

METHODIST CHURCH SOUTHEND AND LEIGH CIRCUIT

Registered Charity Number 1134248

Beds, Essex & Herts District - Circuit Number 34/10

FINANCIAL STATEMENTS AND TRUSTEES' REPORT

FOR THE YEAR ENDED 31 AUGUST 2023

Southend and Leigh Methodist Circuit Office

**Sutherland Boulevard
Leigh-on-Sea
Essex
SS9 3PT**

METHODIST CHURCH SOUTHEND AND LEIGH CIRCUIT

TRUSTEES ANNUAL REPORT FOR THE YEAR ENDED 31 AUGUST 2023

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METHODIST CHURCH SOUTHEND AND LEIGH CIRCUIT

TRUSTEES ANNUAL REPORT FOR THE YEAR ENDED 31 AUGUST 2023

Introduction

This report has been prepared in accordance with the requirements of the SORP applicable to charities. In order to have a better understanding of the nature and activities of the Circuit and the constituent churches readers are advised to go to the appropriate web sites.

Our Mission

Through prayer and worship, the reading and study of the Bible; mutual support and fellowship; we seek God's empowering through the Holy Spirit to be his missionary people.

We seek in Christian love and service, to reach out to communities in which we are planted and live the Good News of Jesus Christ.

'Through our lives and by our prayers – Your Kingdom come.'

Aims and Organisation

The Charity's objective is to act as a Resource provider within the areas around the Boroughs of Castle Point and Southend-on-Sea and the Urban District of Rochford for the Methodist Church:

The purposes of the Methodist Church are and shall be deemed to have been since the Date of Union the advancement of:

- (a) the Christian faith in accordance with the doctrinal standards and discipline of The Methodist Church;
- (b) any charitable purpose for the time being of any Connexional, District, Circuit, local or other organisation of The Methodist Church;
- (c) any charitable purpose for the time being of any society or institution subsidiary or ancillary to The Methodist Church;
- (d) any purpose for the time being of any charity being a charity subsidiary or ancillary to The Methodist Church.

In practice the organisation and resourcing of:

- ❖ public acts of worship open to members of the church and non-members alike.
- ❖ teaching of Christianity through sermons, courses and small groups.
- ❖ pastoral work including visiting the sick and bereaved.
- ❖ religious assemblies in local schools.
- ❖ provision of Christianity through the staging of events and services.
- ❖ provision of chaplaincy services to the Adventure Island Theme Park.

Review of the year

For the second year in a row the year this has been one of both progress and pressure. Progress in recovering from the aftermath of global pandemic and returning to a normal patten of church life whilst living in a national cost of living crisis. Pressure to correctly fund the work we wish to partake in.

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Review of the year (con't)

We embarked at the beginning of year to review our status, ministry and mission of the circuit. Simply put what we are doing and is this the best way to do it. The trustees confirmed that the make up of the circuit being 15 churches and a mission centre were doing the right things in right location. This shouldn't stop us from finding new ways of taking our core message to the local communities around our churches. We ended the year with many churches not sure how they would cope with greatly increased energy bills, but with a continued faith that God has a plan and will show us the way forward.

The Circuit has continued to work to implement elements of its ever-developing vision. The Circuit has held two Mission Planning Days, mindful of the calling of the Methodist Church to respond to the gospel of God's love in Christ and to live out its discipleship in worship and mission. The Church exists to:

- increase the awareness of God's presence and celebrate God's love (Worship)
- help people to grow and learn as Christians, through mutual support and care (Learning and Caring)
- be a good neighbour to people in need and to challenge injustice (Service)
- make more followers of Jesus Christ (Evangelism)

We are determined to ensure the vision is updated in the light of the challenges created by the energy crisis.

Progress came from the continuing development of the Town Centre Ministry. As Southend became city so did the ministry now known as City Chaplains, this acknowledged the work is now in two strands – a Retail chaplaincy strand run with ecumenical partners from Love Southend and a Chaplaincy strand based at the Adventure Island theme park and seafront of Southend. The Deacon appointed to take up the lead role, who started on 1st Sept 2020, has continued to work in the two strands. Progress came for various local churches in developments of various initiatives – several churches initiating community activities and property refurbishments, and others seeking to employ Mission Enablers, assisted by funding from the Circuit.

We have not been able to re-start the Night Shelter work (providing a meal, showering facilities, and overnight accommodation for the homeless in the winter months). The Worship Academy continued Zoom and in person and flourished with strong representation across the circuit both in terms of people and financial support. This activity has very strong ecumenical and social links. The Healing and Well Being services resumed in June 2021 and have continued. Other Worship Services were continued, and a few have had Zoom links for those unable to meet in person. The Circuit participated in "Bible Month", studying the Book of Revelations.

The Circuit continues to support the Experience Project. The Project is based on the Bournes Green Estate in Southend, the most deprived and socially challenged area of the Borough. It is working to build relationships with the community via the provision of food and technologically advanced youth work. The Project has strong ecumenical links. It quickly secured provision of food from Ocado on a weekly basis and has also secured some grant funding to support it. Indications continue to be very encouraging. The work is based at the Whittingham Avenue site, within the estate, and has been formally recognised as a Mission Centre within the Circuit.

Through the Stationing process we were advised that a Probationer Minister would be stationed in the Circuit. Preparations for her arrival began in March and on the 1st September 2023 we were delighted to welcome Rev Heather Simmons who has pastoral charge of Fisherman's Chapel and Highlands church.

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Review of the year (con't)

The Pastor employed by the circuit has continued to be a really valuable asset. He has now completed the second year of training for Presbyterian Ministry. The plans to employ a further Pastor/Preacher

were placed on hold and will not be revived due to funding. We now have two part time administrators, which gives administrative cover five days a week. Alongside four full time Methodist Presbyteres completing the staff picture.

Financial issues remain. Many of the local churches were deprived of much of their income derived from lettings during the lockdown period. As a precaution against Covid some churches no longer take offerings during public worship but thankfully most regular attenders have move to standing orders. The Circuit assisted local churches with substantial grants to enable them to employ Mission Enablers and smaller grants were also made to a number of churches to assist with Mission based projects. Expenses were also incurred in preparing the manses to be fit for purpose. The subsequent losses are shown in the financial accounts.

Income trends

Circuit income is predominantly from the assessments paid by the circuit churches. Grants were also received for the Experience Project at Whittingham Mission.

Expenditure trends

Stipend expenditure increases each financial year in line with conference approved increases. As agreed by the Circuit Meeting there was a catch up on maintenance to a number of the manses and this will continue into the next year. Other costs were well controlled and in line with budget, except Manse Maintenance which with the agreement of the Circuit Meeting was overspent.

Over 20% of expenditure is the Circuit contribution to the District and Connexion. Other expenditure includes the provision of manses and the payment of stipends and salaries for ministers and lay staff as well as the Circuit administration and office costs.

Fund balances

As at 31 August 2023 the net assets of the Circuit available for general purposes amounted to £162,192 (2021: 155,000) since the greater part of the accumulated funds are invested in the properties. Grants totalling £75,000 were paid to churches from the Designated Funds, and a further £90,000 transferred to General Fund for extra expenditure on the upgrading of Manses.

Plans for 2024/25

Circuit financial plans for the coming year had been prepared on the basis that the current staffing will be reduced by one. This will ease some financial burden upon churches, some of whom may be struggling as a result of a drop in their reserves arising from the loss of income from both offerings and lettings experienced during and after lockdown and the recent rise in energy prices.

During the course of the year an ever careful eye will have to be made with regards to the Experience Project at Whittingham Mission as it is totally reliant on Grant Funding.

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Reserves Policy

The Reserves Policy for the Circuit is to hold a minimum of five months average expenditure. This should be sufficient to meet any unforeseen item of major expenditure on manses and/or to be able to continue, in the short term, funding planned activities in the event of any inability to raise the full Circuit Assessment from churches. However, the financial results for the past three years mean that this has not been maintained. Individual churches used to pay their assessment one quarter in advance which amount was included in the creditors on the Balance Sheet, but most Churches now pay monthly.

Basis of preparation and legal framework

The financial statements have been prepared in accordance with the *Accounting and Reporting by Charities: Statement of Recommended Practice (SORP)* applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) effective from 1 January 2015) – (Charities SORP (FRS 102)).

Full name of charity	Methodist Church Southend and Leigh Circuit
Registration Charity Number	1134248
Date of registration	10 February 2010
Main communication address	Circuit Office Sutherland Boulevard Leigh-on-Sea Essex SS9 3PT

The members of the Southend and Leigh Circuit meeting are the Charity Trustees, membership being made up of circuit office holders and representatives appointed by the local churches. The full membership is shown on pages 23 and 24.

Circuit Ministers and Officers

Active Circuit Ministers	Rev Peter Moorhouse (Superintendent) Rev Margaret Deans Rev Norman Hooks Pastor Stephen Mayo Deacon Sarah McDowall Rev Agnes Sam Rev Dr Calvin Samuel Rev Heather Simmons (appointed 1 September 2023) Rev Zena Smith
Circuit Stewards	Mr Ian Lowe Mrs Anne Briant Mr Mike Spaul

The Circuit Treasurer was Mr Adrian Nunn and he acted as the principal officer overseeing the day to day financial management and accounting for the circuit during the year.

Independent Examiner	Keith Flaxman FCCA CPFA Keith Flaxman Associates 8 Silvermere, Langdon Hills Basildon Essex SS16 6R
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Public Benefit

We confirm the trustees have had regard to the Charity Commission's guidance on public benefit.

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Structure, Governance and Management

The governing document for the circuit is the Deed of Union (1932) and the Methodist Church Act (1976).

Detailed governance arrangements are outlined within the Constitutional Practice and Discipline of the Methodist Church by order of the annual conference (CPD)

Day to day management of the circuit is undertaken by the Circuit leadership team.

Trustee Training

A range of guidance produced by the Methodist Connexion to support effective running of the circuit, especially the leaflet 'The Role of a Trustee in The Methodist Church' is given to all Circuit meeting members as induction to their role as trustees.

Related parties

The Circuit is part of the Beds, Essex & Herts District and is also accountable to the Methodist Conference. The following Methodist Churches are members of the circuit – Belfairs, Benfleet, Canvey, Chalkwell Park, The Fishermen's Chapel, Hadleigh, Highlands, Hockley and Hawkwell, Rayleigh, Rochford, Thorpe Bay, Thundersley, Trinity, United Methodist Church, Wesley and the Whittingham Mission. There is also a link with Westerly Christian Care Home.

Risk Management

The major risks have been identified and recorded by the Circuit Administration and the Circuit Treasurer with professional advice taken as required. There is a regular annual review process undertaken and recorded.

Income and expenditure is being monitored in total and is compared with the approved annual budget on a monthly basis to detect trends as part of the risk management process.

Safeguarding

Every person has a value and dignity which comes directly from the creation of male and female in God's own image and likeness. Christians see this potential as fulfilled by God's re-creation of us in Christ. Among other things this implies a duty to value all people as bearing the image of God and therefore to protect them from harm.

Methodist Connexional practice outlines commitment to the following principles:

- The care and nurture of, and respectful pastoral ministry with all children, young people and adults
- The safeguarding and protection of all children, young people and adults when they are vulnerable
- The establishing of safe, caring communities which provide a loving environment where there is informed vigilance as to the dangers of abuse
- We will carefully select and train all those with any responsibility within the Church, in line with Safer Recruitment principles, including the use of criminal records disclosure and registration with the relevant vetting and barring schemes
- We will respond without delay to every complaint made which suggests that an adult, child or young person may have been harmed, co-operating with the police and local authority in any investigation
- We will seek to work with anyone who has suffered abuse, developing with them an appropriate ministry of informed pastoral care

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Safeguarding (Cont'd)

- We will seek to challenge any abuse of power, especially by anyone in a position of trust
- We will seek to offer pastoral care and support, including supervision and referral to the proper authorities, to any member of our church community known to have offended against a child, young person or vulnerable adult
- In all these principles we will follow legislation, guidance and recognised good practice
- The Southend and Leigh Circuit commits itself to ensuring the implementation of Connexional Safeguarding Policy, government legislation, guidance and safe practice in the circuit and in the churches. The Southend and Leigh Circuit commits itself to the provision of support, advice and training for lay and ordained people that will ensure people are clear and confident about their roles and responsibilities in safeguarding and promoting the welfare of children and adults who may be vulnerable.

Trustees' responsibilities


The trustees are required to prepare financial statements each financial year 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 have:

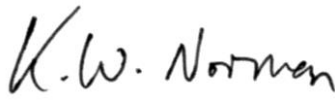
- Selected suitable accounting policies and applied them consistently;
- Made judgements and estimates that are reasonable and prudent;
- Followed applicable accounting standards;
- Prepared the financial statements on the going concern basis.

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 steps for the prevention and detection of fraud and other irregularities.

So far as each of the trustees is aware there is no relevant information that has not been disclosed to the auditors and each of the trustees believes that all steps have been taken that ought to have been taken to make them aware of any relevant audit information and to establish that the auditors have been made aware of that information.

Signed on behalf of the Circuit Trustees

Rev Peter Moorhouse  Superintendent Minister

Mr Keith Norman  Trustee (Circuit Meeting Secretary)

Date 10/04/2024

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INDEPENDENT EXAMINER'S REPORT TO THE TRUSTEES OF THE METHODIST CHURCH SOUTHEND AND LEIGH CIRCUIT CHARITY COMMISSION REFERENCE NUMBER 1134248

I report on the accounts of the Methodist Church Southend and Leigh Circuit Charitable Trust for the year ended 31st August 2023.

Responsibilities and basis of report

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

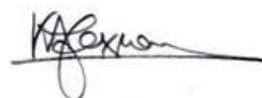
I report in respect of my examination of the charity's accounts carried out under section 145 of the 2011 Act and in carrying out my examination I have followed all the applicable directions given by the Charity Commission under section 145(5)(b) of the Act.

Independent examiner's statement

I have completed my examination. I confirm that no material matters have come to my attention in connection with the examination and I believe that:

- Accounting records were kept in respect of the Trust as required by section 130 of the Act.
- The accounts accord with those records.
- The accounts 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.



Keith Flaxman FCCA CPFA
8 Silvermere
Langdon Hills
Basildon
Essex
SS16 6RA

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Financial statements for the year ended 31 August 2023

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Statement of Financial Activities (SOFA) for the year ended 31 August 2023

	Notes to the accounts	General Fund (Unrestricted)	Circuit Model Trust (Unrestricted)	Designated Funds (Unrestricted)	Restricted Funds	Total 2022-23
		£	£	£	£	£
Income						
1 Donations and legacies		0	0	0	0	0
2 Income from monetary investments		6,464	123	2,382	0	8,969
3 Income from investment properties		0	0	0	0	0
4 Assessments on Churches	20/1	392,580	0	0	0	392,580
5 Capital Receipts		0	0	0	0	0
6 Grants Received	20/2	39,097	0	0	66,550	105,647
7 Other charitable income		0	0	0	0	0
8 Total income		438,141	123	2,382	66,550	507,196
Expenditure						
9 Grants and donations		0	0	7,910	0	7,910
10 Salaries and associated costs	20/3	259,465	0	0	36,185	295,650
11 Property maintenance		73,655	0	0	0	73,655
12 Connexional assessment & model trust levy		50,500	0	0	0	50,500
13 District Assessment & Levy		12,692	153	0	0	12,845
14 Depreciation		1,125	0	0	0	1,125
15 Office expenses	20/4	6,898	17	0	0	6,915
16 Other outgoings	20/5	33,891	0	0	31,877	65,768
17 Total expenditure		438,226	170	7,910	68,062	514,368
18 Gains/(losses) on monetary investments						
19 Gains/(losses) on investment properties						
20 Net Income/(expenditure)		(85)	(47)	(5,528)	(1,512)	(7,172)
123 Transfers between funds		0	0	0	0	0
22 Other gains/(losses)		0	0	0	0	0
23 Net movement in funds		(85)	(47)	(5,528)	(1,512)	(7,172)
24 Total funds brought forward		2,398,698	6,126	124,135	30,341	2,559,300
25 Total funds carried forward	20/12	2,398,613	6,079	118,607	28,829	2,552,128

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

	Notes to the accounts	General Fund (Unrestricted)	Circuit Model Trust (Unrestricted)	Designated Funds (Unrestricted)	Restricted Funds	Total 2021-22
		£	£	£	£	£
Income						
1 Donations and legacies		0	0	0	0	0
2 Income from monetary investments		1,147	36	285	1	1,469
3 Income from investment properties		8,370	0	0	0	8,370
4 Assessments on Churches	20/1	325,623	0	0	0	325,623
5 Capital Receipts		0	0	0	0	0
6 Grants Received	20/2	0	0	0	57,475	57,475
7 Other charitable income		0	0	0	0	0
8 Total income		335,140	36	285	57,476	392,937
Expenditure						
9 Grants and donations		0	0	75,000	0	75,000
10 Salaries and associated costs	20/3	201,922	0	0	34,610	236,532
11 Property maintenance		90,508	0	0	0	90,508
12 Connexional assessment & model trust levy		52,280	0	0	0	52,280
13 District Assessment & Levy		13,288	156	0	0	13,444
14 Depreciation		1,125	0	0	0	1,125
15 Office expenses	20/4	9,117	18	0	0	9,135
16 Other outgoings	20/5	33,444	0	0	22,867	56,311
17 Total expenditure		401,684	174	75,000	57,477	534,335
18 Gains/(losses) on monetary investments						
19 Gains/(losses) on investment properties						
20 Net Income/(expenditure)		(66,544)	(138)	(74,715)	(1)	(141,398)
21 Transfers between funds		90,000		(90,000)	0	0
22 Other gains/(losses)		0	0	0	0	0
23 Net movement in funds		23,456	(138)	(164,715)	(1)	(141,398)
24 Total funds brought forward		2,375,243	6,264	288,850	30,340	2,700,697
25 Total funds carried forward	20/12	2,398,699	6,126	124,135	30,339	2,559,299

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Balance Sheet as at 31 August 2023

	Notes to the accounts	General Fund (Unrestricted)	Circuit Model Trust (Unrestricted)	Designated Funds (Unrestricted)	Restricted Funds	Total 2022/23	Total 2021/22
		£	£	£	£		£
Fixed Assets							
Circuit Manses & Equipment	20/7&8	2,242,500	0	0	0	2,242,500	2,243,625
Investment properties		0	0	0	0	0	0
Investments		0	0	0	0	0	0
Total Fixed Assets		2,242,500	0	0	0	2,242,500	2,243,625
Current Assets							
Debtors	20/9	31,722	0	0	0	31,722	23,584
Loans by the circuit		0	0	7,544	0	7,544	8,063
Investment with TMCP	20/11	0	6,079	0	54	6,133	6,179
Central Finance Board Deposits	20/11	158,308	0	111,063	0	269,371	323,946
Cash at bank and in hand	20/11	22,243	0	0	28,775	51,018	6,926
Total Current Assets		212,273	6,079	118,607	28,829	365,788	368,698
Current Liabilities							
Creditors (due in under 1 year)	20/10	56,160	0	0	0	56,160	53,024
Grants payable within 2023-24		0	0	0	0	0	0
Total Current Liabilities		56,160	0	0	0	56,160	53,024
Net current assets/(liabilities)		156,113	6,079	118,607	28,829	309,628	315,674
Total assets less current liabilities		2,398,613	6,079	118,607	28,829	2,552,128	2,559,299
Long term liabilities (due after more than one year)							
Grants payable after 2023-24		0	0	0	0	0	0
Loans to the circuit		0	0	0	0	0	0
Net Assets		2,398,613	6,079	118,607	28,829	2,552,128	2,559,299
Funds of the Circuit							
General Fund (Unrestricted)		2,398,613	0	0	0	2,398,613	2,398,699
Circuit /Model Trust Fund (unrestricted)		0	6,079	0	0	6,079	6,126
Designated funds (unrestricted)		0	0	118,607	0	118,607	124,135
Total Unrestricted Funds		2,398,613	6,079	118,607	0	2,523,299	2,528,960
Restricted Funds		0	0	0	28,829	28,829	30,339
Total Funds		2,398,613	6,079	118,607	28,829	2,552,128	2,559,299

METHODIST CHURCH SOUTHEND AND LEIGH CIRCUIT

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Notes to the accounts for the year ended 31 August 2023

1. Basis of accounting and accounting policies

i Accounting standard

The financial statements have been prepared in accordance with the *Accounting and Reporting by Charities: Statement of Recommended Practice (SORP)* applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) effective from 1 January 2015) – (Charities SORP (FRS 102)).

ii Public benefit entity

The Methodist Church Southend and Leigh 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 (including properties) 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 FRS 102 SORP 2015

The accounts have been prepared in accordance with applicable charity law in England, this being the Charities Act 2011 and SI 2008/629 (Charities accounting and Reporting Regulations) and, pending the making of replacement Regulations specific to SORP 2015 in accordance with Reg.8(4)(d) of SI 2008/629, the charity trustees have departed from the requirement of Reg.8(5) by following SORP (FRS 102) instead of SORP 2005 to the extent necessary to give a true and fair view in the circumstances.

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 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.

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The Circuit acts as agent in three 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
- Co-ordinating the payment of salaries to employees of churches within the Circuit.

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 (FRS102), 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 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.

x Grants

Grants made by the Circuit from its own funds are recognised in full at the time of agreement to make the 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 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.

xi VAT

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

xii Tangible fixed assets

These are capitalised if they can be used for more than one year, and individually cost at least £1,000

The freehold residential properties are shown in the accounts at deemed historical cost representing each property's gross carrying value as at 1 September 2015, being the properties' market value resulting from a professional valuation undertaken by RONA in 2015 and subsequently adjusted up to and including 31 August 2023 or, if acquired after that date, at the costs at the date of acquisition. No depreciation is being provided because the trustees consider the current residual value of the properties in their present condition to be not less than the historical cost and, in the absence of any impairment, any depreciation provision for the buildings component of the properties would be immaterial. The Circuit has made use of the deemed cost option on transitioning to FRS102 as outlined above.

METHODIST CHURCH SOUTHEND AND LEIGH CIRCUIT

TRUSTEES ANNUAL REPORT FOR THE YEAR ENDED 31 AUGUST 2023

xiii Investment Property

From time to time the Circuit may hold residential property (formerly 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 two years, the property is classified as Investment Property (whether let out or not) and any lets are at market rates unless there is a compelling reason not to do so in furtherance of the Circuit's charitable objectives. There are no such properties at 31 August 2023

xiv 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 the 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.

xv Methodist Connexional Funds

The Methodist Church Connexion raises assessments against each Circuits and these are paid quarterly to their Districts. The Circuits raise assessments against Church in the Circuit. The District remits quarterly to the Methodist Church Fund most of the sum it receives from Circuits. A small sum is retained by the District to meet its own costs. The Circuit may act as agent for *ad hoc* collections for various funds controlled and administered by the Methodist Church.

xvi Funds

The trustees have adopted a policy for all unrestricted reserves which is attached as a separate document.

xvii Ministers' manse costs

The Circuit is required to provide accommodation for each minister and pastor in the Circuit and their families and this is seen as a benefit to the Church. Ministers and pastors 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 or pastors as HMRC does not seek to tax these receipts in the hand of them.

Notes to the Accounts

1. Income from Investment Property

During the year rental income of gross £0 (net £0) was received on the property that was subject to a letting arrangement (2021/22 – gross £8,370 net £6,038).

2. Assessments on Churches

The Circuit comprises 15 churches and each is assessed for a contribution to meet the overall net costs of the Circuit. The Assessment on Churches is determined annually and is based as to half on the membership of each Church and half on the income from offerings, Gift Aid and investment income. The Assessment is paid on a quarterly basis in advance and is treated as a creditor in the balance sheet.

3. Pensions

All presbyters 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) are not employees of the Church. For simplicity, however, when dealing with National Insurance Contributions and pension contributions, the terms 'employer' and 'employee' are used as they would be in an employing body.

The Connexion accounts for this pension scheme and shows the figures in the annual Methodist Church in Great Britain accounts.

Lay employees are contractually employees are automatically entered into a pension scheme which the Circuit has arranged with the Pensions Trust unless they exercise their right to opt out. This is a defined benefit scheme and the Circuit contributes as employer to this scheme.

4. Cost of Superintendent, Presbyters and Trustees

The Superintendent of the Circuit, the Presbyters and the remaining members of the CLT are considered as Key Management Personnel. The Superintendent chairs meeting 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.

5. Payments to trustees

The Circuit policy is to reimburse members of the CLT and other trustees for expenditure properly incurred in carrying out their duties, including where appropriate travelling expenses, or where they have been requested to undertake certain activities for the Circuit. The Superintendent Minister and other presbyters undertake the primary executive roles within the Circuit. Apart from in their capacity as Superintendent Minister and other presbyters, no other trustee is an employee of the Circuit nor was in receipt of any payment for work undertaken on behalf of the Circuit, other than reimbursement of appropriate expenses. During the year the sum of £1,497 was reimbursed in this regard to trustees (2022 - £862).

6. Connexional assessment and levy

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

7. District Assessment and 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, Essex & Herts 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 period.

8. Investment Management

During the year the Circuit paid TMCP, the custodians of the Circuit's investments (Circuit Model Trust Fund management charges based on 0.2% of the value of the individual funds at the beginning of the year. The amount was £17 (2022 £18)

9. Investment Assets (and Trustees for Methodist Church Purposes)

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 agents who are responsible for the day to day management of trust property. TMCP ensures 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.

10. Loans to Churches

Loans to churches within the Circuit may be granted by the trustees for a variety of purposes, principally in connection with the maintenance of property. All such loans are made from the York Road Fund, are interest-free, limited to 10% of the project cost or £10,000 whichever is the lower and repayable over a four year period.

11. Central Finance Board and Bank Balances

Monetary balances held at the Central Finance Board of the Methodist Church and at HSBC Bank plc are all available on demand without loss of interest. Deposits with the CFB are specifically designated to the appropriate funds.

12. 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.

13. Commitments

Grants committed and approved by the trustees but not paid are provided for at the year end. There were no such commitments at 31 August 2023.

14. Unrestricted Funds

General Fund

The purpose of this 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. Some 95% of this fund is held as freehold properties, being manses for ministers.

Circuit Model Trust Fund

The purpose of the fund is for use at the discretion of the trustees in 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.

Designated Funds (Unrestricted)

These are funds to serve specific purposes but are not restricted by any document or deed to that purpose alone:

1 York Road Fund - to provide interest-free loans to churches within the Circuit to fund maintenance work. Loans are repayable over four years.

2 Elm Road Fund – proceeds from Elm Road church sale which are for use in missional work around the circuit.

METHODIST CHURCH SOUTHEND AND LEIGH CIRCUIT

TRUSTEES ANNUAL REPORT FOR THE YEAR ENDED 31 AUGUST 2023

15. Restricted Funds

There is a restricted fund for the Whittingham Mission where donations and grants can be used only for the Whittingham Mission Experience project.

There is a very small fund of £53 associated with the Rayleigh Church which should be closed during this current year.

16. 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 of their Churches.

Related parties include the Methodist Conference, the BE&H District and Churches within the Circuit, other Methodist Districts in Great Britain, CFB and TMCP.

17. Volunteer Contribution

Every entity (Connexion, District, Circuit and 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 the mission, manses, finance, policy, grants, training and 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.

18. Capital commitments and contingent liabilities

There were no capital commitments or contingent liabilities at the year-end (2022 – nil)

19. Independent Examiner

There are no fees associated with the independent examination as the work is being conducted on a voluntary basis. (2022 Audit - £0).

The auditor/independent examiner has provided no additional services during the year.

20. Financial Analysis

- 1 Circuit assessments
- 2 Grants received
- 3 Salaries and associated costs
- 4 Office expenses
- 5 Other outgoings
- 6 Expenditure on properties
- 7 Fixed assets
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METHODIST CHURCH SOUTHEND AND LEIGH CIRCUIT

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20/1 Circuit assessments

Church	General Fund	Model Trust	Designated funds	Restricted Funds	Total 2023	Total 2022
Belfairs	33,720				33,720	28,440
Benfleet	44,400				44,400	37,428
Canvey	20,040				20,040	17,127
Chalkwell Park	24,120				24,120	21,000
Fishermans	5,100				5,100	4,564
Hadleigh	17,280				17,280	13,376
Highlands	24,540				24,540	20,508
Hockley	18,540				18,540	20,000
Rayleigh	47,700				47,700	35,456
Rochford	19,560				19,560	14,500
Thorpe Bay	21,840				21,840	17,576
Thundersley	18,000				18,000	15,388
Trinity	21,480				21,480	20,800
Wesley	42,900				42,900	31,608
UMC	33,360				33,360	27,852
Total	392,580	0	0	0	392,580	325,623

20/2 Grants received

Description	General Fund	Model Trust	Designated funds	Restricted Funds	Total 2022	Total 2022
Experience Project				66,550	66,550	57,475
Maintain Manse	39,097				39,097	0
Total	39,097	0	0	66,550	106,647	57,475

20/3 Salaries and associated costs

Description	General Fund	Model Trust	Designated funds	Restricted Funds	Total 2023	Total 2022
Stipends	133,697				133,697	106,562
Ministerial Support	53,165				53,165	38,198
Stipends NI	13,110				13,110	10,067
Ministerial Sup NI	3,346				3,346	2,456
Stipends Pension	36,218				36,218	27,787
Ministerial Sup Pen	1,616				1,616	1,550
Project salaries	0			32,738	32,738	31,396
Project NI	0			3,447	3,447	3,214
Admin Salary	16,411				16,411	14,055
Apprenticeship levy	1,302				1,302	1,072
Preachers Fees	600				600	175
Total	259,465	0	0	36,185	295,650	236,532

METHODIST CHURCH SOUTHEND AND LEIGH CIRCUIT

TRUSTEES ANNUAL REPORT FOR THE YEAR ENDED 31 AUGUST 2023

20/4 Office expenses

Description	General Fund	Model Trust	Designated funds	Restricted Funds	Total 2023	Total 2022
PPS	1,846				1,846	2,679
Bank Charges	65				65	54
Equipment	0				0	629
Imaging Day	0				0	768
Church Road Elec	0				0	235
Sundry	437	17			454	545
Office rent	4,550				4,550	4,225
Total	6,898	17	0	0	6,915	9,135

20/5 Other Outgoings

Description	General Fund	Model Trust	Designated funds	Restricted Funds	Total 2023	Total 2022
Ministers' travel	5,503				5,503	5,190
Ministers' expenses	659				659	1,497
Manse phones	3,582				3,582	3,150
Manse rates	16,982				16,982	14,626
Training	264				264	366
Quinquennials	3,510				3,510	2,950
Removals	0				0	540
Letting fees and exp	0				0	2,332
Payroll charge	374				374	322
Manse insurance	3,017				3,017	2,471
Project expenses	0			31,877	31,877	22,867
Total	33,891	0	0	31,877	65,768	56,311

20/6 Expenditure on properties

Description	General Fund	Model Trust	Designated funds	Restricted Funds	Total 2023	Total 2022
Council tax	13,988				13,988	11,515
Water supply	2,993				2,993	3,111
Maintenance	73,655				73,655	90,508
Insurance	3,017				3,017	2,471
Total	93,653	0	0	0	93,653	107,605

20/7 Fixed Assets

Description	Manses	Equipment	Total
Cost or Valuation			
Balance as at 1 September 2022	2,242,500	4,500	2,247,000
Balance as at 31 August 2023	2,242,500	4,500	2,247,000
Depreciation			
Balance as at 1 September 2022	0	3,375	3,375
Charge for the year	0	1,125	1,125
Balance as at 31 August 2022	0	4,500	3,450
Net book value as at 31 August 2023	2,242,500	0	2,242,500

METHODIST CHURCH SOUTHEND AND LEIGH CIRCUIT

TRUSTEES ANNUAL REPORT FOR THE YEAR ENDED 31 AUGUST 2023

Net book value as at 31 August 2022 2,242,500 1,125 2,243,625

20/8 Schedule of Manses and Investment Property

	Type	Valuation
633, High Road, Benfleet	Manse	350,000
1, Oakview Close, Leigh-On-Sea	Manse	390,000
259, Rayleigh Road, Rayleigh	Manse	350,000
33, Church Road, Shoeburyness	Manse	310,000
146, Gainsborough Drive, Westcliff-On-Sea	Manse	395,000
37, Ormonde Gardens, Leigh-On-Sea	Manse	430,000
Wesley Garage	Manse	17,500
Total		2,242,500

20/9 Debtors and Prepayments

Description	General Fund	Model Trust	Designated funds	Restricted Funds	Total 2023	Total 2022
Debtors						
Loans to Ex-employees	2,500				2,500	2,500
Due from Churches	9,410				9,410	4,600
	11,910	0	0	0	11,910	7,100
Prepayments						
Stipend paid in advance	18,942				18,942	15,614
Insurance paid in advance	870				870	870
	19,812	0	0	0	19,812	16,484
Total	31,722	0	0	0	31,722	23,584

20/10 Creditors, Accruals and Income in Advance

Description	General Fund	Model Trust	Designated funds	Restricted Funds	Total 2023	Total 2022
Income in Advance						
Assessment paid in advance	48,738				48,738	40,790
Creditors and Accruals						
Ministers' and Staff Expenses	0				0	173
Maintenance	0				0	5,050
Rent & Utilities	0				0	290
Due to Churches	701				701	0
Local Projects	221				221	221
Other	6,500				6,500	6,500
Total	56,160	0	0	0	56,160	53,024

20/11 Central Finance Board and Bank Balances

Account	General Fund	Model Trust	Designated funds	Restricted Funds	Total 2023	Total 2022
Central Finance Board		6,079		54	6,133	323,946
TMCP Trustee Account	158,308		111,063		269,371	6,179
HSBC	22,243			28,775	51,018	6,926
Total	180,551	6,079	111,063	28,829	326,522	337,051

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TRUSTEES ANNUAL REPORT FOR THE YEAR ENDED 31 AUGUST 2023

20/12 Summary of Fund Movements

Fund	Balance 01.09.22	Income	Expenditure	Transfers	Balance 31.08.23
General Fund	2,398,698	438,141	438,226	0	2,398,613
Designated unrestricted:	6,126	123	170	0	6,079
1 Model Trust Fund					
2 Elm Road Fund	55,600	0	0	0	55,600
York Road Fund	68,535	2,382	7,910	0	63,007
Total Unrestricted Funds	2,528,959	440,646	446,306	0	2,523,299
Experience Project	30,287	66,550	68,062	0	28,775
Rayleigh Road	54	0	0	0	54
Total Restricted	30,341	66,550	68,062	0	28,829
Total Funds	2,559,300	507,196	514,368	0	2,552,128

20/13 Analysis of Net Assets between Funds

Account	General Fund	Model Trust	Designated funds	Restricted Funds	Total 2023	Total 2022
Tangible fixed assets	2,242,500	0	0	0	2,242,500	2,243,625
Current assets	212,273	6,079	118,607	28,829	365,788	368,698
Current liabilities	(56,160)	0	0	0	(56,160)	(53,024)
Total	2,398,613	6,079	118,607	28,829	2,552,128	2,559,299

METHODIST CHURCH SOUTHEND AND LEIGH CIRCUIT

TRUSTEES ANNUAL REPORT FOR THE YEAR ENDED 31 AUGUST 2023

APPENDIX

Current Circuit Meeting Membership as at the date of this report

Ministers	Rev Peter Moorhouse (Superintendent)
	Rev Margaret Deans (Supernumerary with pastoral oversight)
	Pastor Stephen Mayo
	Deacon Sarah McDowall
	Rev Agnes Sam
	Rev Dr Calvin Samuel
	Rev Heather Simmons (appointed 1 September 2023)
	Rev Zena Smith**

Circuit Stewards	Mrs Anne Briant
	Mr Ian Lowe**
	Mr Mike Spaul**

Circuit Treasurer	Mr Alistair Jenkins
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Other Circuit Officers	Mrs Val Dobbin (Action for Children)
	Mr Robert Gray** (Safeguarding Officer)
	Miss Anne Lane** (Connexional Funds Treasurer)
	Mr Mike Spaul** (Worship Leader Rep)
	Mrs Jane Fulford (Local Preachers' Secretary)
	Mr Keith Norman** (Circuit Meeting Secretary)

Church Representatives	Belfairs	Mr Mike Spaul** Mrs Tina Gowers** Mrs Neeltje Charles
	Benfleet	Mrs Daisy Humphreys Mr Richard Reeves** Vacancy
	Canvey Island	Mrs Cathy Turner Mr Steve Kemp Mrs Eva Hayes
	Chalkwell Park	Mrs Rita Scott Mr Laurie Ward Mrs Sue Allum
	Hadleigh	Ms Claire Gunn Ms Judee Peterson Vacancy
	Highlands	Mr Donald Mayes Mr Steve Watson Mr Frank Edmonds

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Hockley	Mrs Muriel Pregnall Mr Patrick Smith Mrs Anne Sains
Fishermen's Chapel	Vacancy Mr Roger Smith** Mr Paul Wornell
Rayleigh	Miss Susie King** Mr Andy Cameron Mr Keith Norman**
Rochford	Mrs Carole Glendening Mrs Heather Sims Mr Bruce Glendenning
Thorpe Bay	Mrs Angela Merenda Mrs Omowunmi Olarinre Miss Margaret Poulter**
Thundersley	Mrs Shirley Beadle Miss Anne Lane** Mrs Linda King**
Trinity	Mrs Viv Robson** Mrs Jacky Walton Vacancy
United MC	Mr Alan Sambridge** Mrs Wendy Coombes Mr Bob Briant
Wesley	Mrs Gaye Greenway** Mrs Tina Gowers** Mrs Judy Taylor**

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GLOSSARY OF TERMS

**	Indicates a Trustee serving in more than one capacity
CFB:	Central Finance Board of the Methodist Church manages a Common Deposit Fund and a series of pooled investment funds for the Methodist Church in Great Britain and provides investment advice to those entities.
Church:	a group of members from fewer than 10 to more than 90
Circuit:	a group of Methodist Churches near each other, typically between 10 and 20
Circuit Meeting:	The trustees of the Circuit, most of whom are appointed by their local Churches and others by virtue of a role they undertake for the Circuit and/or their local Churches.
CLT	Circuit Leadership Team which comprises the Presbyters (Ministers) and pastors stationed within the Circuit, the Circuit Stewards and the Circuit Treasurers
CMTF:	Circuit Model Trust Fund
Connexion:	The Methodist Church in Great Britain 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:	Personnel employed by the Circuit on generally accepted commercial employment terms.
MMPS:	Methodist Ministers' Pension Scheme
PASLEMC:	Pensions and Assurance Scheme for Lay Employees of the Methodist Church
Pensions Trust:	The Pensions Trust, the organisation through which the Circuit arranges a pension scheme for its Lay Employees
Presbyters	Probationer or Ordained Methodist Ministers (including the Superintendent) who have pastoral and administrative responsibility for the Churches within the Circuit
SOFA:	Statement of Financial Activities
SORP:	Statement of Recommended Practice
TMCP:	Trustees for Methodist Church Purposes, the legal owner and Custodian Trustee of all Methodist Model Trust property, including Legacies, Endowments and Accumulated Funds