we started a bi-weekly Games Fellowship afternoon at the church to which anyone is invited to play board games and enjoy a cup of tea.

As part of Fairtrade fortnight celebrations in the town In March Trinity hosted a Coffee morning on behalf of the local Fairtrade group which was very well attended, promoting fair trade at Trinity, across Leighton Buzzard and wider.

Following a gap of three years, Trinity once again had a stall at the Leighton Buzzard May Fair with activities for the children, providing a great opportunity to talk to families and invite them to our Early Church and Messy Church services.

To celebrate the coronation of King Charles III in May Trinity held a Coronation Tea which was attended and enjoyed by members and friends alike.

The church got together in June 2023 to consider its future at “Talking about Trinity”. This was an important event at which we examined our worship and work for God in Leighton Buzzard, our priorities and resources. Based on these conversations we are making changes to our worship, are examining our building and how we promote our presence to the population in Leighton Buzzard. This includes formation of a new committee = Community Action Group - to support Trinity’s engagement in public issues and those facing the wider community.

After a concerted effort over three years Trinity was awarded the Silver Eco-Church award in June 2023.

In June we hosted a Volunteering Fair giving local charities an opportunity promotes their work to the public, and to get together and exchange news and ideas.

Strathmore Avenue Methodist Church

Breakfast Club - twice a month, once for the homeless and the community, and once for families with children. Lunch Club - once a quarter by prior arrangement.

Farley Hill

Tea ‘n toast once a week during term time Saturday morning Breakfast with Food bank collection once a month Lunch club once a month for over 55’s Messy church once a quarter for young families Visits at times of festivals from the local primary school

Toddington Methodist Church

- Coffee Mornings – held monthly either by Church members, local community groups or charities. The Christmas coffee morning was led by The Pudding Club and music was provided by The Music Makers (community group) and Ukelele Group.
- The Community Garden is run by the Church with a few local volunteers. Organic fruit and vegetables plus herbs are available for everyone in the community to pick. There are also seats for people to enjoy the garden on sunny days.
- We run 2 Pudding clubs. A monthly one for adults and weekly ones for children. These are split into younger and older groups and are term time only.
- Bible study group. This meets weekly and is attended by 10-12 people. One attendee is from outside the village. She also attends the Pudding Club and Creative Space and her children also come to many activities.
- Guild and Games meet monthly and provides company, games and a short time of reflection. This is attended by mainly elderly people from the local community with a few Church members.
- Creative Space meets once a month for crafting sessions. This is mainly younger women from the community with a few Church members.
- Holiday Clubs run once a week in the summer holidays. This is run by Tania with help from the Church and many teenagers who have been to them in past years. They love being helpers!
- Food Bank – regular giving once a month
- Christmas Shoe Boxes
- Support for Noah and refugees (clothing and suitcases) in Dunstable
- Christmas Lunch after a service during December was attended by 40 people (some from community)
- Achieved Eco – church Bronze status in 2023 and continue to work towards reducing our carbon footprint further

Our Mission Enabler, Tania has had a significant input to all of these groups and activities which is very important for our work in the village. Currently we are working with Tania to update our Mission Plan.

There are two new housing estates built and we are working with the community to provide information to new residents.

Wigmore (Methodist/URC LEP

Friendship café twice a month in conjunction with the local GP surgery.

Mount Pleasant Methodist Church

Ceased to meet in 2022 and a final celebration service was held.

Barton Methodist Church

A ‘Tea-club’ is run by church members on the first Tuesday of each month attended by about 20 elderly ladies some of whom are affiliated to the church and some who are not. Home-made cakes and refreshments are served to the ladies. Dogs are welcome!

The Bright Hour meets on the third Tuesday of each month attended by a similar clientele as the Tea Club. This is an ecumenical group led by Methodist Church members with visiting speakers, followed by refreshments. Dogs are also welcome at this event.

St John’s Methodist Church

Craft and Games Club continues after school on Mondays during term-time. Average attendance of primary age children is 25-30 + accompanying parents/carers. This group offers a welcoming and supportive Christian presence to the local community including families from other faiths and ethnic backgrounds.

A weekly coffee morning is held on Tuesdays during term-time which includes some parents from the Monday club, additional friends and the occasional passer-by.

As a church we have supported a church family with a successful charity event for the Luton & Dunstable hospital maternity services which raised over £9,000.

The local infant schools visit St John’s for educational visits at Christmas and Easter and the minister is invited into school to take assemblies for these Christian festivals.

The premises are let once a week to a Seventh Day Adventist congregation and an Asian Christian Fellowship group for worship.

The Boys Brigade meet weekly during term-time and invite parents and church representatives to award ceremonies and special events held in church.

There is a monthly Munch Club, when a cooked meal is prepared and served by church members. About 25-30 people are in regular attendance some from church and some non-church. A number of the regulars are pensioners who live on their own and enjoy the company and hot dinner provided.

High St, Leagrave

The church has a number of regular lettings for the community, including a nursery, scouts and other worshipping communities as well as occasional lettings.

The Square Methodist Church, Dunstable

Supports work with refugees and asylum seekers in the local area, improving English classes, basic cooking skills and protection of vulnerable women.

Extensive use of the premises for a wide range of community groups. The church is actively involved in civic events throughout the year.

Harlington Methodist Church

The Methodist Church has good ecumenical links with the Parish Church and Life Church. The members run clubs on the premises for children and young people in the village to engage with the Christian story in a fun and creative way.

The church takes part in village events and at Christmas meets in the neighbouring pub for ‘Beer and Carols’ as part of their outreach. Church led craft groups and ladies groups meet on the premises as a place of welcome and friendship.

Oakdale

Has a Roma worshipping community, as well as hosting the Zimbabwean fellowship. It has installed planters with flowers growing outside to improve the environment on its busy street corner in Bury Park, which before attracted fly tipping and a lot of rubbish. It is looking to install a bench as well.

Eaton Bray Methodist Church

Is exploring the idea of project to transform their historic premises into a retreat/worship centre as a District resource.

Under the heading, *Collaborative arrangements with connected charities* (3.3 below) there is information on how we obtained our funds. In this paragraph, we show how they were spent. The money collected, or available for disbursement, was used exclusively for the following purposes

- the stipends and associated employment costs of our presbyteral staff
- the employment costs of our lay employees
- the cost of Quinquennial property inspections on our Circuit churches and manses
- by way of a set annual provision, the repairs, maintenance and refurbishment of our manses
- by way of set annual provision, the training needs of our staff and church member

Through our Circuit Model Trust Fund (CMTF) we make grants to support Circuit churches in their work in their local communities. Such grants may be for specific mission related projects or to assist with property projects. The Circuit may also make grants direct to external bodies, for example, to assist with ecumenical projects.

The policy of the Trustees on grant making is to ensure that all applications can demonstrate public benefit, pass a test of sustainability, show that there is a commitment from the applicant organisation (e.g. the Circuit grant is only a part of the total funding) and show imagination and creativity as well as a perceived need for that which the grant is being applied.

Details of the grants made in this financial year are set out in the attached Financial Statements. It should be noted that it is the Circuit policy to provide for the full amount of any grant, in the year of commitment, even if the drawdown of such grant is over an extended period.

Churches that have received grants from the Circuit will show these in their own Trustees’ Annual Report (where this is required to be prepared) along with details of their achievements from the activities undertaken because of receiving the grant.

3. Financial Review

The Financial Statements are included as part of this Report and give a full and detailed disclosure of the income and expenditure of the Circuit covering our Unrestricted Funds (including Designated Funds) and Restricted Funds. There were no significant events during the year.

The Circuit has the following principal sources of funds which are used to administer the Circuit:

- Investment income and gains
- Assessments on Churches within the Circuit

The Trustees of the Circuit have every reason to believe that the Circuit is a going concern, principally because Churches continue to meet their Assessments and the Circuit has adequate reserves to cover a shortfall in anticipated income. There are no subsidiary undertakings. Trustees do not foresee any factors that will significantly affect the financial performance or position in the next year or two. However, the trustees are conscious that the Circuit is dependent upon the Assessment on churches to maintain its current overall level of staffing. Therefore, we have systems in place to monitor the financial health of our churches and recognise that the overall financial resources of churches are finite.

3.1 Investment Policy and Performance

To comply with Methodist Standing Orders, monies for long-term investment are lodged with the Trustees for Methodist Church Purposes (TMCP). TMCP acts as custodian trustee for all real estate held by Circuits and for all large (over £20k) bequests and for the proceeds of sale of any property formerly owned by the Circuit. These sums are invested in unlisted investments or held on deposit. The investment returns are close to tracking movements in the FTSE 100 index. The deposit income mirrors the deposit rates available elsewhere. The Circuit Trustees’ investment policy is aligned with that of the Central Finance Board of the Methodist Church (CFB) and TMCP because these organisations take onto consideration the social, environmental and ethical issues (both positively and negatively) that make investments suitable for the Methodist Church.

Short term deposits, not required for immediate cash flow, are lodged directly with CFB and attract good rates of interest.

There are no other benchmarks for the expected returns on investments at TMCP and CFB. The objective for the Circuit is a rate of return at least as good as market rate considering the trustees’ low appetite for risk.

3.2 Reserves Level and Policy

This is set out as a separate document and appears at Appendix “A”

3.3 Collaborative arrangements with connected charities

The Circuit’s main source of funding is the Assessments obtained from each Church within the Circuit. The Assessment is based on a formula which utilises the membership of each church and factored net income. The net income calculation is designed to take into account the relative costs of heating, lighting and insurance, together with a notional allowance for repairs and maintenance in order to place each church on a comparable baseline.

The Circuit holds no funds as custodian trustees. It does, however, receive on an ad hoc basis funds from Churches for Methodist Connexional Funds. These sums are collected as agent for The Connexion and are passed to the Connexion on a regular basis. In addition, the Circuit may receive grant monies from both the District, and/or the Connexion where an application has been made by the Circuit to fund an external organisation. Such funds received by the Circuit are not recognised in the Financial Statements because the funds are not within its control. No fee is earned in respect of the agency arrangement and the Circuit incurs no cost through this arrangement.

4. Future Plans

The Circuit’s strategy for the future is contained within its “Next Steps” initiative. In essence this involves determining our evolving mission strategy and adapting it to meet changing circumstances within our churches.

No small part of this is ensuring that our stated mission strategy can be delivered within our available financial resources. In this connection, as a matter of policy, we strive to fund our day to day regular expenses from current income. We are generally averse to subsidising normal operating costs from reserves (usually generated from the sale of capital resources).

Given, our operating income is almost wholly provided by the churches within the Circuit, we monitor very closely the ongoing financial health of our churches. Recognising that since Covid individual church finances are under pressure, our “Next Steps” initiative is to restructure the Circuit so that it can successfully operate with a reduced compliment of ministers. The plan is to reduce the number of full time equivalents to four by September 2026.

5. Trustees’ responsibilities

For each financial year ending on 31 August the Trustees are required to prepare financial statements which give a true and fair view of the Circuit's financial activities during the year and of its financial position at the end of the year. In preparing these financial statements, the Trustees must:

- ✓ Select suitable accounting policies and applied them consistently;
- ✓ Observe the methods and principles in the Charities SORP (FRS102);
- ✓ State whether applicable UK Accounting Standards have been followed, subject to any material departures which are explained in the financial statements;
- ✓ Make judgements and estimates that are reasonable and prudent;
- ✓ Prepare the financial statements on a going concern basis unless it is inappropriate to presume that the charitable company will continue in operation.

The trustees are responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the Circuit and enable them to ensure that the financial statements comply with the law. They are also responsible for safeguarding the assets of the Circuit and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

The Trustees are responsible for the maintenance and integrity of the corporate and financial information included on the Circuit’s website. Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

6. Structure, governance and management

The Circuit is an unincorporated charitable association governed by the Methodist Church Act 1976, the Deed of Union and the Model Trusts of the Methodist Church and was registered with the Charity Commission on 9 February 2010 (previously registered as Chiltern Downs Methodist Circuit under the same number

The primary purpose of the Circuit is to advance the mission of the Church in South Bedfordshire by:

- Providing opportunities for Churches to work together and support each other
- Offering to Churches resources of finance, personnel and expertise

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 or subsidiary or ancillary to the Methodist Church; any purpose for the time being of any charity being a charity subsidiary or ancillary to the Methodist Church.

6.1 Organisational structure

- Overall control rests with the Methodist Conference.
- The Connexional Office implements decisions made by Conference and is also responsible for the stationing of ministers in individual Circuits.
- Connexional decisions are passed to the Chair of the District and the appropriate Officers of the District for regional implementation.
- The District passes the control down to Circuit level for local implementation by the Superintendent Minister(s), ministerial staff and Circuit Stewards via the medium of the Circuit Meeting.
- The membership of the Circuit Meeting is laid down in the Constitutional Practices and Discipline of the Methodist Church. In simple terms the Circuit Meeting is made up of representatives from the churches within the Circuit (a minimum of 3 from each church, elected by the Church Council -there may be more as determined by the size of membership of the church), Circuit Ministers, Circuit Stewards and other office holders undertaking Circuit roles. Together, the members of the Circuit Meeting are the Managing Trustees of the Circuit.

Certain matters, principally those relating to property issues, need to be referred to the District (and the Connexional office - through the Trustees for Methodist Church Purposes [TMCP], acting as Custodian Trustees), but most matters are determined by the Circuit Meeting itself. The

Circuit operates with a Circuit Leadership Team (made up of Circuit Stewards, Ministers and certain Lay Employees) which evolves policy and makes recommendations to the Circuit Meeting.

The South Bedfordshire Methodist Circuit comprises 19 churches located in Luton, Dunstable, Leighton Buzzard and the surrounding villages. They are listed below:

Aley Green	Barton	Beech Hill	Edlesborough
Farley Hill	Dunstable, The Square	Eaton Bray	High Town
Kensworth	Gravenhurst	Harlington	Olive Tree (St Margarets LEP)
Strathmore Avenue	Leagrave, High Street	Leighton Buzzard, Trinity	Toddington
Wigmore (Methodist URC LEP)	Oakdale	St John’s	

6.1.1.1 Trustees

The Managing Trustees are the elected members to the Circuit Meeting. Owing to the number of individual churches in the Circuit and the fact that the majority of the Circuit Meeting members are those elected by individual churches, the make up of the Meeting is subject to frequent changes. The names of the trustees who served during the Connexional year 2022/23 are listed at 6.6 below. A current list of Trustees can be found on the Charity Commission website.

7. Reference and Administrative Details

- 7.1 Name of the charity**
The South Bedfordshire Methodist Circuit
- 7.2 Charity registration number**
1134222, registered in England and Wales
- 7.3 Principal Office**
Office 3, Hightown Methodist Church,
49 High Town Rd
Luton
Bedfordshire
LU2 0BW
- 7.4 Superintendent Minister**
Rev Patrick Kandeh
- 7.5 Circuit Bursar**
Mr David Hallworth ACIB
7 Windsor Close
Flitwick MK45 1PT

7.6 Names of Trustees

Valerie	Alderman	Pearl	Mathieson
Fiona	Arscott Smith	Jane	McFarland
Albert	Baker	Ann	Meader
Peter	Baker	Raja	Muthusami
Richard	Ball	Janice	Nelson
David	Bell	John	Nelson
Jeanne	Bell	Margaret	Newman
Nigel	Bibbings	Ishmael	Opoku-Gyamfi
Marion	Borgars	Roger	Owers
Gloria	Bradley-Marriot	Lawrence	Patterson
Andrew	Burchell	Ruth	Payne
Ann	Cassidy	Sue	Penn
Betty	Croft	Christine	Pepworth
Pauline	Doody	Sheila	Pollard
Ivor	Edwards	Jo	Prowse
Wallace	Edwards	Colin	Quine
Marjorie	Fleming	Jackie	Roberts
Anne	Gray	Brian	Roe
Sheila	Green	Steve	Rogers
Michael	Hare	Christina	Salmon
Rosemary	Hare	Clive	Salmon
Gillian	Henley	David	Sear
Michael	Henley	Cathy	Sheehan
Helen	Hodder	Joanne	Sherwood
Janet	Hornsby	Brenda	Shields
Charles	Horsefield	Terry	Sissons
Enid	Horton	Alan	Smith
Melda	Husband	Sue	Stokes
Terence	Ilott	Glynnis	Thompson
Gill	Jardine	Ken	Waller
Seung-Wook	Jung	Martin	Wallis
Patrick	Kandeh	Norman	Willis
Sheila	Kay	Alison	Wilson
Sheila	Marsden		

7.7 Bankers

The Co-operative Bank plc
PO Box 250
Delf House
Skelmersdale WN8 6WT

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

7.8 Investment Managers

Trustees for Methodist Church Purposes
Central Buildings
Oldham Street
Manchester
M1 1JQ

7.9 Independent Examiner

Theresa-Anne Warren
GP Financial Management Ltd.,
8 The Old Yard
Lodge Farm Business Centre
Wolverton Road
Castlethorpe
Milton Keynes MK19 7ES

7.10 Quinquennial Inspectors

Cube Building Consultancy Ltd
Suite 2, Franklin House
2 Steppingley Road
Flitwick MK45 1AJ

Approvals

The Trustees’ Report and the Financial Statements were approved by the Circuit Leadership Team and were presented to the Circuit Meeting on 20 February 2024

Patrick Kandeh (signed)	David Hallworth (signed)
<p>Rev Patrick Kandeh Superintendent and Chair of Meeting June 2024</p>	<p>David J Hallworth ACIB Circuit Bursar June 2024</p>



APPENDIX A

The South Bedfordshire Circuit

Reserves Policy 2023/24

This document includes all funds held by the Circuit Meeting as charity trustees.

Our Reserves Policy relates to our general (unrestricted) funds which are available to be used for any or all of the purposes of the Circuit. It also notes the management of our restricted and endowment funds.

Other funds are also included for the sake of clarity and openness and to show that the Circuit has a policy for the management of all of its money not simply that which is defined as reserves.

Aim

Our aim is twofold:

- (1) To secure and sustain the Circuit's viability and future.
- (2) To give reassurance to the general public that the Circuit, which is a charity, intends to use all of the money coming into its care for the purposes of the charity.

Mission Policy

Our financial resources help us to underpin the Circuit's Mission by:-

- (a) The support of the ministry and mission of the local churches in the Circuit, including ministerial oversight, outreach opportunities and mission projects some or all of which may be unrelated to capital expenditure
- (b) The support of a ministry team of presbyters, a part-time Circuit bursar a part time Circuit administrator and a part time Circuit Workers the numerical mix of which is determined by our staffing strategy which is reviewed annually.
- (c) The maintenance of the eight Circuit manses, including two let externally at a market rent.
- (d) Supporting mission-oriented building projects, repairs and alterations.

Financial Plans

The Circuit's Unrestricted Funds also includes the Circuit Model Trust Fund (CMTF). However, Connexional approval has to be sought to confirm any proposed use of these CMTF funds is in compliance with Standing Orders.

The Circuit Assessment is reviewed annually and provides substantially towards the overall Circuit costs. It is based on an agreed formula which seeks to ensure that each church pays a level of contribution which is proportionate to its peers. The Circuit Meeting is the final arbiter of the Assessment contribution from each church. Circuit Reserves may also be used to help meet these obligations; in particular to part fund lay personnel costs.

We make provision for our property maintenance programme by budgeting £28,000 (£3,500 per manse), as a contribution to a Provision Fund, to maintain our manses.

Subject to the constraints of our Reserves Policy (below) grants or loans from reserves are also available to support new and existing mission projects and may also be available for building repairs and projects provided the applicant church has a strong mission focus and can demonstrate financial viability. It is not always possible to predict when such grants might become necessary, as a church might suddenly need a short term loan to enable work to proceed expeditiously. Generally, we will contribute, up to 50% of project work. Such grants are subject to our Circuit Model Trust Fund policy (see below) and the availability of uncommitted funds held.

Local Church Council approved applications for Circuit funds will be made to the Circuit Leadership Team (CLT) for evaluation and support and then brought before the Circuit Meeting for approval or otherwise.

RESERVES POLICY

Introduction

The Circuit has a wide cross section of Funds some of which are unrestricted (including designated Funds) and others are restricted.

The “Funds at a Glance” attached to this document is an integral part of our Reserves Policy and should be read in conjunction with it. As a general principle, we now quote our closing Fund balances on an uncommitted basis. That is to say that at the close of each financial year any known and agreed future commitments are provided for in full. Therefore, at any given time the level of uncommitted resources can be clearly seen

Unrestricted Funds

General and Designated Funds

The General Fund at **£143,985** (excluding tangible assets, Designated Funds and loans to churches) represents about 3.9 months budgeted expenditure (net of income for CMTF grants). Our policy is to hold about 3 months of gross expenditure as a reserve, and this is considered to be the absolute minimum and falls short of the Connexional recommendation of 6 months. However, it effectively caters for the default of all churches not paying their Assessment in the same quarter – the chances of this are considered highly unlikely.

If General reserves fall below our target, we will seek approval from the Circuit Meeting to make up any shortfall from either or a combination of:

1. an increase in Assessments the following year.
2. A portion of the sales proceeds of any properties sold or in the course of sale
3. A transfer of funds from the CMTF

If General Reserves are above the target 3 months cover of normal gross expenditure, the surplus will be either:

1. Transferred to the CMTF
2. Held as a surplus reserve and depleted to the target level the following year by setting a deficit budget. This would effectively reduce the formula calculated Assessment on churches.

Designated Funds are effectively sinking funds or provisions against future expenditure in key areas. Every year and for to each of these funds.

Circuit Model Trust Fund (CMTF)

Our policy is to use this resource in accordance with Methodist Standing Orders. However, under local discretion our policy is to allocate a percentage of these funds for “Mission & Outreach Projects” (or more generally new growth initiatives). The percentage so allocated is reviewed on an annual basis and may be amended in the light of overall calls on the CMTF during the preceding year and/or future initiatives being planned. **We allocate 70% to “Mission & Outreach Projects” and 30% to other potential calls on the funds.** The total uncommitted funds stood at **£23,611** as at 31 August 2023

Restricted Funds

Chapel Street Fund is restricted for use on Luton Town centre projects – the interest from the fund is available for general unrestricted use. We are using this fund to cover the costs to the Circuit of Ecumenical Church related Community Worker.

Lye Trust - is a permanent endowment legacy, the income on which is specifically for use as a Circuit Benevolent Fund. The interest of circa £1,000 p.a. is distributed (as and when required) for relief of the poor in the Circuit via the Benevolent Fund

Benevolent Fund –income sourced from the interest from the Lye Trust as above.

Circuit Music Fund – expendable endowment.

Circuit Drama Fund – restricted. Ex Luton Circuit Fund

Circuit Education & Youth Fund – restricted. Ex Luton Circuit Fund. (funded £500 p.a. from General Funds)

SOUTH BEDFORDSHIRE METHODIST CIRCUIT

ANNUAL SUMMARY FINANCIAL REPORT FOR THE YEAR ENDED 31 AUGUST 2022

SOUTH BEDFORDSHIRE METHODIST CIRCUIT

ANNUAL FINANCIAL REPORT FOR THE YEAR ENDED 31 AUGUST 2023

Introduction

This has been a somewhat turbulent year in terms of our performance against budget with an end result of **£28,335 favourable**.

I normally set the budget in January and for the sake of consistency do. Not usually alter it in the light of subsequent events. It is partly for this reason that the end result is significantly better than predicted.

As it happens, given the agreed ministerial extensions for Nigel Bibbings and Joanne Sherwood agreed in September 2023 (the next financial year) and the consequential financial implications, this budget surplus will be useful in covering some of those unplanned future costs. I will be presenting detailed proposals in early 2024.

Budget 2022/23

This was set with a gross expenditure of just over £405k with £381k being raised from churches by way of the Assessment. Setting the level each church paid for the year was challenging and required a re-work of our historic formula. Whilst not welcomed by all, an absolute minimum Assessment of £7.5k per church was set with a further £76k being apportioned relative to the reserves strength (in terms of months expenditure cover) of each church. This enabled us, in part, to call more on churches with higher time based reserves than those with lower.

Challenging as this was, once again, the required Assessment was raised in full

Actual v Budget Performance (General Fund only)

The original budget figures excluded:

1. Additional Assessment charge on The Olive Tree re Joanne Sherwood's -.25 fte cover. This was also excluded from the expenditure figures.
2. The unplanned continued employment of a part time Circuit Worker. Estimated cost £15k and part funded by £12k from the prior year budget surplus

An analysis is attached. However, the budget figures on this have been restated to take into account the above.

Overall, we ended up £28k favourable to budget. A number of factors contributed to this and are set out in the notes below. The numbering corresponds to the legend in the attached table.

1. Investment Income (£12k favourable) – there was a considerable rise in interest rates and this reflected in the interest income earned on our Central Finance Board (CFB) account
2. Rental Income (Gross £5k favourable) – a lettings void of 2 months is always budgeted. There was no change of tenant in either rental property

3. Assessments (£2.5k adverse) – The closure of Mount Pleasant resulted in no Assessment from it for the last quarter.
4. Admin & Finance Salaries (£4.6K favourable) – During the year the Circuit Administrator resigned.
5. Stipends/NI/Pensions (£4.2k favourable) – A significant increase in employer contributions to the Ministers’ Pension Scheme was planned. However, post budget preparation this was rescinded.
6. Ministers’ Travel (£3.5k favourable) – I have kept the budget figure at pre-Covid levels. However, the trend is lesser mileage.
7. Circuit Workers (£2.5k adverse) – see narrative above. Planned and expected.
8. Manse Expenses (£1.8k favourable) cancelation of British gas service contracts and a move to self funding serving and repairs. In future this will be covered by an increase annual transfer to the Manses R&M fund.
9. Preaching/Worship/Misc (£1k favourable) – Nothing particularly significant here. £500 accounted for by a budget of £1k for the Dunstable Downs event against an actual spend of £450

Circuit Model Trust Fund

We made a commitment to use £15k to fund a 0.5fte Circuit Worker in 2023/24.

Manses Fund (Designated)

From General Funds we budget to set aside £3.5k per manse p.a. to cover maintenance and repairs. This amounts to £28k for 8 Manses.

This year there were no particularly significant items. £31k of the £34.5k of the cost of the Malzeard Road garage conversion was capitalised.

This sum still needs to be returned to the Manse Fund from part of the sale proceeds of Mount Pleasant.

Conclusion

Circuit finances remain in a stable position, and our Liquid General Reserves cover about 3.9 months of gross expenditure.

2023/24 will be a further challenge and whilst once again the necessary Assessment has been agreed, the inflationary pressure on the cost of living will again impact on the ability of members to maintain their current level of giving to churches.

It is my intention to suggest our Reserves Policy for General Reserves is to maintain 3 months gross expenditure.

Also attached to this report is:

- **Statement of Financial Activities (SOFA) in abbreviated form**
- **Balance Sheet – Funds at a Glance**

David J Hallworth
Circuit Bursar
19 October 2023

THE SOUTH BEDFORDSHIRE METHODIST CIRCUIT
FUNDS AT A GLANCE (BALANCE SHEET) AS AT 31 AUGUST 2023

	Unrestricted Funds										Restricted & Endowment Funds										Totals 2023	Totals 2022		
	General	Circuit Model Trust	Designated Funds							Total Unrestricted	Restricted Funds						Endowment Funds							
			Manses	Ministers	Training	Quirs	Assm't EQ	Lay Salaries	Total Designated		Benev (Local)	Drama (Local)	Educn & Youth (Local)	Luton Road Church	Mount Pleasant Church	Total Restricted	Chapel St Trust 18819	Lye Bequest for Poor Trust 3488	Lye Bequest Trust 5719	Circuit Music Fund Trust 16407			Total Endowment	
	£	£	£	£	£	£	£	£	£	£	£	£	£	£	£	£	£	£	£	£	£	£	£	£
Fixed Assets																								
Circuit Manses & Equipment	1,989,381									1,989,381													1,989,381	1,493,131
Investment properties	350,000									350,000													350,000	350,000
Investments																		37,710	2,519		40,229	40,229	42,014	
Total fixed assets	2,339,381									2,339,381								37,710	2,519		40,229	2,379,610	1,885,145	
Current Assets																								
Debtors	23,349									23,349													23,349	29,254
Loans by the Circuit	6,000									6,000													6,000	19,000
Trustees for Methodist Church Purposes	19									19							7,721	4,945		1,271	13,937	13,956	13,933	
Central Finance Board Deposits	149,668	74,922	120,716	7,051	13,360	3,578	19,870		164,575	389,164	5,339	818	4,071	(2,613)		7,615							396,779	395,404
Cash at Bank and in hand	61,887	(6,705)	(45,318)		(1,191)	(2,886)			(49,396)	5,786	1,268		(446)	(364)	(770)	(312)							5,474	11,661
Total current assets	240,904	68,236	75,397	7,051	12,169	692	19,870		115,179	424,319	6,607	818	3,626	(2,978)	(770)	7,303	7,721	4,945		1,271	13,937	445,559	469,252	
Creditors (due in under 1 year)	96,919		162		16				178	97,097													97,097	107,950
Grant instalments due in 2023-24		31,295							31,295				500			500							31,795	76,205
Net current assets/liabilities	143,985	36,941	75,236	7,051	12,152	692	19,870		115,001	295,928	6,607	818	3,126	(2,978)	(770)	6,803	7,721	4,945		1,271	13,937	316,667	285,097	
Total assets less current liabilities	2,483,366	36,941	75,236	7,051	12,152	692	19,870		115,001	2,635,309	6,607	818	3,126	(2,978)	(770)	6,803	7,721	42,655	2,519	1,271	54,166	2,696,277	2,170,242	
Creditors and Accruals including any loans (due after more than 1 year)																								
Grant instalments due after 2023-24		13,330							13,330														13,330	29,625
Net assets	2,483,366	23,611	75,236	7,051	12,152	692	19,870		115,001	2,621,979	6,607	818	3,126	(2,978)	(770)	6,803	7,721	42,655	2,519	1,271	54,166	2,682,947	2,140,617	
Funds of the Circuit																								
General Fund (Unrestricted)	2,483,367									2,483,367													2,483,367	
Circuit Model Trust Fund (Unrestricted)		23,611								23,611													23,611	
Designated Funds (Unrestricted)			75,236	7,051	12,152	692	19,870		115,001	115,001													115,001	
Total Unrestricted Funds																							2,621,979	2,074,807
Restricted Funds											6,607	818	3,126	(2,978)	(770)	6,803							6,803	9,883
Endowment Funds																	7,721	42,655	2,519	1,271	54,166	54,166	55,927	
Total Funds	2,483,366	23,611	75,236	7,051	12,152	692	19,870		115,001	2,621,979	6,607	818	3,126	(2,978)	(770)	6,803	7,721	42,655	2,519	1,271	54,166	2,682,947	2,140,617	
Liquid Funds	143,985	23,611	75,236	7,051	12,152	692	19,870		115,001	282,598	6,607	818	3,126	(2,978)	(770)	6,803	7,721	4,945	0	1,271	13,937	303,337	255,472	

THE SOUTH BEDFORDSHIRE METHODIST CIRCUIT
FUNDS AT A GLANCE (SOFA) AS AT 31 AUGUST 2023

Name of Circuit: South Bedfordshire

Circuit No: 34/04

Statement of Financial Activities a Glance for the year ended 31 August 2023

Notes	Unrestricted Funds									Restricted & Endowment Funds										Grand Total 2022-23	Total 2021-22		
	General	Circuit Model Trust	Designated Funds							Restricted Funds						Endowment Funds							
			Manse	Ministers	Training	Quins	Assm't EQ	Lay Salaries	Total Designated	Benev (Local)	Brama (Local)	Educn & Youth (Local)	Luton Road Church	Mount Pleasant Church	Total Restricted	Chapel St Trust 18819	Lye Bequest for Poor Trust 3488	Lye Bequest Trust 5719	Circuit Music Fund Trust 16407			Total Endowment	
£	£	£	£	£	£	£	£	£	£	£	£	£	£	£	£	£	£	£	£	£	£	£	
Income and Endowments																							
1 Donations and legacies																							
2 Income from Monetary Investments	12,300	1														245	1,319	78	40	1,681	13,982	2,690	
3 Income from Investment Property	14,010																				14,010	13,800	
4 Income from charitable activities																							
5 Assessments on Churches	390,429																				390,429	382,320	
6 Captial Receipts	465,000																				465,000		
7 Grants			1,940						1,940												1,940	2,768	
8 Other charitable activities																							
9 Total from charitable activities	881,739	1	1,940						1,940							245	1,319	78	40	1,681	885,361	401,578	
10 Other charitable income																							
11 Total charitable income	881,739	1	1,940						1,940							245	1,319	78	40	1,681	885,361	401,578	
12 Other income	14,835																				14,835	14,100	
13 Total income and endowments	896,574	1	1,940						1,940							245	1,319	78	40	1,681	900,196	415,678	
Expenditure																							
Expenditure on charitable activities																							
21 Grants and donations		16,205																			16,651	20,395	
21a Future instalments of grant		15,000																			15,500	7,500	
21b Grant instalments provisions released		(16,205)	(60,000)						(60,000)												(76,205)	(17,795)	
22 Salaries and associated costs	259,779																				259,779	252,638	
23 Property	29,002		16,170			2,886			19,056				3,132	770	3,902						51,960	78,681	
24 Office expenses	4,096															22	126	8	4	159	4,255	4,753	
25 District Assessment & Levy	79,604	0																			79,604	78,016	
26 Other outgoings	3,329					1,208			1,208												4,537	3,529	
27 Total charitable expenditure	375,810	15,000	(43,830)		1,208	2,886			(39,736)			946	3,132	770	4,848	22	126	8	4	159	356,081	427,716	
31 Net Income before investment gains/losses	520,765	(15,000)	45,770		(1,208)	(2,886)			41,676			(946)	(3,132)	(770)	(4,848)	223	1,192	70	36	1,521	544,115	(12,038)	
32 Net gains/(losses) on Monetary Investments																	(1,673)	(112)		(1,784)	(1,784)	(2,816)	
33 Net gains/(losses) on Property Disposals/Revaluations																							
34 Net incoming/(outgoing) resources before transfers	520,765	(15,000)	45,770		(1,208)	(2,886)			41,676			(946)	(3,132)	(770)	(4,848)	223	(480)	(42)	36	(263)	542,331	(14,855)	
35 Transfers between funds	(5,719)	13,000	(3,250)	3,400	(9,500)	3,800	10,000	(12,000)	(7,550)	1,268	500				1,768	(231)	(1,198)	(70)		(1,499)		(0)	
36 Reclassification of funds																							
37 Other gains/(losses)																							
38 Net movement in funds	515,046	(2,000)	42,520	3,400	(10,708)	914	10,000	(12,000)	34,126	1,268	(446)	(3,132)	(770)	(3,080)		(8)	(1,678)	(112)	36	(1,762)	542,331	(14,855)	
39 Total funds brought forward	1,968,321	25,611	32,716	3,651	22,860	(222)	9,870	12,000	80,875	5,339	818	3,571	154		9,883	7,729	44,333	2,631	1,235	55,927	2,140,617	2,155,472	
50 Total funds carried forward	2,483,367	23,611	75,236	7,051	12,152	692	19,870		115,001	6,607	818	3,126	(2,978)	(770)	6,803	7,721	42,655	2,519	1,271	54,166	2,682,947	2,140,617	

THE SOUTH BEDFORDSHIRE METHODIST CIRCUIT

(Charity Registration No. 1134222)

FINANCIAL STATEMENTS

For the Year ending 31 August 2023

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

Statement of Financial Activities (SOFA) for the year ended 31 August 2022								
	Notes	Unrestricted Funds			Restricted & Endowment Funds		Total 2022-23	Total 2021-22
		General	Circuit Model Trust	Designated	Restricted	Endowment		
		£	£	£	£	£		
Income and Endowments								
1 Donations and legacies								
2 Income from Monetary Investments		12,300	1			1,681	13,982	2,690
3 Income from Investment Property	4	14,010					14,010	13,800
4 Income from charitable activities								
5 Assessments on Churches	5	390,429					390,429	382,320
6 Capital Receipts	6	465,000					465,000	
7 Grants	7			1,940			1,940	2,768
8 Other charitable activities								
9 Total from charitable activities		881,739	1	1,940		1,681	885,361	401,578
10 Other charitable income								
11 Total charitable income		881,739	1	1,940		1,681	885,361	401,578
12 Other income	8	14,835					14,835	14,100
13 Total income and endowments		896,574	1	1,940		1,681	900,196	415,678
Expenditure								
Expenditure on charitable activities								
21 Grants and donations	9		16,205		446		16,651	20,395
21a Future instalments of grant	9		15,000		500		15,500	7,500
21b Grant instalments provisions released	9		(16,205)	(60,000)			(76,205)	(17,795)
22 Salaries and associated costs	10	259,779					259,779	252,638
23 Property	11	29,002		19,056	3,902		51,960	78,681
24 Office expenses	12	4,096				159	4,255	4,753
25 District Assessment & Levy	13	79,604	0				79,604	78,016
26 Other outgoings	14	3,329		1,208			4,537	3,529
27 Total charitable expenditure		375,810	15,000	(39,736)	4,848	159	356,081	427,716
31 Net Income before investment gains/losses		520,765	(15,000)	41,676	(4,848)	1,521	544,115	(12,038)
32 Net gains/(losses) on Monetary Investments	15					(1,784)	(1,784)	(2,816)
33 Net gains/(losses) on Property Disposals/Revaluations	15a							
34 Net incoming/(outgoing) resources before transfers		520,765	(15,000)	41,676	(4,848)	(263)	542,331	(14,855)
35 Transfers between funds	16	(5,719)	13,000	(7,550)	1,768	(1,499)		(0)
36 Reclassification of funds	17							
37 Other gains/(losses)	18							
38 Net movement in funds		515,046	(2,000)	34,126	(3,080)	(1,762)	542,331	(14,855)
39 Total funds brought forward		1,968,321	25,611	80,875	9,883	55,927	2,140,617	2,155,472
50 Total funds carried forward		2,483,367	23,611	115,001	6,803	54,166	2,682,947	2,140,617

Balance Sheet as at 31 August 2023

		Unrestricted Funds			Restricted & Endowment Funds		Totals 2023	Totals 2022
		General	Circuit Model Trust	Designated	Restricted	Endowment		
		£	£	£	£	£	£	£
Fixed Assets								
Circuit Manses & Equipment	BS1	1,989,381					1,989,381	1,493,131
Investment properties	BS1	350,000					350,000	350,000
Investments	BS2	0				40,229	40,230	42,014
Total fixed assets		2,339,381				40,229	2,379,611	1,885,145
Current Assets								
Debtors	BS3	23,349					23,349	29,254
Loans by the Circuit	BS4	6,000					6,000	19,000
Trustees for Methodist Church Purposes	BS2		19			13,937	13,956	13,933
Central Finance Board Deposits	BS5	149,668	74,922	164,575	7,615		396,779	395,404
Cash at Bank and in hand	BS5	61,887	(6,705)	(49,396)	(312)		5,474	11,661
Total current assets		240,904	68,236	115,179	7,303	13,937	445,559	469,252
Creditors (due in under 1 year)	BS6	96,919		178			97,097	107,950
Grant instalments due in 2022-23	BS6a		31,295		500		31,795	76,205
Net current assets/liabilities		143,985	36,941	115,001	6,803	13,937	316,667	285,097
Total assets less current liabilities		2,483,367	36,941	115,001	6,803	54,166	2,696,277	2,170,242
Creditors and Accruals including any loans (due after more than 1 year)								
Grant instalments due after 2022-23	BS7,9		13,330				13,330	29,625
Net assets		2,483,367	23,611	115,001	6,803	54,166	2,682,947	2,140,617
Funds of the Circuit								
General Fund (Unrestricted)	BS8.1	2,483,367						
Circuit Model Trust Fund (Unrestricted)	BS8.2		23,611					
Designated Funds (Unrestricted)	BS8.3			115,001				
Total Unrestricted Funds							2,621,979	2,074,807
Restricted Funds	BS9				6,803		6,803	9,883
Endowment Funds	BS9					54,166	54,166	55,927
Total Funds		2,483,367	23,611	115,001	6,803	54,166	2,682,947	2,140,617

THE SOUTH BEDFORDSHIRE METHODIST CIRCUIT
STATEMENT OF CASH FLOWS
For the year ended 31 August 2023

	Total 2023		Totals 2022	
	£	£	£	£
Cash flow from operating activities				
Net cash from operating activities		(16,366)		(45,246)
Cash flow from Investing activities				
(Payments)to acquire fixed assests		(31,250)		
Payments to acquire investments				
Receipts from sales of Investments				
Interest & dividends received		13,982		2,690
Rent from investment/let properties		28,845		27,900
Net cash flow from Investing activities		11,577		30,590
Cash flow from financing activities				
Net cash flow from financing activities				
Net increase/(decrease) in cash and cash equivalents		(4,789)		(14,656)
Cash and equivalents at 1 September 2022		420,999		435,654
Cash and equivalents at 31 August 2023		416,209		420,999
Analysis of cash and cash equivalents				
Cash at bank and in hand		416,209		420,999

Reconciliation of net income/(expenditure) to net cash flow from operating activities

Net Income/(expenditure) for the year	542,331	(14,855)
Interest & dividends received	(13,982)	(2,690)
Rents received	(28,845)	(27,900)
Fixed Assets donated in	(465,000)	
Depreciation of tangible assets		
(Gains)/losses monetary investments	1,784	2,816
Decrease/(increase) in debtors	5,905	(7,624)
Decrease/(increase) in Loans	13,000	11,000
(Decrease)/increase in creditors	(10,853)	4,301
(Decrease)/increase in provisions	(60,705)	(10,295)
Net cash flow from operating activities	(16,366)	(45,246)

1 & 2 Policies and Terms

Basis of accounting and accounting policies

i Accounting standard

The financial statements have been prepared in accordance with Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland issued in October 2019, the Financial Reporting Standard applicable in the United Kingdom and Republic of Ireland (FRS 102), and the Charities Act 2011

ii Public benefit entity

The South Bedfordshire Methodist Circuit meets the definition of a public benefit entity under FRS 102. Assets and liabilities are initially recognised at historical cost or transaction value unless otherwise stated in the relevant accounting policy note(s) below.

iii Basis

These accounts have been prepared on the basis of historical cost except that investments are shown at their market value at the end of the year. The accruals basis has been used and trustees present accounts that show a true and fair view of the Circuit's financial position and activities.

iv Content

The financial information presented is relevant, reliable, comparable and complete. Where estimates are used these are based on experience, research and judgement. The accounts are expressed in £Sterling, rounded to the nearest pound.

v This clause is intentionally blank

vi Going concern

Based on the monetary assets and human resources available at 31 August 2023, the trustees believe that the Circuit is a going concern.

vii Consolidation

The Circuit has denominational regulatory oversight in respect of the work of the Churches within the Circuit but has no legal or operational control of those Churches and their governing bodies except in extreme circumstances. For this reason, the financial statements of Churches within the Circuit are not consolidated into these financial statements.

viii Income recognition

Income is brought into account when there is entitlement and the amount is reliably measurable once it is more likely than not that the economic benefit of the income will be forthcoming

Individual amounts categorised as *Other income* in the SOFA will be shown separately if they are considered material.

The Circuit acts as agent in two matters:

the collection from Churches and payment over of their contributions to various Funds controlled and administered by The Methodist Church – “Connexional Funds”

the administration (application, collection and disbursement) of grants requested by Churches within the Circuit from, but not limited to, the District and Connexion

In all these matters the transactions are not reflected in the SOFA because they are the income of either the Connexion or Churches as appropriate. Instead the transactions are disclosed in the Notes to the Accounts as required by SORP(FRS102), module 19.12.

In accordance with the Charities SORP (FRS 102), the time of volunteers is not recognised. Further information on this matter is provided in the Trustees’ Annual Report. If goods are donated, a value will be shown in the SOFA or Notes where the value is considered material.

ix Grants (Received)

Grants received from external sources (including Connexional and/or District grants) are shown as income. Where an application to TMCP is made (and approved) to use monies held in the Circuit Model Trust Fund and/or Restricted/Endowment Funds for a specific Circuit project, the funds so approved are, where relevant, shown as transfers between funds. More details are provided in Note 9

x Expenditure

This is recognised when a liability is incurred, or a constructive obligation arises, where the amount is reliably measurable and it is considered more likely than not that there will be an outflow of economic benefit

xi Grants (Given)

Grants made by the Circuit from its own funds are recognised in full at the time of agreement to make a grant without performance conditions or as and when the Circuit accepts that there is a legal or operational obligation to make the payment if it is subject to performance conditions. When the grant to be accrued is recurrent over more than one year the balance payable in future years, discounted to net present value where the difference is material, is treated as a provision for future commitments in the balance sheet against the appropriate fund, the provision being released in future years in accordance with the originally agreed terms. In cases where the grant has been charged to one fund but for ease of payment has been transferred to another fund any future payment provision is applied to the fund from which the grant will ultimately be paid.

xii VAT

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

xiii Tangible fixed assets

These are capitalised if they can be used for more than one year, and individually cost at least £250.

The freehold and/or long leasehold residential property is shown in the accounts at deemed cost representing each property's gross carrying value as at 1 September 2015, being that property's insurance reinstatement value resulting from a professional valuation undertaken by Trudgill & Co in 2011/12 and subsequently adjusted up to and including 31 August 2014 or, if acquired after that date, at its insurance reinstatement value at the date of acquisition. No depreciation is provided because the trustees consider the current residual value of the property in its present condition to be not less than its historical cost and, in the absence of any evidence of impairment, any depreciation provision for the buildings component of the property would be immaterial.

From time to time the Circuit may be required to assume responsibility for Church premises following closure and cessation of worship. This results in the Circuit becoming Managing Trustees for the property. At that time the property is recognised as an asset at its anticipated net sale price as determined by a professional valuation and after taking into consideration the levy to be charged by the Connexion. Any expenditure on such assets, if held for reinvestment of the proceeds, as the trustees determine, that is likely to enhance sale value is capitalised at the time the expenditure is incurred. Where the proceeds are intended to be spent on activities, the property is included in current assets at the lower of cost and realisable value. The Circuit has made use of the deemed cost option on transitioning to FRS102, as outlined above.

xiv(a) Monetary Investments

The Circuit's investments are in monetary assets classified as basic financial instruments under FRS102 and are held by the Trustees for Methodist Church Purposes (TMCP) as custodian trustees. The valuations, at market value, are those provided by TMCP. The unrealised gains arising on investments at the end of the year are shown in the SOFA and in Note 15 below

xiv(b) Investment Property

From time to time the Circuit may hold residential property (manse) which is surplus to its normal staffing requirements. Where this is the case and it is anticipated that the property is unlikely to be used as a manse within a period of 2 years, the property is classified as Investment Property (whether let out or not) and if let, it is so at market rates unless there is a compelling reason not to do so in furtherance of the Circuit's charitable objectives. Any such cases are specified in Note BS1 below. Such properties are valued at fair open market value after reference to local professional estate agents and valuers.

xv Receivables and Payables; Bank and Cash (Basic Financial Instruments)

Debtors are stated at the amounts owed to the Circuit or prepaid. Creditors are initially recognised at settlement amount after any trade discounts, where normal credit terms apply, or amount advanced to the Circuit. Subsequently creditors that are current liabilities are measured at the cash or other consideration expected to be paid. The liquid funds of bank balances and deposit fund balances are shown at their realisable values.

xvi Loans as Basic Financial Instruments

Where concessionary loans (*i.e.* free of interest) are made to [or received by] the Circuit to further its charitable purposes, and are repayable after more than one year, they are initially recognised at the amount paid [or received], with the carrying value adjusted in subsequent years to reflect repayments and any accrued interest, adjusted for any impairment, if necessary.

Where there is objective evidence of impairment, an immediate impairment loss is recognised in the Statement of Financial Activities. Subsequent reversals of an impairment loss that objectively relate to an event occurring after the impairment loss was recognised, are recognised immediately in the Statement of Financial Activities.

Where loans require the calculation of a discounted cash flow valuation, this will be so marked.

xvii Methodist Connexional Funds

The Circuit acts as agent for Methodist Connexional Funds (Connexional Funds) in the collection from Churches and payment over of their contributions and ad hoc collections for various Funds controlled and administered by The Methodist Church – “Connexional Funds

xviii Funds

The trustees have adopted a policy for all unrestricted reserves which can be found in the main section of the Trustees Annual Report.

xvix Endowment funds

Where the Circuit holds money that may not be spent and must be retained (as capital) to generate an income the money or assets to be retained are classified as an Endowment Fund. The capital will be shown in the balance sheet in the column for endowment funds. The income may be restricted or unrestricted depending upon the terms of the endowment.

xx Ministers' manse costs

The Circuit is required to provide accommodation for each minister in the Circuit and their families and this is seen as a benefit to the Circuit. Ministers are expected to occupy the manse provided for them. The Circuit bears the cost of repairs, maintenance, buildings insurance, Council Tax and water charges. These figures are not separately disclosed as benefits-in-kind for ministers as HMRC does not seek to tax these receipts in the hands of ministers.

2 Glossary of terms

CFB: Central Finance Board of the Methodist Church manages a Common Deposit Fund and a series of pooled investment funds for Methodist entities in Great Britain and provides investment advice to those entities

Church: a group of members from fewer than 10 to more than 300

Circuit: a group of Methodist Churches near each other, typically between 10 and 30

Circuit Meeting: The trustees of the Circuit, most of whom are appointed by their local Church and others by virtue of a role they undertake for the Circuit and/or their local Church

CLT (Circuit Leadership Team): A group (comprising mostly, but not exclusively) of Circuit trustees responsible for the day to day administration and policy formulation of the Circuit. Generally the CLT comprises of the Presbyters stationed within the Circuit, the Circuit Stewards and Circuit Bursar (who is not a trustee)

CMTF: Circuit Model Trust Fund

Connexion: The Methodist Church in GB which includes the Head Office at Methodist Church House, all Methodist Districts, Circuits and Churches in Great Britain

Connexional Funds: The Designated and/or Restricted Funds held and administered by the Connexion in furtherance of its charitable and mission objectives.

District: a group of contiguous Circuits, usually between 15 and 30

DAF: District Advance Fund

FRS: Financial Reporting Standard

HMRC: Her Majesty's Revenue and Customs

LAY EMPLOYEES: Non presbyteral staff employed on either a full or part time basis and on formal written contractual terms.

MMPS: Methodist Ministers' Pension Scheme

PASLEMC: Pensions and Assurance Scheme for Lay Employees of the Methodist Church

3.1 Comparative SOFA forming part of previous year's accounts

	Unrestricted Funds			Restricted & Endowment Funds		Total 2021-22
	General	Circuit Model Trust	Designated	Restricted	Endowment	
	£	£	£	£	£	£
Income and Endowments						
1 Donations and legacies						
2 Income from Monetary Investments	1,536	0			1,153	2,690
3 Income from Investment Property	13,800					13,800
4 Income from charitable activities						
5 Assessments on Churches	382,320					382,320
6 Capital Receipts						
7 Grants				2,768		2,768
8 Other charitable activities						
9 Total from charitable activities	397,656	0		2,768	1,153	401,578
10 Other charitable income						
11 Total charitable income	397,656	0		2,768	1,153	401,578
12 Other income	14,100					14,100
13 Total income and endowments	411,756	0		2,768	1,153	415,678
Expenditure						
Expenditure on charitable activities						
21 Grants and donations		19,795		600		20,395
21a Future instalments of grant		7,500				7,500
21b Grant instalments provisions released		(17,795)				(17,795)
22 Salaries and associated costs	247,518		5,120			252,638
23 Property	29,586		46,481	2,613		78,681
24 Office expenses	4,585	0			167	4,753
25 District Assessment & Levy	78,016					78,016
26 Other outgoings	3,208		321			3,529
27 Total charitable expenditure	362,913	9,500	51,922	3,213	167	427,716
31 Net Income before investment gains/losses	48,844	(9,500)	(51,922)	(446)	986	(12,038)
32 Net gains/(losses) on Monetary Investments					(2,816)	(2,816)
33 Net gains/(losses) on Property Disposals/Revaluations						
34 Net incoming/(outgoing) resources before transfers	48,844	(19,795)	(51,922)	(446)	(1,830)	(14,855)
35 Transfers between funds	(48,692)	11,000	37,199	1,465	(972)	(0)
36 Reclassification of funds						
37 Other gains/(losses)						
38 Net movement in funds	152	(8,795)	(14,723)	1,019	(2,802)	(14,855)
39 Total funds brought forward	1,968,169	24,112	95,598	8,864	58,730	2,155,472
50 Total funds carried forward	1,968,321	25,611	80,875	9,883	55,927	2,140,617

3.2 Balance Sheet as at 31 August 2022

	Unrestricted Funds			Restricted & Endowment Funds		Totals 2022
	General	Circuit Model Trust	Designated	Restricted	Endowment	
	£	£	£	£	£	£
Fixed Assets						
Circuit Manses & Equipment	1,493,131					1,493,131
Investment properties	350,000					350,000
Investments	0				42,013	42,014
Total fixed assets	1,843,131				42,013	1,885,145
Current Assets						
Debtors	26,486			2,768		29,254
Loans by the Circuit	19,000					19,000
Trustees for Methodist Church Purposes		19			13,914	13,933
Central Finance Board Deposits	175,992	71,422	140,875	7,115		395,404
Cash at Bank and in hand	11,661					11,661
Total current assets	233,139	71,441	140,875	9,883	13,914	469,252
Creditors (due in under 1 year)	107,950					107,950
Grant instalments due in 2020-21		16,205	60,000			76,205
Net current assets/liabilities	125,189	55,236	80,875	9,883	13,914	285,097
Total assets less current liabilities	1,968,321	55,236	80,875	9,883	55,927	2,170,242
Creditors and Accruals including any loans (due after more than 1 year)						
Grant instalments due after 2020-21		29,625				29,625
Net assets	1,968,321	25,611	80,875	9,883	55,927	2,140,617
Funds of the Circuit						
General Fund (Unrestricted)	1,968,321					
Circuit Model Trust Fund (Unrestricted)		25,611				
Designated Funds (Unrestricted)			80,875			
Total Unrestricted Funds						2,074,807
Restricted Funds				9,883		9,883
Endowment Funds					55,927	55,927
Total Funds	1,968,321	25,611	80,875	9,883	55,927	2,140,617

Note 4 Income from Investment Property

The trustees have determined that the property listed below is unlikely to be returned to use as manse in the foreseeable future and have therefore classified the same as an Investment Property. Letting income is shown gross of fees and commissions.

	General	CMTF	Desig	Restricted	Endow	Total	2022
Letting Income:							
18 Clarence Road	14,010					14,010	13,800
Totals	14,010					14,010	13,800

Note 5 Assessments on Churches

The Circuit comprises of 20 [Luton Road closed during the year] (21) churches and each is assessed for a contribution to meet the overall net costs of the Circuit. In making it's Assessment budgeted income from investment income (including property letting) and confirmed external grants is taken into account. The Circuit aims to cover all it's net core costs from the Assessment.

An Assessment on Churches is annually determined by the Circuit using a formulaic method which takes into account the relative number of members in each church and its relative income (after deduction of certain actual and notional expenses).

Assessments on churches are quarterly in advance and are treated as pre-payments on a receivable basis. If any church has not paid its assessment by the due date the sum in question is also treated as a debtor. Such cases are detailed in Notes BS3 and BS6

Church	General	CMTF	Desig	Restricted	Endow	Total	2022
Aley Green	12,548					12,548	11,948
Barton	8,104					8,104	7,716
Beech Hill	17,772					17,772	16,924
Eaton Bray	12,720					12,720	12,112
Edlesborough	7,092					7,092	6,752
Farley Hill	10,652					10,652	10,144
Gravenhurst	7,384					7,384	7,028
Harlington	20,180					20,180	19,216
High Town	21,812					21,812	21,340
Kensworth	7,852					7,852	7,476
Leagrave High St	32,332					32,332	31,872
Mount Pleasant	7,761					7,761	9,856
Oakdale	16,968					16,968	16,780
St Johns	28,044					28,044	27,780
St Margarets	26,112					26,112	25,568
Strathmore Ave	14,316					14,316	13,632
The Square	57,364					57,364	56,060
Toddington	16,948					16,948	16,140
Trinity	58,292					58,292	57,844
Wigmore	6,176					6,176	6,132
Total	390,429					390,429	382,320

Note 6 Capital Receipts

Capital Receipts relate to the requirement for the Circuit to take Managing Trustee responsibility for any church which ceases to worship and closes. During the Year Luton Road Church and Mount Pleasant church were two such cases. The value of the capital receipts for each is determined from the likely sale value as advised in a Qualified Surveyor's Report as required by the Charities Act.

The relative values are:

Luton Road £185,000

Mount Pleasant £ 280,000

(2021/22 - £Nil)

	General	CMTF	Desig	Restricted	Endow	Total	2022
Capital Receipts (closed churches)	465,000					465,000	
CPF Levy on Property Sales							
Selling Agents Fees							
Legal Fees							
Surveyors Fee							
GPF Reclaimed Grants							
Totals	465,000					465,000	

Note 7 Grants Receivable

	General	CMTF	Desig	Restricted	Endow	Total	2022
Connexion							
District Model Trust Fund			1,940			1,940	
Other Grants							
CMTF re Covid Assess Relief							
Luton Road Church Closing Bal							2,768
			1,940			1,940	2,768

Note 8 Other Income

	General	CMTF	Desig	Restricted	Endow	Total	2022
Circuit Quiz							
Printing for Churches							
Rent arrears paid							
Balances from closed churches							
Rental Income Bolingbroke Road	14,835					14,835	14,100
	14,835					14,835	14,100

Note 9 Grants & Donations

Grants and donations as listed below were agreed and/or made during the year. Where a grant has been made from the Circuit Model Trust Fund, Restricted or Endowment Funds and the grant monies are for use within the Circuit they are treated as a transfer between Funds with the purpose detailed in Note 16. The tables below (one for each Fund type) detail the new grants agreed and paid over this year, this year's instalment of grants agreed in prior years and the future instalments of grants to be paid. More information can also be found in Notes BS6a, BS7, BS8 and BS9 below

The support costs for grant-funding to third parties are insignificant and are not separately disclosed

[illegible]

Grantee/Donor	This Year New				Circuit Model Trust						
	Agreed	Paid External	Paid Internal Tfr	Carried forward	Unpaid btr fwd	Paid this year Ext	Paid Internal Tfr	Carried forward	Total Paid Ext	Total Paid Int Tfr	Grand Total
Circuit Churches											
Circuit Worker	15,000			15,000				15,000			
Toddington (Mission Enabler)					7,500	(2,500)		5,000	(2,500)		(2,500)
Farley Hill											
Barton											
Olive Tree Youth Worker											
Houghton Regis Project					38,330	(13,705)		24,625	(13,705)		(13,705)
Covid Assess Relief											
Totals	15,000			15,000	45,830	(16,205)		44,625	(16,205)		(16,205)

Grantee/Donor	This Year New				Designated						
	Agreed	Paid External	Paid Internal Tfr	Carried forward	Unpaid brt fwd	Paid this year Ext	Paid Internal Tfr	Carried forward	Total Paid Ext	Total Paid Int Tfr	Grand Total
Training (Assessment Relief)											
Malzeard Road Garage Conversion					60,000	(60,000)			(60,000)		(60,000)
Assess EQ released											
Totals:					60,000	(60,000)			(60,000)		(60,000)

Grantee/Donor	This Year New				Restricted						
	Agreed	Paid External	Paid Internal Tfr	Carried forward	Unpaid brt fwd	Paid this year Ext	Paid Internal Tfr	Carried forward	Total Paid Ext	Total Paid Int Tfr	Grand Total
Benevolent											
Education & Youth	946	(446)		500				500	(446)		(446)
Totals	946	(446)		500				500	(446)		(446)

[illegible]

Note 10 Stipends and Salaries and Associated Costs

Stipends

Stipends were paid to 6 Presbyters [5.75 fte] (2021-216 [5.49 fte]) and were as follows

	Full Time (5)	Part Time (1)		General	CMTF	Desig (Ministers)	Restricted	Endow	Total	2022
National Insurance Contributions	13,095	1,593		14,688					14,688	14,021
Pension Fund Contributions	36,218	5,433		41,651					41,651	39,943
Stipends	137,333	20,197		157,530					157,530	151,070
Sundry Expenses & PC Allowances	322			322					322	44
Telephone	3,407	640		4,047					4,047	3,655
Travelling	5,919	437		6,357					6,357	4,753
Computers in Ministry	880	176		1,056					1,056	1,026
Removal, Stationing & Relocation Costs										5,120
	197,174	28,477		225,651					225,651	219,632

The Circuit employs lay staff involved in both Administration and Mission work. The costs of these staff are shown below in their separate categories.

Administration Staff	Part Time			General	CMTF	Desig	Restricted	Endow	Total	2022
	Bursar	Admin	PA							
Nat Ins	233			233					233	199
Salary & Allowances	10,760	5,143		15,903					15,903	20,758
Travel										
Other Expenses										
Ex Gratia for Stand In Volunteer		2,550		2,550					2,550	
	10,993	7,693		18,686					18,686	20,957
Contracted Hours (pw)	15	20	n/a							

Mission Staff			Part Time Circuit Workers x1	General	CMTF	Desig	Restricted	Endow	Total	2022
Nat Ins			585	585					585	
Pension Conts										16
Salary			12,790	12,790					12,790	9,286
Sundry Expenses										
Telephone										
Travel			644	644					644	806
IT Allowances			480	480					480	960
			14,498	14,498					14,498	11,068
Contracted Hours (pw)			20							

Apprenticeship Levy	943			943	982
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Stipends & Salaries Totals	259,779			259,779	252,638
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No employees received employee benefits of more than £60,000. There is no accrual for holiday pay as it is immaterial; the holiday year ends on 31 August. All staff are paid at or above the Living Wage, as directed by Methodist Conference.

Pensions

Most ordained presbyters and deacons are members of the Methodist Ministers' Pension Scheme (MMPS). This is a defined benefit scheme. The Supreme Court held in 2014 that Methodist ministers (which term includes presbyters and deacons) are not employees of the Church. For simplicity, however, when dealing with National Insurance Contributions and pension contributions, the terms 'employer' and 'employee' are used as they would be in an employing body.

On the other hand lay employees are contractually employees and have the option of joining a pension scheme which the Circuit has arranged with The Pensions Trust. This is a defined benefit scheme and the Circuit contributes as employer to this scheme.

The Connexion accounts for both pension schemes and shows the figures in the annual Methodist Church in Great Britain accounts. The MMPS is in deficit but a plan for removal of the deficit has been proposed and is being implemented.

Note 10a Cost of Superintendent, Presbyters and Trustees

The Superintendent of the Circuit, the other Presbyters and the remaining members of the CLT are considered as Key Management Personnel. The Superintendent chairs meetings of the CLT and Circuit Meetings. The members of the Circuit Meeting are the trustees of the Circuit. The stipends, employer's NIC and employer's pension contributions and other expenses of the Presbyters of the Circuit are paid by the Circuit.

The manses are provided by the Circuit and the Circuit maintains the property. The value of the Council Tax and water charges paid by the Circuit is not disclosed here as HMRC does not regard this as a benefit-in-kind in the hands of the minister.

Each Presbyter is entitled to a 3 month sabbatical every 5 years and the expenses incurred by the Presbyter are met by the Connexion with the Circuit continuing to pay the stipend. During the year there have been 0 sabbaticals. The Circuit does not accrue for holiday pay cover as the remaining staff cover the holidays as needed and without extra pay. Had additional cover been required the cost of this is estimated at £9,859 (being one quarter of a single standard stipend plus National Insurance, Pension and other normally incurred expenses

		2022
	£	£
Stipends of Presbyters [6 actual (5.75 fte)]	157,530	151,070
Employer's National Insurance contributions	14,688	14,021
Employer's pension contributions to a defined benefit pension scheme	41,651	39,943
Total cost	213,870	205,034

Payments to trustees

The Circuit has a published Expenses Policy which can be found on its website www.southbedsmethodist.org.uk/ It is generally not Circuit policy to reimburse non Presbyteral members of the CLT, Circuit Meeting and others involved in the administration of Circuit affairs for expenditure properly incurred in carrying out their duties. The Presbyters of the Circuit undertake the primary executive roles within the Circuit. Apart from the [6] Presbyters, Circuit Bursar, Administrator and Circuit Lay Worker no member of the Circuit Meeting or CLT was in receipt of any payment for work undertaken on behalf of the Circuit, although certain travelling, entertaining and administration costs were reimbursed in relation to specific projects.

Travel and entertaining expenses have been reimbursed to 0 (2021-22: nil) non-Presbyteral trustees (members of the CLT) who, in aggregate, have received the cost of travel incurred in attending meetings of the CLT and/or other related commitments and this amounted to £Nil (2021-22: £nil). The travel costs of Presbyters who attended CLT and Circuit meetings is included within their overall travel expenses (detailed in Note 6) and is not separately determined.

Note 11 Property Expenses

The Circuit is Managing Trustee for 7 manses (2021-22 -7) and 1 (2021-2- 1) investment properties. 5 manses are occupied by ministers stationed in the Circuit. The investment property (18 Clarence Road) was let for all of the year on an Assured Shorthold Tenancy. The property at 44a Bolingbroke Road is let on an Assured Shorthold Tenancy. With the exception of the let properties, the Circuit is responsible for the payment of Council Tax, Utilities, Water charges and Insurance.

The cost of ongoing maintenance and improvements to all properties is funded through a Designated "Manses" Fund and a transfer of £3,500 p.a. per manse is made from the General Fund. The level of transfer is reviewed by the trustees each year.

Expenditure on Manses & Investment (Inv) Properties

					General	CMTF	Desig (Manses)	Restricted	Endow		
Manse	Council Tax	Insurance	Maint Contracts	Water Supply	Sub Total		Repairs Maint Improve			Total	2022
Unallocated			1,481		1,481					1,481	4,135
10 Danvers Drive	2,968	347		451	3,766		4,459			8,225	6,769
18 Clarence Road		485			485		2,797			3,282	1,022
18 Malzeard Road	2,515	487		542	3,544		2,563			6,107	9,777
44A Bolingbroke Road		445			445		276			721	615
46 Luton Road	2,581	372		747	3,699		2,384			6,083	6,626
5 Kingsley Road	2,052	413		162	2,627		1,959			4,586	2,933
6 Friars Walk	3,206	445		591	4,241		995			5,237	30,180
6 Linnet Way	2,671	473		956	4,100		736			4,836	5,030
Totals	15,992	3,466	1,481	3,449	24,388		16,170			40,558	67,088

Letting Expenses

	Agents	Other	Insurance		General	CMTF	Desig	Restricted	Endow	Total	2022
18 Clarence Road	1,933				1,933					1,933	2,081
44a Bolingbroke Road	1,780				1,780					1,780	1,692
Totals	3,714				3,714					3,714	3,773

Other Property Expenses

					General	CMTF	Desig (Quinns)	Restricted	Endow	Total	2022
	Rent	Utilities	Others								
Circuit Office Rent	900				900					900	500
Quinquennial Reports							2,886			2,886	4,572
Closed Chapels								3,902		3,902	2,613
Unoccupied Manses											135
Manse Rental (Temp)											
Selling Fees											
Totals	900				900		2,886	3,902		7,688	7,820

Property Totals

29,002	19,056	3,902	51,960	78,681
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Note 12 Office & Administration costs

	General	CMTF	Desig	Restricted	Endow	Total	2022
District & Conference Minutes	570					570	466
Entertaining							
Ink & Toner	229					229	436
Bank Charges							
Independent Examiner's Fee	1,500					1,500	450
Office Telephone & Broadband	604					604	907
Other Admin Costs	39					39	1,759
Stationery, Copying, Postage	52					52	104
Travelling Expenses - Circuit Stewards							
Website	243					243	243
TMCP Admin/Investment Management Fees					159	159	167
Depreciation on Office Equipment							0
Insurance (General)	186					186	220
Payroll	480					480	
Accounting Software Subscription	135					135	
Plan Making Software Subscription	58					58	
Totals	4,096				159	4,255	4,753

Note 13 District Assessment & Levy

The District Assessment is calculated relative to the proportion of church members and staffing (Presbyters and Mission staff only) of all Circuits in the Beds, Herts & Essex District. 50% of the overall cost is calculated using relative membership proportions and 50% using relative staffing proportions.

The Levy is calculated on a sliding scale percentage of the Circuit's CMTF account balance as at 31 August the previous accounting year.

	General	CMTF	Desig	Restricted	Endow	Total	2022
District Expenses	15,990					15,990	15,812
Methodist Church Fund (MCF)	63,614					63,614	62,204
Levy on CMTF Funds		0				0	
	79,604	0				79,604	78,016

Note 14 Other Outgoings

	General	CMTF	Desig	Restricted	Endow	Total	2022
Preaching & Worship:							
Local Preachers & Lay Pastoral Expenses							1,715
Plan & Directory							
Preaching Fees & Travel	1,671					1,671	
Resources	1,191					1,191	931
Zoom Licences							
Other Expenses:							
Training Courses/Events	19		1,208			1,227	320
Mission Events	448					448	522
Miscellaneous							40
Totals	3,329		1,208			4,537	3,528

Note 15 Investment Management

During the year the Circuit paid TMCP, the custodians of the Circuit's investments (Circuit Model Trust Fund, Restricted and Endowment Funds) management charges based on 0.2% of the value of the individual funds at the beginning of the year. [None of the individual amounts is considered material but are listed in Note 12 for information.]

Realised and Unrealised gains in the invested funds are listed below. More information can be found in Note BS9.

	General	CMTF	Desig	Restricted	Endow	Total	2022
Chapel St Trust 18819							
Lye Bequest for Poor Trust 3488					(1,673)	(1,673)	(2,640)
Lye Bequest Trust 5719					(112)	(112)	(176)
Circuit Music Fund Trust 16407							
Benev (Local)							
Drama (Local)							
Educn & Youth (Local)							
Circuit Model Trust Fund							
Totals					(1,784)	(1,784)	(2,816)

Note 15a Property Disposals/Revaluations

The net gains or losses are detailed below.

Details	Carrying	Sale	Reval	Gain (Loss)	2022

Note 16 Transfers between Funds

The transfer between funds shown on the SOFA represents:

1. Expenditure and/or grants that had been agreed out of one fund but paid out of another fund
2. Investment income (net of charges) from Restricted/Endowment Funds which under the terms of the Funds may be used within Unrestricted Funds
3. Sums that were transferred from one fund to another under the direction of the trustees.
4. £10k has been transferred from the Training Fund to the Assessment Equalisation Fund. This is in anticipation of the resultant balance of the Equalisation Fund being transferred to General Reserves in 2023/24

	General	CMTF	Desig	Restricted	Endow	Check
Manse Fund	3,250		(3,250)			
Ministers' Fund	(3,400)		3,400			
Training Fund	(500)		(9,500)			(10,000)
Quinquennial Fund	(3,800)		3,800			
Investment Income						
Internal Grants (Ecumenical Community Worker)						
Release of Internal provisions (High Town Organ)						
Education & Youth Fund	(500)			500		
Benevolent Investment Income				1,268	(1,268)	
Assessment Equalisation Fund			10,000			10,000
Loan Repayments	(13,000)	13,000				
CMTF Grants and Loans						
Chapel Street	231				(231)	
Circuit Worker	12,000		(12,000)			
Totals	(5,719)	13,000	(7,550)	1,768	(1,499)	

Note 17 Reclassification of Funds

Any fund whose classification has changed (e.g. Restricted to Unrestricted or vice versa) at the direction of the Circuit trustees or Custodian trustees is listed below.

Circuit property is always carried in the General Fund but upon sale the net proceeds are processed through the Circuit Model Trust Fund. This requires an adjustment and any such sales during the year are reflected below at the gross sale price

Details	General	CMTF	Desig	Restricted	Endow	Total	2022
[Insert details of fund to be reclassified]							
[Insert details of fund to be reclassified - contra]							
Totals							

Note 18 Other Gains or Losses

Are tabulated below

Details	General	CMTF	Desig	Restricted	Endow	Total	2022
Totals							

Note BS1 Manses & Other Property

Buildings comprise of 7 (7 - 2022) manses located in Luton, Dunstable, Toddington and Leighton Buzzard .

Investment Properties are 1 manse (2022 - 1 at 18 Clarence Road) at 18 Clarence Road.

During the year a garage conversion was completed at 18 Malzeard Road. Construction and professional fees amounted to £31,250 and these have been capitalised, hence the increase in value.

In addition the churches at Luton Road (£185,000) and Mount Pleasant (£280,000) were brought under Circuit ownership/control. This and the Malzeard Road capitalisation results in the "Additions" figure of £496,250

The two churches mentioned as being brought under Circuit ownership/control, were professionally valued by Jackson-Stops for the purposes of establishing their capital value as reported within these financial statements. Since the end of the year both churches have been marketed for sale and offers received in excess of their valuations. Whilst the respective sales are yet to complete, after due regard to Connexional Levies that will be payable on the sale proceeds, the trustees are currently confident that the valuations cited represent a minimum likely net return to the Circuit

Office equipment consists of Desktop/Laptop/Printers/Duplicators.

1.1 Cost or valuation

	Investment Properties	Land	Buildings	Plant, machinery and motor vehicles	Fixtures, fittings and equip't	Assets under Construction	Total
	£	£	£	£	£		£
Balance brought forward	350,000		1,493,131		5,707		1,498,838
Additions in the year			496,250				496,250
Revaluations (see Note 15a)							
Less: Disposals in the year							
Transfers between categories							
Balance carried forward	350,000		1,989,381		5,707		1,995,088

1.2 Accumulated depreciation and impairment provisions

Basis
Rate

N/A	N/A	SL	SL
			3 YEARS

Balance brought forward				5,707		5,707
Depreciation charge for year						
Impairment provisions						
Revaluations						
Disposals						
Transfers						
Balance carried forward				5,707		5,707

1.3 Net book value

Brought forward	350,000		1,493,131			1,493,131
Carried forward	350,000		1,989,381			1,989,381

Schedule Of Manses, Investment Property & Churches Closed for Worship

Property	Type	Value
10 Danvers Drive	manse	232,017
6 Linnet Way	manse	232,000
18 Malzeard Road	manse	276,424
44A Bolingbroke Road	manse	182,336
46 Luton Road	manse	178,215
5 Kingsley Road	manse	204,999
18 Clarence Road	investment	
6 Friars Walk	manse	218,390
Luton Road	church	185,000
Mount Pleasant	church	280,000
		1,989,381

Note BS2 Investment Assets (and Trustees for Methodist Church Purposes (TMCP))

The funds that support the Circuit Model Trust Fund and the Circuit's other funds (as listed below) are held by TMCP in Trustees Interest and/or Managed Equity Funds on which interest and dividends are credited to the accounts each month/quarter. These are regarded as medium and long term investments.

TMCP is the legal owner and custodian trustee of all Methodist model trust property, including legacies, endowments and accumulated funds. Trust property is held for and on behalf of local managing trustees who are responsible for the day to day management of trust property. TMCP ensure that, through providing guidance and acting under their direction, the managing trustees comply with charity law and Methodist law and policy as determined by the Methodist Conference.

	Price (£)
2C100 - CFB Managed Mixed Fund	5.02800
2C120 - CFB Managed Equity Fund	
2C122 CFB Managed Fixed Int Fund	
2C110 - Trustees Interest Fund	n/a

	CMTF Trust 10279	Chapel St Trust 18819	Lye Bequest Trust 3488	Lye Bequest Trust 5719	Music Fund Trust 16407	Total	Grand Total	2022
	£	£	£	£	£		£	
2C100 - No Units			7,500	501			8,001	8,001
2C120 - No Units								
2C122 - No Units								
2C100			37,710	2,519		40,229	40,229	42,013
2C120								
2C122								
			37,710	2,519		40,229	40,229	42,013
2C110	19	7,721	4,945		1,271	13,937	13,956	13,933
	19	7,721	42,655	2,519	1,271	54,166	54,185	55,947

BS3 Debtors & Prepayments

With the exception of items marked thus (*) all sums shown as Debtors at 1 September 2022 were received during the following year. All sums paid in advance at 1 September 2022 were for activities that have been held during 2022-23. Similarly, it is expected that payments in advance at 1 September 2023 will be expensed in 2023-24

	General	CMTF	Desig	Restricted	Endow	Total	2022
Trade Debtors							
Council Tax Refunds							
Luton Road Methodist (balance)							2,768
Other Debtors *	31					31	
St John's Loan Repayment							4,800
Stipends Reimbursement/Grant							
Tenancy Deposits							
Prepayments							
Stipends, Pension, NI	19,226					19,226	17,890
Methodist Insurance	3,979					3,979	3,652
Other Prepayments	113					113	144
Professional Fees							
Totals	23,349					23,349	29,254

THE SOUTH BEDFORDSHIRE METHODIST CIRCUIT
Notes to the accounts for the year ending 31 August 2023

BS4 Loans to Churches

Loans to churches within the Circuit may be granted by the trustees for a variety of purposes. All loans funds are sourced from the CMTF and are interest free. The asset, however, is carried in the General Fund and repayments are transferred back to the CMTF. The agreed repayment date (if set) is shown in the table below.

Church	Date Granted	Amount	Period	Balance Brought Forward	Additions	Repaid this year	Balance Carried Forward
		£		£	£	£	£
St Margarets	Sep-2018	30,000	5 years	12,000		6,000	6,000
St Johns	Feb-2020	30,000	2 years	7,000		7,000	
Totals				19,000		13,000	6,000

BS5 Central Finance Board (CFB) and Bank balances

Monetary balances held at the Central Finance Board of the Methodist Church and at Co-operative Bank plc are all available on demand without loss of interest. The split of these balances across General, Designated and Restricted Funds is arbitrary but wherever possible balances are not shown as negative.

	General	CMTF	Desig	Restricted	Endow	Total	2022
Central Finance Board	149,668	74,922	164,575	7,615		396,779	395,404
Co-operative Bank	61,841	(6,705)	(49,396)	(312)		5,428	11,615
Cash in hand	46					46	46
Sub Total	61,887	(6,705)	(49,396)	(312)		5,474	11,661
Totals	211,555	68,217	115,179	7,303		402,254	407,065

BS6 Creditors, Accruals and Income in Advance

It is expected that all sums accrued at 31 August 2023 will be paid during the year to 31 August 2024

	General	CMTF	Desig	Restricted	Endow	Total	2022
Income in Advance							
Assessments in advance	89,222					89,222	98,254
Letting Income	945					945	1,200
District Grant - HRCDC	2,919					2,919	2,915
Creditors and Accruals							
Ministers' & Staff expenses	543		162			704	783
Insurance							3,652
Other Expenses	2,100					2,100	992
Office Rent	900					900	
Others	49					49	
Preaching Fees & Expenses	241		16			258	154
Stipends, Pension, NI							
Taxation and Social Security							
Other Prepayments							
Totals	96,919		178			97,097	107,950

BS6a Grants payable in next financial year

THE SOUTH BEDFORDSHIRE METHODIST CIRCUIT
Notes to the accounts for the year ending 31 August 2023

See Note 9

General	CMTF	Desig	Restricted	Endow	Total	2022
	31,295		500		31,795	76,205
	31,295		500		31,795	76,205

Maturity Analysis of Financial Instruments

		Accrued at 1 Sept 22	Paid in year	Accrual made in year	Accrued at 31 Aug 23
Assessments in advance		98,254	(98,254)	89,222	89,222
Ministers' & Staff expenses		783	(783)	704	704
Contractors		3,872	(3,872)		
Other Expenses		886	(886)	3,307	3,307
Letting Income		1,200	(1,200)	945	945
Others		40	(40)		
District Grants		2,915	(2,915)	2,919	2,919
Stipends, Pension, NI					
Taxation and Social Security					
Other Prepayments					
Totals		107,950	(107,950)	97,097	97,097

BS7 Commitments

Some grants are payable in annual instalments. Since the Circuit recognises the moral responsibility to meet future instalments of grant, all future instalments are shown as liabilities on the balance sheet.

The following analyses, which should be read in conjunction with Note 9, are provided:

The total of anticipated grants stated below is comfortably within the balance of each of the respective Funds as shown in notes BS8 and BS9. It is the policy of the Circuit not to allow the future commitments of grant to exceed the balance of any fund from which the commitment is made.

[Comparative commitments are not required]

	General	CMTF	Desig	Restricted	Endow	Total
End of year commitments to pay one-off grants or the first instalment in a future year		15,000				15,000
Anticipated second or subsequent instalments where the first instalment was paid in 2021-22 or earlier		29,625		500		30,125
Total anticipated commitment 31 Aug 2023		44,625		500		45,125

Grants payable by year

	General	CMTF	Desig	Restricted	Endow	Total
2023-24		31,295		500		31,795
2024-25		13,330				13,330
2025-26						
2026-27						
2027-28						
Total anticipated future commitment		44,625		500		45,125

BS8 Unrestricted Funds

BS8.1 General Fund

	31-Aug-23	2022
Balance	2,483,367	1,968,321

The purpose of the fund is for use at the discretion of the trustees in the furtherance of the general objectives of the Circuit and which have not been designated for other purposes. About 95% of this fund is held as a freehold or leasehold property, being manses for ministers, investment properties and, from time to time, redundant chapels in the Circuit. Details of the grants and donations made from the General Fund during the year can be found in Note 9.

The Circuit Meeting is aware that grant applications must demonstrate public benefit and this is true for all funds.

BS8.2 Circuit Model Trust Fund

	31-Aug-23	2022
Balance	23,611	25,611

The purpose of the fund is for use at the discretion of the trustees in the furtherance of the general objectives of the Circuit. Its main source of income is legacies and formulaically determined contributions from the sale of manses and church buildings in the Circuit.

Although this is technically an Unrestricted Fund under the control of the Circuit Meeting, prior approval is still required from the District to utilise these funds. Methodist Standing Orders 930, 931 and 917(2) are applicable.

BS8.3 Designated Funds

	31-Aug-23	2022
Balance	115,001	80,875

These funds are to serve specific purposes but are not restricted by any document or deed to that purpose alone. Movements in these funds are set out in Note BS10 below and the details of the specific funds are as follows:

Manses - Receives an annual transfer from the General Fund based on the number of functional and investment manses and against this is charged routine maintenance, repairs and, as the need arises, refurbishments

Ministers - Receives an annual transfer calculated on the number of ministers and is used as a provision to meet the removal costs of new presbyters joining the Circuit

Training - Receives an annual transfer from the General Fund and acts as a provision to meet the costs of relevant training courses. A formal application process is in place and the fund is also open to applications from members of churches within the Circuit as well as Circuit staff

Quinquennial - The Circuit is responsible for arranging an inspection of all its own properties, as well as those of its churches, every five years. Such inspections are carried out by a Qualified Surveyor. The costs of all inspections are met by the Circuit and generally known as the Surveyor(s) is under contract. The frequency and cost of individual inspections is not uniform therefore the five year cost is assessed at the start of the cycle and one fifth of the known/estimated cost is transferred from the General Fund each year. It is therefore possible for this fund to show a negative balance

Assessment Equalisation - Funded from a portion of the sale proceeds of closed churches and used to subsidise the consequential additional Assessment costs on the remaining churches over a period of 3 years

Lay Salaries - Funded from prior year savings on budget v actual overall employment costs (ministers and lay workers) and used to part fund lay salaries over future years

BS9 Restricted and Endowment Funds

	31-Aug-23	2022
Restricted Funds Balance	6,803	9,883
Endowment Funds Balance	54,166	55,927

The restricted and endowment funds exist to support the causes listed below. All the funds' assets (except those restricted funds which are managed locally) are managed by TMCP and the net income (after charges) is paid direct to the administrators of the fund. Each fund listed below is categorised according to the following key:

(EE) - {Expendable Endowment} Capital available with restrictions.

(PE) - {Permanent Endowment} Capital unavailable

(RL) - {Locally Restricted} Capital and interest available

Benevolent Fund (RL) - Receives interest from the "Lye" funds below and is restricted to provide support for the poor and needy of the Circuit

Drama Fund (RL) - No regular funding but the capital is available for drama related projects within the Circuit

Education & Youth Fund (RL) - Currently funded by an annual transfer of £500 from the General Fund. The capital may be used for any educational or youth purpose within the Circuit. A formal policy exists and there is a set application procedure

Chapel Street Fund (EE) - The interest from this fund is available for general Circuit purposes without restriction. The capital is available to support "Inner City Mission within the Luton area"

Lye Bequest (PE) - There are two funds both set up to provide support for the poor and needy of the Circuit. Only the interest from these funds is available and this is transferred to the local fund detailed above. Grants are made on a confidential basis and there is a written policy in place to ensure fairness of allocation and distribution

Movements during the year were as follows:

	Restricted	Endow	Total
Market value at 1 September 2022	9,883	55,929	65,811
Income received during the year net of charges		1,521	1,521
Grants paid during the year	(446)		(446)
Net unrealised gain on the value of investments		(1,784)	(1,784)
Investments sold			
Other Expenditure	(3,902)		(3,902)
Future insallment of grants	(500)		(500)
Provisions released			
Transfers to/from other Funds	1,768	(1,499)	269
Market value at 31 Aug 2023	6,803	54,166	60,969
This is made up as follows:			
2C100 - CFB Managed Mixed Fund		40,229	40,229
2C120 - CFB Managed Equity Fund			
2C122 - CFB Managed Fixed Int Fund			
2C110 - Trustees Interest Fund		13,937	13,937
Debtors			
Bank, CFB and cash balances	7,303		7,303
Provisions for future Grants (agreed)	(500)		(500)
Total	6,803	54,166	60,969

THE SOUTH BEDFORDSHIRE METHODIST CIRCUIT
Notes to the accounts for the year ending 31 August 2023

BS10 Summary of fund movements

Fund	Balance at 01/09/2022	Income	Expenditure	Transfers	Grant Provisions [Net]	Gains / Losses	Balance at 31/08/2023
	£	£	£	£		£	£
General	1,968,321	896,574	(375,810)	(5,719)			2,483,367
Circuit Model Trust	25,611	1	(16,205)	13,000	1,205		23,611
Total unrestricted and undesignated	1,993,932	896,575	(392,015)	7,281	1,205		2,506,978
Manse	32,716	1,940	(16,170)	(3,250)	60,000		75,236
Ministers	3,651			3,400			7,051
Training	22,860		(1,208)	(9,500)			12,152
Quins	(222)		(2,886)	3,800			692
Assessment Equalisation	9,870			10,000			19,870
Lay Workers Salary	12,000			(12,000)			
Total designated	80,875	1,940	(20,264)	(7,550)	60,000		115,001
Total unrestricted	2,074,807	898,515	(412,279)	(269)	61,205		2,621,979
Benev (Local)	5,339			1,268			6,607
Drama (Local)	818						818
Educn & Youth (Local)	3,571		(446)	500	(500)		3,126
Luton Road	154		(3,132)				(2,978)
Mount Pleasant			(770)				(770)
Total Restricted	9,883		(4,348)	1,768	(500)		6,803
Chapel St Trust 18819	7,729	245	(22)	(231)			7,721
Lye Bequest for Poor Trust 3488	44,333	1,319	(126)	(1,198)		(1,673)	42,655
Lye Bequest Trust 5719	2,631	78	(8)	(70)		(112)	2,519
Circuit Music Fund Trust 16407	1,235	40	(4)				1,271
Total Endowment	55,928	1,681	(159)	(1,499)		(1,784)	54,166
Total Restricted and Endowment	65,810	1,681	(4,507)	269	(500)	(1,784)	60,969
Total of all funds	2,140,617	900,196	(416,786)	0	60,705	(1,784)	2,682,948

BS11 Analysis of net assets between funds

Fund balances at 31 August 2023 are represented by:

	General	CMTF	Desig	Restricted	Endow	Total	2022
Tangible fixed assets	1,989,381					1,989,381	1,493,131
Fixed asset investments	350,000					350,000	350,000
Investments	0				40,229	40,230	2,520
Current assets	240,904	68,236	115,179	7,303	13,937	445,559	32,956
Current liabilities	(96,919)	(31,295)	(178)	(500)		(128,892)	(16,295)
Creditors due after one year		(13,330)				(13,330)	(31,535)
	2,483,367	23,611	115,001	6,803	54,166	2,682,947	1,830,776

Notes to the accounts for the year ending 31 August 2023

BS12 Related Parties

None of the Circuit trustees made donations direct to the Circuit during the year or in the preceding year. All of the Circuit trustees are members of one or another Church within the Circuit and may be trustees in their Churches.

Related parties include the Methodist Connexion, the BEH District and Churches within the Circuit, other Methodist Districts in Great Britain, CFB and TMCP, except as reported in Note 10a. All of these entities have their own trustees or directors.

None of the figures tabulated below appear elsewhere in these accounts

Names of related parties	Party	Receipts	Payments	Adjustments	Balance due (from)/to the Circuit at 31-Aug-23
		£	£	£	£
Fund for Property		700	(700)		
Mission in Britain		449	(449)		
Presbyters & Deacons		400	(400)		
Fund for Training		200	(200)		
Necessitous Local Preachers		150	(150)		
Methodist Church Fund					
LWPT					
World Mission		464	(464)		
JMA		605	(605)		
BEH District	HRCDC Charity Ann Grant	7,000	(7,000)		
Circuit Churches Members					
		9,968	(9,968)		

BS13 Agency Collections and Payments

The Circuit acted as agent in either the collection or facilitation of the monies tabulated below. None of these collections were for related parties as defined in Note BS12 above and do not appear elsewhere in these accounts .

[illegible]

BS14 Volunteer Contributions

Every entity (Connexion, District, Circuit, Church) within the Methodist Church in GB is heavily reliant on volunteers who contribute their skills, time and money in the furtherance of the work of the Church. In the Circuit the principal contribution is by serving on committees of the Circuit that deal with mission, manses, finance, policy, grants, training, safeguarding. We are grateful to all of them for their help and commitment. No attempt has been made by this Circuit to value the non-monetary contributions to the Circuit in monetary terms.

BS15 Capital commitments and contingent liabilities

Nil (2021/22 £60,0000)

BS16 Lease commitments

The Circuit has contracts or obligations for the following:

Office accommodation which is an informal arrangement with a church within the Circuit and a contribution of £900 was made during the year (2021/22- £600) to cover heating and lighting costs

In addition there are short term obligations as follows:

Telephones at the Circuit manses

The total annual cost of these is not considered material.

BS17 Independent examiner

No accrual has been made for the fee of the independent examiner as the figure is immaterial.

The independent examiner provided no additional services during the year

Name of Circuit :

South Bedfordshire No 34/04

Declarations and Scrutiny

I confirm that these accruals-based accounts for the year to 31 August 2023 have been prepared from the records of the Circuit and that they include all funds under the control of the Circuit meeting.

Signature of treasurer



Date 30 November 2023

Name and address of treasurer: David James Hallworth ACIB

7 Windsor Close, Flitwick, Bedford MK45 1PT

Presentation to the Circuit meeting

I confirm that the annual report and accounts for the year ended 31 August 2023 were presented to the Circuit meeting held on: 20 February 2024

Signature of the Chair of the meeting: Rev Patrick Kandeh

Name of the Chair of the meeting: Rev Patrick Kandeh

Date 20 February 2024

Independent Examiner's Report follows on the next page

THE SOUTH BEDFORDSHIRE METHODIST CIRCUIT

Independent Examiner's Report to the Trustees of The South Bedfordshire Methodist Circuit

Charity Number 1134222

Year Ended 31 August 2023

I report to the charity trustees on my examination of the accounts of the charity for the year ended 31 August 2023 which are set out on pages 1 to 30.

Responsibilities and basis of report

As the charity's trustees you are responsible for the preparation of the accounts in accordance with the requirements of the Charities Act 2011 ('the Act').

I report in respect of my examination of the charity's accounts carried out under section 145 of the Act and in carrying out my examination I have followed all the applicable Directions given by the Charity Commission under section 145(5)(b) of the Act.

Independent examiner's statement

Since the charity's gross income exceeded £250,000 your examiner must be a member of a body listed in section 145 of the Act. I confirm that I am qualified to undertake the examination because I am a member of the Institute of Chartered Accountants in England and Wales, which is one of the listed bodies.

I have completed my examination. I confirm that no material matters have come to my attention in connection with the examination giving me cause to believe that in any material respect:

1. accounting records were not kept in respect of the charity as required by section 130 of the Act; or
2. the accounts do not accord with those records; or
3. the accounts do not comply with the applicable requirements concerning the form and content of accounts set out in the Charities (Accounts and Reports) Regulations 2008 other than any requirement that the accounts give a 'true and fair view' which is not a matter considered as part of an independent examination.

I have no concerns and have come across no other matters in connection with the examination to which attention should be drawn in this report in order to enable a proper understanding of the accounts to be reached.



Theresa-Anne Warren FCA
Chartered Accountant

GP Financial Management Ltd
8 The Old Yard
Lodge Farm Business
Castlethorpe
Milton Keynes
MK19 7ES

Date: 4/6/2024

THE SOUTH BEDFORDSHIRE METHODIST CIRCUIT

Independent Examiner's Report to the Trustees of The South Bedfordshire Methodist Circuit

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Year Ended 31 August 2023

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Theresa-Anne Warren FCA
Chartered Accountant

GP Financial Management Ltd
8 The Old Yard
Lodge Farm Business
Castlethorpe
Milton Keynes
MK19 7ES

Date: 4/6/2024