

**REGISTERED CHARITY NUMBER: 1134874**

**REPORT OF THE TRUSTEES AND  
UNAUDITED FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 AUGUST 2023  
FOR  
BLACKHEATH & HALESOWEN METHODIST CIRCUIT**

Sandwell Accountancy Services Ltd  
Certified Public Accountants  
Suite A, Old Bank Buildings  
Upper High Street  
Cradley Heath  
West Midlands  
B64 5HY

## **BLACKHEATH & HALESOWEN METHODIST CIRCUIT**

### **Report of the Trustees for the year ended 31 August 2023**

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

### **OBJECTIVES AND ACTIVITIES**

Blackheath & Halesowen Methodist Circuit is part of the Birmingham District of the Methodist Church.

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

The circuit is responsible for 3 (formerly 6) churches: Central Methodist Church, Hasbury and Short Cross. Hurst Green, Crossway and Romsley ceased to meet during 2021-22.

### **Mission Statement**

The circuit's vision is to unite for God's inclusive mission **"Now or Never"** and to love God through worship, evangelism, learning and service.

The aims of the circuit are:

- To be a Christ-centred circuit for the community.
- To reflect the presence of Jesus Christ through our lifestyle.
- To be a Christian Methodist presence within the circuit
- To be the agents of transformation by seeking justice and peace.

The Circuit has a Mission Strategy **"Now or Never"** for discipleship and growth over the next 5-10 years.

### **Review of the Year**

Following the pandemic, we have enjoyed meeting in person again, though several churches now face challenges relating to membership numbers, buildings and difficulty in finding volunteers to fill key roles. The circuit leadership team continues to review the mission life of the circuit. Hurst Green and Crossway were sold during the year. Our two full-time presbyters, Rev Dr Joseph Suray and Rev Peter Brown, continued to provide ministry throughout the year.

### **Public Benefit**

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

## **FINANCIAL REVIEW**

### **Financial Position**

During the year, the circuit recorded total income from all sources amounting to £386K (2022 - £730K). The circuit disbursed £170K (2022 - £148K), giving a net surplus of income over expenditure of £216K (2022 - 582K). Total reserves at 31 August 2023 were £1,620K (2022 - £1,404K). £754K represents Freehold Land & Buildings (2022 - £1,165K). No fund was in deficit at 31 August 2023.

In line with Methodist guidelines, assets from closed churches pass to the circuit at the date of closure. A fair value is included within income and assets at the date of closure. Fair value takes into account a compulsory 40% levy for the Methodist Connexional Priority Fund which will be deducted if and when those buildings are sold. Any difference between the balance sheet values and the eventual realisable value is accounted for once the final net proceeds figure is certain. Three churches were closed during 2021-22. Their estimated fair value of £530K was recorded in the 2021-22 circuit accounts. Eventual net proceeds of sale totalled £760K. The difference of £230K is shown as a realised gain in the 2022-23 circuit accounts.

### **Going Concern**

The trustees of the circuit have every reason to believe that the circuit is a going concern. Assessment income received from the churches is not sufficient to cover the circuit costs, based on two ministers. Covid-19 has had financial implications for the circuit and all the churches within the circuit. However, the sale of Hurst Green, Crossway and Romsley means that the circuit now has considerable funds held within the Circuit Model Trust Fund. It is recognised that assessment income from the churches is not sufficient to cover the annual costs of the General Fund. Transfers from the Circuit Model Trust Fund into the General Fund will be available and necessary for the foreseeable future. Reserves policies are reviewed annually. There are no subsidiary undertakings.

### **Investment Policy and Performance**

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

Interest received during the year ended 31 August 2023 was £17,245 (2022 - £785).

### **Reserves Policies**

"Free Reserves" represent the balance on the General Fund, the Circuit Model Trust Fund and the Bequests Fund: £866K (2022 - £239K). Total reserves at 31 August 2023 were £1,620K (2022 - £1,404K). £754K (2022 - £1,165K) represent Freehold Land & Buildings.

The General Fund derives its income principally from church contributions (known as assessments). This finances the day-to-day running costs of the circuit. The trustees believe that the balance on the General Fund should, under normal circumstances, be in the region of £200K, to cover foreseeable circuit running costs.

## **FUTURE EVENTS**

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

- Romsley Methodist Church was sold in November 2023.
- Rev Peter Brown went into stationing, and he is due leave the circuit in August 2024. There are no plans to replace Peter. Rev Dr Joseph Suray will be the only circuit minister from September 2024.

## **STRUCTURE, GOVERNANCE AND MANAGEMENT**

### **Governing Document**

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

### **Organisational structure**

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

### **Governance**

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

### **Management**

The circuit is governed by the trustees consisting of the circuit officers and representatives of each of the churches. The trustees hold at least three meetings each year. The responsibilities of the Circuit Meeting are laid down in Methodist Standing Orders. The circuit meeting is supported by the leadership team which consists of the ministers and circuit stewards. Sandwell Accountancy Services provides financial and administrative support. The circuit also provides voluntary support and leadership in the form of local preachers, circuit stewards and trustees. Other office holders support the churches with help and advice on property, finance, worship, and work with young people. We continue to serve the changing communities where the churches are located.

### **Related parties**

Methodist Church In Britain ("the Connexion")

Birmingham Methodist District

The churches within the circuit during 2022-23 were:

Central Methodist Church

Hasbury Methodist Church

Short Cross Methodist Church

Individual churches make donations to central Methodist Funds, via the circuit bank account. Such transactions are treated as money received and passed on to External Organisations.

## **REFERENCE AND ADMINISTRATIVE DETAILS**

### **Registered Charity Number**

1134874

### **Principal Address**

2 Wall Close  
Smethwick  
B67 6PG

### **Trustees**

The members of Blackheath & Halesowen Circuit Meeting are the charity trustees, membership being made up of circuit staff, circuit office holders, and representatives appointed by the local churches.

### **Trustees who served between 1 September 2022 and signing date of accounts were:**

#### **Circuit staff**

Rev Dr J Suray  
Rev P Brown

#### **Other trustees**

A Hadley (appointed 1 September 2022)  
S Ward (appointed 1 September 2022)  
Ms J Lear  
Ms M Stanley  
Ms J Betney-Rowden  
Ms C Lees  
Ms S Sambidge  
P Jones  
Ms E Lacon  
Ms T Upcott  
D Vercoe  
E Collins  
Ms G Smith  
P Roberts  
Ms J Rushton  
Ms T Tolley  
Ms C Grimmitt

## **STATEMENT OF TRUSTEES' RESPONSIBILITIES**

The trustees are responsible for preparing the Report of the Trustees and the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including Financial Reporting Standard 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland".

The law applicable to charities in England and Wales, the Charities Act 2011, Charity (Accounts and Reports) Regulations 2008 and the provision of the trust deed, requires the trustees to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the charity and of the incoming resources and application of resources, including the income and expenditure of the charity for that period. In preparing those financial statements, the trustees are required to:

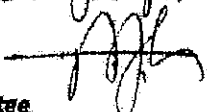
- select suitable accounting policies and apply them consistently using the accruals method
- observe the methods and principles in the Charity SORP
- make judgements and estimates that are reasonable and prudent
- state whether applicable accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charity will continue to operate

The trustees are responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the circuit and which enable the trustees to ensure that the financial statements comply with the Charities Act 2011, the Charity (Accounts and Reports) Regulations 2008 and the provisions of the trust deed. They are responsible for safeguarding the assets of the circuit and hence for taking reasonable steps to ensure appropriate controls are in place to provide reasonable assurance against fraud and other irregularities.

#### **Independent Examiners**

Sandwell Accountancy Services have signified their willingness to continue in office.

Approved by order of the circuit meeting on 20 February 2024 and signed on its behalf by:

Rev Dr. Joseph B. Suray  


Trustee

20 February 2024

### **Independent examiner's report to the trustees of Blackheath & Halesowen Methodist Circuit**

I report to the charity trustees on my examination of the accounts of Blackheath & Halesowen Methodist Circuit for the year ended 31 August 2023.

### **Responsibilities and basis of report**

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

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 applicable directions given by the Charity Commission under Section 145(5)(b) of the Act.

### **Independent examiner's statement**

Since your charity's gross income exceeded £250,000 your examiner must be a member of a listed body. I can confirm that I am qualified to undertake the examination because I am a registered member of the CPAA which is a listed body.

I have completed my examination and can 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 30 of the Act; or
2. The accounts do not agree with those records; or
3. The accounts do not comply with the applicable requirements concerning the form and content of accounts set out in 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.



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20 February 2024

# BLACKHEATH & HALESOWEN METHODIST CIRCUIT

## STATEMENT OF FINANCIAL ACTIVITIES for the year ended 31 August 2023

Note	Unrestricted				Total	Total
	General Fund	Circuit Model	Requests	Property	2022-23	2021-22
	£	Trust Fund £	Fund £	Res Fund £	£	£
<b>INCOME</b>						
Assessments from churches	1	126,980			126,980	117,294
Interest	2	5,018	11,744	483	17,245	785
Other income	3	11,850			11,850	81,159
Gains from sales of closed church	4		229,776		229,776	530,630
		143,848	241,520	483	385,851	729,868
<b>EXPENDITURE</b>						
Employment costs	5	90,944			90,944	84,670
Manse costs	6	8,506			8,506	0
Administration	7	19,741	24	43	19,808	5,675
District assessment	8	23,256	208		23,464	22,764
Grants and donations	9	10,322			10,322	0
Investment property costs	10	16,879			16,879	34,511
		169,648	232	43	169,923	147,620
Net income/(expenditure)		(25,800)	241,288	440	215,928	582,248
Transfers between funds		70,000	340,704	(410,704)	0	0
Funds brought forward		215,777	8,312	15,056	1,164,779	1,403,924
Funds carried forward		259,977	590,304	15,496	754,075	1,619,852
		1,403,924	1,403,924	1,403,924	1,403,924	1,403,924



# BLACKHEATH & HALESOWEN METHODIST CIRCUIT

## BALANCE SHEET 31 AUGUST 2023

Name	<u>Unrestricted</u>				<u>Total</u>	<u>Total</u>
	<u>General Fund</u>	<u>Circuit Model</u>	<u>Bequests</u>	<u>Property</u>	<u>2022-23</u>	<u>2021-22</u>
	£	£	£	£	£	£
<b><u>FIXED ASSETS</u></b>						
Mansees	11			634,149	634,149	634,149
				634,149	634,149	634,149
<b><u>CURRENT ASSETS</u></b>						
Investment Property	12			119,926	119,926	530,630
Debtors and prepayments		30,327			30,327	29,391
Circuit bank accounts	2	231,091	590,304	15,496	836,891	710,753
		261,418	590,304	15,496	887,144	770,776
<b><u>CURRENT LIABILITIES</u></b>						
Creditors and accruals		(1,440)			(1,440)	(1,001)
<b><u>LIABILITIES DUE AFTER ONE YEAR</u></b>		0				0
<b><u>TOTAL NET ASSETS</u></b>		259,978	590,304	15,496	754,075	1,619,853
<b><u>CIRCUIT FUNDS</u></b>						
General Fund		259,978			259,978	215,777
Circuit Model Trust Fund			590,304		590,304	8,312
Bequests Fund				15,496	15,496	15,056
Property Reserve Fund				754,075	754,075	1,164,770
<b><u>TOTAL FUNDS</u></b>		259,978	590,304	15,496	754,075	1,619,853

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

Rev Dr. Joseph B. Suray

Trustee

20 February 2024

**BLACKHEATH & HALESOWEN METHODIST CIRCUIT****Notes to the accounts for the year ended 31 August 2023****1. Assessments from Churches**

Central	12 x £3,078.30	36,940
Hasbury	12 x £4,280.76	51,369
Short Cross	12 x £3,222.59	38,671
		<u>126,980</u>

**Note re Central**

Unpaid assessments at 1.9.22	5,518
Unpaid assessment converted to Circuit Grant - see Note 9	(5,518)
9 payments received during year to 31.8.23	27,705
Debtor at 31.8.22 (3 x £3,078.30) - see Note 13	9,235
	<u>36,940</u>

**2. Bank balances at 31.8.23 and Interest Received during 2022-23**

	<u>Bank balance</u> <u>on 31 August 2023</u>	<u>Interest in year</u> <u>to 31 August 2023</u>
HSBC 31045059	30,856	0
CFB 05389010	200,234	5,018
TMCP 17970	590,304	11,745
TMCP 18015	15,497	483
	<u>836,891</u>	<u>17,246</u>

**3. Other Income**

Net rental from Springfield Road	7,771
B&H Printing account closed	3,929
Circuit away day contribution	150
	<u>11,850</u>

**4. Gains from sales of closed churches**

		<u>Sales</u> <u>Proceeds</u>	<u>CPF Levy</u>		<u>Gain 2022-23</u>	<u>Gain 2021-22</u>
Hurst Green	Jan-23	732,039	(268,816)	61%	139,863	323,684
	Nov-23	540	(0,216)			
Crossway	Mar-23	255,428	(78,171)	23%	55,212	122,035
Romsley	Nov-23	159,337	(39,735)	16%	34,701	91,903
					<u>229,776</u>	<u>539,630</u>
<b>Total net proceeds</b>		<u>760,406</u>				

## **5. Employment costs**

Wages	69,328
Social Security costs	6,378
Pension costs	15,238
	<u>90,944</u>

There were two full-time ministers during the year. The family worker left in February 2023.

## **6. Manse costs**

St Kenelm's Avenue	5,506
BWO circuit – see Note 11	3,000
	<u>8,506</u>

The manse at Springfield Road is rented out. Costs incurred by the letting agent are netted against rental income. Costs incurred by the circuit are included within investment property costs – Note 10.

## **7. Administration**

### **General Fund**

Staff expenses claims	10,475
Bank charges	65
Sandwell Accounting	5,730
Insurance	1,385
Office costs, including new laptop and wifi	2,086
	<u>19,741</u>

### **Circuit Model Trust Fund**

TMCP admin fees	24
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### **Bequests Fund**

TMCP admin fees	43
	<u>19,808</u>

## **8. District Assessment**

### **District Assessment paid monthly**

Paid over by District to central Methodism	20,181
Retained for District running costs	3,075
	<u>23,256</u>

### **Annual Levy on Circuit Model Trust Fund**

Balance on CMTF 31.8.22 was £8,311.56	
Levy 2.5% up on balances up to £100K	208

23,464

## 9. Grants and Donations

Gift for Ian Howarth collection	300
Grant to Central - see below	6,000
Grant to Central re PA system	3,200
Opening debtor re Hurst Green written off	822
	<u>10,322</u>

Payment to Central CFB account 9.12.22	482.50
Unpaid assessments written off - see note 1	5,517.50
	<u>6,000.00</u>

## 10. Investment property costs

Hurst Green	6,658
Crossway	4,367
Romsley	4,163
Other property costs, Including Springfield Road	1,691
	<u>16,879</u>

## 11. Mansees

10 Springfield Road	283,211
28 St Kenelm's Avenue	350,938
	<u>634,149</u>

The manse at Springfield Road is rented out. A contribution towards the cost of Joseph's manse is made annually to Birmingham (West) & Oldbury Circuit.

Mansees are valued at "fair value". The trustees believe that this value is not more than market value.

## 12. Investment Property

		<u>Hurst Green</u>	<u>Crossway</u>	<u>Romsley</u>
Estimated valuation at 1 September 2022	530,630	323,684	122,045	84,901
Additions (gain realised 2022-23)	229,776	139,863	55,212	34,701
Disposal proceeds in 2022-23	(640,480)	(463,223)	(177,257)	0
Value at 31 August 2023 = Amount received November 2023	119,926	324	0	119,602

### 13. Debtors and Creditors

	<u>Debtors/ Prepayments</u>	<u>Creditors/ Accruals</u>
Old loan to Hasbury brought forward and carried forward	20,000	
Central assessments unpaid at 31.8.23 (3 x £3,078.30)	9,235	
Insurance prepaid re Romsley	1,092	
Sandwell Accounting		(1,440)
	<u>30,327</u>	<u>(1,440)</u>

### 14. Money received and passed to external organisations

Money received re 2020-21, but not paid over until after 31.8.22	730.60
Donations for Methodist funds received from churches during 2022-23	642.78
Paid over to Methodist funds in 2022-23	<u>(1,373.38)</u>
Balance still to be paid	<u>0.00</u>