

**Wolverhampton Methodist Circuit**  
**REPORT AND FINANCIAL STATEMENTS**  
**For the year ended 31 August 2020**  
**(Charity Number 1135146)**

**Muras Baker Jones Limited**  
**Chartered Accountants**  
**Wolverhampton**

# **Wolverhampton Methodist Circuit**

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## Wolverhampton Methodist Circuit

### Administrative Information

Registered Charity Number	1135146	
Superintendent Minister:	Revd. Christopher Collins	
Ministers in the active work:	Revd. Steve Jackson Revd. Dr. Joanne Cox-Darling Revd. Samantha Hagerman Revd. William Davis	Revd. Paul Nzacahayo Revd. Teddy Siwila Revd. Barry Welch
Senior Steward:	Pete Prescott	
Circuit Stewards:	Rosie Bryant Peter Share	James Peterson Ann Latham
Circuit Treasurer:	Rob Turton FCA.	
Other Trustees:	Revd. Glennys Bamford Revd. Ken Collins Revd. Suzanne Newton Revd. Donald Ryan Revd. Ivor Sperring Revd. Margaret Heim Christine Lees Lesley Cook Wendy Gould Jean Ordidge Liz Macer –Wright George Tonks Phillip Shuttleworth Harold Dale Brian Juggins Liz Porteous Jenny Ridgway Jean Posnett Janet Punfield Andre Burns Jeff Rayner Sandra Clows Paul Levett Christine Westwood Pat Arnold Marie Lane Diane Cripps Nicola Jones Janet Anderson Jonathan Mtsambilwa Beryl Batham Michael Dickenson Sally Parker Margaret Williams	Revd. John Barrett Revd. Stuart Davis Revd. Robert Readshaw Revd. Steve Singleton Revd. David Wheeler Sister Betty Vaughan Judy Brown Richard French Dorothy Howells Brenda Shuttleworth Nicola Turner Clunis Chesworth Andy Dale Robert Chesworth Jenny Cornes Elaine Jones Gill Silvester Eric Robinson Alan Eccles Frank Moreton Carol Doughty Ian Jenkins Pauline Hurst Susan Whatmore Robert Fownes Margaret Lowbridge Liz Green John Owen Glenda Howard Ethel Fellows Michael Bateman Nicola Field Ann Jenkins Graham Howell

## **Wolverhampton Methodist Circuit**

### **Administrative Information**

Other Trustees (continued):	Martin Cresswell Janet Fenney Diana Beaumont Emma Verio Carol Totney Iris Gamble	Margaret Mottram Jim Howard Kathryn Ridge Pat Bedall Sue Readshaw
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Registered Office: Beckminster Methodist Church  
Birches Barn Road  
Penn Fields  
Wolverhampton  
WV3 7BQ

Charity: 1135146

Auditors Muras Baker Jones Limited  
Regent House  
Bath Avenue  
Wolverhampton  
West Midlands  
WV1 4EG

Bankers: Lloyds  
Queen Square  
Wolverhampton  
West Midlands  
WV1 1TF

Barclays Bank Plc  
Queen Square  
Wolverhampton  
West Midlands

HSBC Bank PLc  
Queen Square  
Wolverhampton  
West Midlands

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



## **Wolverhampton Methodist Circuit**

### **Trustees Report**

**For the year ended 31 August 2020**

### **Objects and Activities of the Circuit**

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 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.

The objectives outlined above are achieved through the strategic direction of the Circuit Leadership team and the Circuit meeting. The Leadership team meet at least 6 times a year and the Circuit meeting at least 3 times a year to review and implement objectives, monitor our discipleship and to receive regulatory information either from the Methodist Church or other means.

### **Public Benefit**

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

The work which we carry out with our Churches and the Communities in which they are situated is designed for the benefit of all. It not only supports our Church members but also provides the resources required to deliver mission and outreach to the most needy in our Society. This is achieved in various ways through the use of our Church buildings to work with people and organisations, through support of local food bank and homelessness projects and also through other forms of partnership working within our Local Communities.

### **Structure, Governance and Management**

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

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

Day to day management of the circuit is undertaken by the Circuit Leadership team, which comprises of the Superintendent Minister, the Ministerial Team and the Circuit Stewards. Together they represent the key management team. They are supported by the Local Preachers meeting, the Circuit Finance and Property Committee and the Circuit Policy Committee.

The Circuit Leadership team is accountable to the Members of the Circuit meeting who are also Trustees of the Circuit.

### **Trustee Training**

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

## **Wolverhampton Methodist Circuit**

### **Trustees Report**

**For the year ended 31 August 2020**

#### **Related Parties**

The Circuit is part of the Wolverhampton and Shrewsbury District of the Methodist Church and is also accountable to the Methodist Conference.

The following Methodist Churches are members of the circuit:

Beckminster  
Bilston  
Bradley  
Brewood  
Codsall  
Cranmer  
Coven  
East Park  
Fallings Park  
Fordhouses  
Hurst hill  
Lanesfield  
Rakegate  
Springdale  
St Johns  
Stowlawn  
Stratton Street  
Upper Ettingshall  
Wombourne

Darlington Street Methodist Church ceased to meet on 30 September 2019 and the Trustees of the Circuit are now responsible for the management and upkeep of that property. Further to this the Circuit continues to manage Wednesfield Methodist Church whose congregation ceased to meet several years ago.

In addition to the above St Andrews United Reformed /Methodist Church based in Sedgley is part of the Circuit under a sharing arrangement with the United Reformed Church.

#### **Review of Activities**

In designing and monitoring the charities activities, the Trustees have paid due regard to the Charity Commissions guidance on public benefit as further detailed on page 4. The review of activities in the following sections demonstrates how the Charity has provided benefit directly to the churches which comprise the Circuit and thereby to the local congregations and wider local communities involved with those churches.

#### **General Review**

The Circuit continues to be an active and major member of the Wolverhampton and Shrewsbury District. Locally, and within our own Circuit boundaries, the Circuit has continued to support the congregations and communities that our Churches serve. It has achieved this with the support of 8 ordained Ministers who received stipends for their roles. The Circuit also employs several key lay support workers who are paid for from Church contributions and Circuit funds.

Additional support continued to be provided by retired ministers who continued to have closer day to day involvement with three of our smaller congregations.



## **Wolverhampton Methodist Circuit**

### **Trustees Report**

**For the year ended 31 August 2020**

#### **General Review (continued)**

The local churches continue to provide programmes of worship, pastoral care and community involvement under the leadership of Ministers, lay employees and local Church Trustees.

The impact of Covid-19 meant that our Churches buildings had to close during March 2020 and although some have subsequently re opened in limited ways the presence of Covid-19 has placed restrictions on how our Churches are able to operate which is further explained in the sections that follow.

#### **Activities and Future Plans**

As part of the on-going development of the Mission of the Circuit and of its objectives the Circuit conducted a structural review several years ago .This has been revisited during the year with further thought being given to the effectiveness of the current structure of the Circuit in meeting the needs of those we seek to serve. The review was paused in March 2020 as we grappled with what Covid -19 meant for our communities and our Churches immediate day to day operations but the intention is that the review will continue as we emerge from the National restrictions imposed as a result of Covid-19.

Our plans for the future will build on what we have learned as a result of the impacts of Covid-19 and will inevitably mean that there are likely to be structural changes within the Circuit both in terms of worship and in terms of the buildings that we own. The Circuit will actively look to realise the value in buildings that are considered surplus in terms of the future mission and objectives of the Circuit. In addition to Darlington Street there are potentially at least other 3 properties that fall into this category.

In addition to the above the Circuit will continue to look at ways of disposing of the Darlington Street property which is a Heritage building. To this end we have formed a steering Group involving Circuit Trustees, The Methodist Connexion, Wolverhampton City Council and Heritage England. This Group is actively seeking solutions to the problems that owning a Heritage property brings and is being assisted in doing this by appropriately experienced professional advisors including a valuer and Estate Agent, specialist solicitors and a specialist Quantity Surveyor.

It is hoped that by the end of 2021 we will have come to a satisfactory resolution for all concerned. There are currently several third parties showing interest in the property.

One of the areas that we have already decided to act upon is to create a City Centre Ministry through a Diaconal appointment from 1 September 2021. This is being funded through our Model Trust monies.

The Ministers, Trustees and senior leadership team continue to believe that the implementation of our ongoing action plans will see the Circuit better placed to react to areas of need in a Circuit where there are significant differences in wealth with many of our Communities located in areas of significant deprivation and diverse beliefs.

#### **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.*



## **Wolverhampton Methodist Circuit**

### **Trustees Report**

**For the year ended 31 August 2020**

#### **Safeguarding (continued)**

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 disclosures 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, cooperating 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.
- 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.

Safeguarding continues to be an important area of consideration for the Church and we continue to work with the Wolverhampton and Shrewsbury District and the wider connection in order to ensure that our policies, training and practices meet all of the statutory and legal requirements in this area.

#### **Covid-19**

Covid-19 has presented some significant issues for the Circuit to deal with. For the most part the National restrictions that have been imposed have meant that our congregations have had few opportunities to worship together and that our community rooms have largely been closed for longer than they have been open since March 2020. This has impacted negatively upon all Churches in terms of the levels of income that they have been able to generate when compared to previous years. Whilst many individual Church members have continued to give generously it is inevitable that as we enter a new year some churches will start to feel pressure upon their reserves.

The Circuit has worked with Churches during the year to try to understand where each of them sits financially against the challenges that Covid-19 has brought into play and to provide assistance where needed. Current indications are that, for the year to 31 August 2021 virtually all churches will be able to meet their assessments thus securing the income of the Circuit. Beyond 31 August 2021, however, things look far more uncertain in terms of what Churches will be able to afford in terms of assessments and it may well be that the Circuit has to use some of its resources to bridge any shortfall for a time. The realisation of surplus properties previously referred to will therefore help bolster Circuit Reserves against this call upon monies.

Aside from the financial impact of Covid-19 the pandemic has meant that our Ministerial and Leadership teams have had to be adaptive and creative in their support of our congregations and communities. This has been achieved through the use of social media, video links for services, recorded services on Youtube and zoom and, during the summer, outdoor gatherings of members for worship and acts such as communion. The view is that these various platforms have widened the reach of our Churches and it is almost certain that the experiences we have gained will continue to be used in the future and in a post Covid-19 World.



## **Wolverhampton Methodist Circuit**

### **Trustees Report**

**For the year ended 31 August 2020**

#### **Covid-19 (continued)**

When we eventually emerge the other side of the Covid-19 pandemic the world will inevitably be a different place in which a number of people and communities will face significant challenges. Our strategy will continue to be to meet those challenges to support the vulnerable and those in need whilst staying true to our core Mission.

#### **Major Activities**

In addition to Covid -19 the year to 31 August 2020 presented other challenges that the Circuit has had to deal with.

As recorded earlier Darlington Street Methodist Church ceased to meet as a congregation at the end of September 2019. This decision was taken by its membership over a lengthy period and with the full support of the Circuit, its Leadership Team, the District and the Connexion. The working Group referred to earlier has met regularly to plan for the eventual disposal of Darlington Street and to put strategies in place in order to safeguard the building. This comes at a cost, both financially and in terms time commitment. This is likely to continue until a disposal is eventually achieved.

Further to the above there continue to be several Churches within the Circuit who are struggling to cope financially and the Circuit continues to work with those churches, both through short term support and longer term planning, in order to find sustainable solutions for the future which furthers the objects that we have as a Methodist Circuit whilst continuing to help our local congregations and communities.

#### **Risk Management**

The major risks have been identified and recorded by the Circuit Leadership Team and Circuit meeting with professional advice taken as required. These centre around, the effects of Covid-19 (where risk assessments and opening protocols for each property have been put in place by local Trustees after approval by the Circuit leadership team) property (Manse and Churches) maintenance costs and condition with Darlington Street high on this area of risk and finally the need to stay up to date with safeguarding protocols and procedures and with GDPR legislation.

Income and Expenditure continues to be monitored throughout the year both in total and in detail and is compared with the approved annual budget on a half yearly basis to detect trends as part of the risk management process and to avoid unplanned calls upon reserves.

In addition this year, as a result of Covid-19, more regular dialogue has been established with individual Churches over their own financial positions in order to detect trends or concerns that might affect Circuit Finances and Individual Churches in the future.

The Wolverhampton Methodist Circuit has committed itself to ensuring the implementation of Connexional Safeguarding Policy; government legislation, guidance and safe practice in the circuit and in the churches.

It has also committed 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.

## Wolverhampton Methodist Circuit

### Trustees Report

For the year ended 31 August 2020

#### Financial Report

The result for the year shows an overall deficit of £52,084 (2019 – £69,700). The result is split across funds as follows:

General Fund	£(24,401)	(2019 £ ( 27,939)	Deficit for both years
Circuit Model Trust Fund	£(10,028)	(2019:£ (17,983)	Deficit for both years
Designated Funds	£(11,072)	(2019:£ (4,048)	Deficit for both years
Restricted Funds	£(6,583)	(2019:£ (19,730)	Deficit for both years

The principal elements affecting the result for the year are as follows:

- A) The General Fund produced a deficit for the year of £24,401 (2019:£27,939) after transfers from other Funds. Before transfers the fund was in deficit by £40,227 (2019:£ 42,079). The pre-transfer result is after depreciation of £27,148 (2019: £ 23,868) has been charged.

The actual result before depreciation was a deficit of £13,079 (2019:£18,211) This is explained by the decision the Circuit took in the previous year to partly fund the position of a youth and families worker from Reserves. A small deficit was also planned in the budget setting process.

In total transfers of £15,826 ( 2019: £14,140) were made from other funds to cover the cost of church related projects at Stratton Street (£5,000), to the families and youth worker (£5,656) ,already referred to above ,the balance relates to the transfer of monies to cover small grants to Churches and expenditure associated with Darlington Street.

At the end of the year the General reserves stood at £1,732,274 (2019 - £1,756,675) and principally comprised Fixed assets (being manses and related costs) and net current assets held for working capital purposes.

- B) The Circuit Model Trust fund incurred an operating deficit before transfers of £9,344 (2019: £17,983) principally as a result of the MTF levy taken on the value of the funds held at TMCP and a grant of £3000 to Springdale Methodist Church to assist with capital works. No significant transfers were made from the fund during the year.

At the year end the Model Trust Fund stood at £383,013 (2019:£393,041). These monies are held and administered by TMCP within investment and deposit accounts.

- C) The designated funds relate to the activities at Wednesfield Methodist Church. Activities at Wednesfield produced a deficit of £2,203 (2019: £1,821). This arose largely as a result of the loss of income due to covid-19 and one off maintenance costs. During the year net transfers were made of £ 8,869 (2019: £1,997) .These comprised transfers in from TMCP of net investment income and transfers out to cover costs borne centrally related to the Wednesfield activities principally families work for the last two years and a charge for central resourced management time. At the year end, designated funds amounted to £14,102 (2019: £25,174) and are held solely to cover future costs associated with the Wednesfield Church Building and the activities within it.



## **Wolverhampton Methodist Circuit**

### **Trustees Report**

**For the year ended 31 August 2020**

#### **Financial Report (continued)**

- D) The restricted fund produced a Surplus (2019: deficit )before transfer of £ 1,140 (2019: Deficit £8,242). Income for the year arose largely due to the receipt of interest and dividends on monies held within TMCP and investment gains on endowed Funds. Net investment income of £1,506 (2019:£1,487) was transferred to the designated fund for Wednesfield Methodist Church during the year.

The other movements on restricted funds related to the Surplus Funds account where £5,656 was used to provide funding in support of the Families and Children's worker. At the year end, restricted funds amounted to £75,099 (2019:81,682). These monies are held in a mix of TMCP Investment and deposit accounts.

The Circuit Trustees are satisfied with the overall result achieved for the year against a backdrop the backdrop of the Covid-19 pandemic and continuing difficult circumstances for the

The Circuit Trustees are satisfied with the overall result achieved for the year against the backdrop of the Covid-19 pandemic and continuing difficult operating circumstances for the Circuit. The Budget set for 2020/21 is for a breakeven position before depreciation is charged. Trustees will continue to monitor against this.

#### **Going Concern**

The Trustees have prepared detailed forecasts through to 31 August 2022. These have been reviewed, and stress tested, particularly for a fall in income during that period resulting from the inability of Churches to meet assessments fully in the year ended 31 August 2022 following potential impacts on them financially following the Covid-19 pandemic.

Based upon the forecasts and their review the Trustees believe that the Circuit has adequate financial resources available to enable it to carry on operating as a Going concern for the foreseeable future.

#### **Investment Policy and Performance**

To comply with Methodist Standing Orders, monies for short and long term investment are lodged with the Trustees for Methodist Church Purposes (TMCP). In addition TMCP acts as custodian trustee for all real estate held by Circuits and for all large (individually over £20k) bequests and for the proceeds of sale of any property formerly owned by the Circuit. These sums are invested in unitised investments or held on deposit. The capital returns are close to tracking the movements in the FTSE100 index. The income mirrors the deposit rates available elsewhere. Both the Central Finance Board (CFB) and TMCP take into consideration social, environmental and ethical considerations, both negatively and positively, in establishing investment policy.

Short term deposits are lodged directly with the CFB and attract good rates of interest.

There are no benchmarks for the expected returns or appreciation on investments at TMCP and CFB. It is the Circuit's policy to manage the cash and investment resources of the Circuit so that a rate of return on investment – both by way of dividend and capital appreciation – is obtained at least as good as market rate considering our low appetite for risk.

## Wolverhampton Methodist Circuit

### Trustees Report

For the year ended 31 August 2020

#### Reserves policy

The Circuit has a reserves policy covering its unrestricted funds which is reviewed annually.

Our policy is to ensure that there are sufficient free reserves available to maintain and secure the Circuits viability and future whilst ensuring through openness and transparency that its resources are being used for its charitable purposes. The Trustees are of the view that at 31 August 2020 free reserves meet these criteria. The reserves held at the end of the year were as follows:

	£
<i>Unrestricted funds</i>	
General Fund	1,732,274
Model Trust Fund	383,013
	<hr/>
	<b>2,115,287</b>
	<hr/>
<i>Designated funds</i>	
Wednesfield Methodist Church Funds	14,102
	<hr/>
	<b>14,102</b>
	<hr/>
<i>Total unrestricted funds</i>	<b>2,129,389</b>
	<hr/>
Surplus Funds	22,513
Endowed Funds from Wednesfield Methodist Church	52,586
	<hr/>
<i>Total restricted funds</i>	<b>75,099</b>
	<hr/>
<b>Total funds</b>	<b>2,204,488</b>
	<hr/>
Less: Tied up in freehold property and fixtures	(1,618,158)
Restricted Funds	(75,099)
	<hr/>
	<b>(1,693,257)</b>
	<hr/>
<b>Total readily available reserves</b>	<b>511,231</b>
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All funds are separately invested either with CFB or TMCP. No money is directly invested in property, securities or other forms of investment.



## **Wolverhampton Methodist Circuit**

### **Trustees Report**

**For the year ended 31 August 2020**

#### **Reserves policy (continued)**

The financial position of the Circuit remains healthy in that its resources are not only sufficient to meet future known liabilities but also sufficient for the Circuit to carry out its plans for the following year.

#### **Purposes of the funds**

General Fund: this provides the working capital necessary for the day to day operation of the Circuit

Model Trust Fund: this money is held in reserve to support capital and revenue projects within the Circuit including the purchase and major items of maintenance of manse properties. Monies can only be used with the agreement of Trustees of the Circuit through TMCP.

Designated reserves: these reserves are held to support the mission work associated with Wednesfield Methodist Church;

Restricted Funds: are held for use on specific projects related to those funds and they can only be used for these purposes with the approval of Trustees and TMCP.

#### **Statement of Disclosure to Auditors**

So far as the Trustees believe there is no relevant audit information of which the charity's auditors have not been made aware;

The Trustees have taken all the steps they ought to have taken as Trustees in order to make themselves aware of any relevant audit information and to establish that the charity's auditors are aware of that information.

This report is signed on behalf of the Trustees



**Reverend Christopher Collins**  
**Superintendent Minister**

Date: 19 April 2021

## **Wolverhampton Methodist Circuit**

### **Statement of Circuit Members' Responsibilities**

**For the year ended 31 August 2020**

The members are responsible for preparing a trustees' annual report and financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

The law applicable to charities in England & Wales requires the members 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 of the charity for that period. In preparing these financial statements, the members are required to:

- Select suitable accounting policies and then apply them consistently;
- Observe the methods and principles in the Charities SORP;
- Make judgments and estimates that are reasonable and prudent;
- State whether applicable accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- Prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charity will continue in operation.

The members are responsible for keeping accounting records that disclose with reasonable accuracy at any time the financial position of the charity and enable them to ensure that the financial statements comply with the Charities Act 2011, the Charities (Accounts and Reports) Regulations 2008 and trust deed. They are also responsible for safeguarding the assets of the charity and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

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



## **Independent Auditors' Report to the members of Wolverhampton Methodist Circuit**

### **Opinion**

We have audited the financial statements of Wolverhampton Methodist Circuit for the year ended 31 August 2020 which comprise of the Statement of Financial Activities, including Income and Expenditure Account, the Statement of Financial Position, the Cash Flow Statement and the related notes, including a summary of significant accounting policies. The financial reporting framework that has been applied to their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland".

This report is made solely to the Circuit Members, as a body, in accordance with regulations made under section 154 of the Charities Act 2011. Our audit work has been undertaken so that we might state to the charity's trustees those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the charity and its trustees as a body, for our audit work, for this report, or for the opinions we have formed.

In our opinion the financial statements:

- give a true and fair view of the state of the charity's affairs as at 31 August 2019, and of its incoming resources and application of resources, for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Charities Act 2011.

### **Basis for opinion**

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

### **Conclusions relating to going concern**

We have nothing to report in respect of the following matters in relation to which the ISAs (UK) require us to report to you where:

- the trustees use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the trustees have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the company's ability to continue to adopt the going concern basis of accounting for a period of at least 12 months from the date when the financial statements are authorised for issue.

## **Independent Auditors' Report to the members of Wolverhampton Methodist Circuit**

### **Other information**

The other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. The trustees are responsible for the other information. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

### **Matters on which we are required to report by exception**

We have nothing to report in respect of the following matters where the Charities Act 2011 requires us to report to you if, in our opinion:

- the information given in the Trustees' Annual Report is inconsistent in any material respect with the financial statements; or
- sufficient accounting records have not been kept; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of Trustees' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

### **Responsibilities of Circuit Members**

As explained more fully in the Circuit Members' Responsibilities Statement, the members are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the members determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the members are responsible for assessing the charity's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the charity or to cease operations, or have no realistic alternative but to do so.



## **Independent Auditors' Report to the members of Wolverhampton Methodist Circuit**

### **Auditor's responsibilities for the audit of the financial statements**

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with ISAs (UK), we exercise professional judgment and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.
- Conclude on the appropriateness of the directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.



Muras Baker Jones Limited  
Statutory Auditor  
Regent House  
Bath Avenue  
Wolverhampton WV1 4EG

# Wolverhampton Methodist Circuit

## Statement of Financial Activities (SOFA)

For the year ended 31 August 2020

		General Fund (Unrestricted)	Circuit Model Trust Fund (Unrestricted)	Designated Funds	Restricted Funds	Totals 2020	Totals 2019
	Note	£	£	£	£	£	£
<b>Income</b>							
Donations and legacies	9	12,893	10,626	-	-	<b>23,519</b>	1,720
Charitable activities:							
Assessment or share	6	369,195	-	-	-	<b>369,195</b>	390,034
Grants	8	14,494	-	-	-	<b>14,494</b>	200
Other income	10	126,761	-	5,612	-	<b>132,373</b>	114,385
Investment income:							
Income from monetary investments		875	3,620	-	1,323	<b>5,818</b>	6,654
<b>Total Income</b>		<b>524,218</b>	<b>14,246</b>	<b>5,612</b>	<b>1,323</b>	<b>545,399</b>	512,993
<b>Expenditure on</b>							
Charitable activities:							
Salaries and associated costs	12	355,507	-	3,043	-	<b>358,550</b>	355,132
District assessment		92,567	-	-	-	<b>92,567</b>	92,118
MTF levy		-	19,783	-	-	<b>19,783</b>	21,138
Property Costs	14	54,330	-	4,772	-	<b>59,102</b>	45,821
Office Expenses	15	12,055	-	-	-	<b>12,055</b>	8,427
Depreciation		27,148	-	-	-	<b>27,148</b>	23,868
Other outgoings	16, 17	21,740	807	-	183	<b>22,730</b>	17,598
Grants and donations	11	1,098	3,000	-	-	<b>4,098</b>	19,482
<b>Total Expenditure</b>		<b>564,445</b>	<b>23,590</b>	<b>7,815</b>	<b>183</b>	<b>596,033</b>	583,584
<b>Net Income/ (expenditure)</b>		<b>(40,227)</b>	<b>(9,344)</b>	<b>(2,203)</b>	<b>1,140</b>	<b>(50,634)</b>	(70,591)
Gains (deficits) on							
Transfers between Funds	18	15,826	(179)	(8,869)	(6,778)	-	-
Investment assets		-	(505)	-	(945)	<b>(1,450)</b>	891
<b>Net movement in funds</b>		<b>(24,401)</b>	<b>(10,028)</b>	<b>(11,072)</b>	<b>(6,583)</b>	<b>(52,084)</b>	(69,700)
<b>Total funds brought forward</b>		<b>1,756,675</b>	<b>393,041</b>	<b>25,174</b>	<b>81,682</b>	<b>2,256,572</b>	2,326,272
<b>Total funds carried forward at end of year</b>		<b>1,732,274</b>	<b>383,013</b>	<b>14,102</b>	<b>75,099</b>	<b>2,204,488</b>	2,256,572

# Wolverhampton Methodist Circuit

## Statement of financial position As at 31 August 2020

	Notes	General Fund (Unrestricted) £	Circuit Model Trust Fund (Unrestricted) £	Designated Funds (Unrestricted) £	Restricted Funds £	Totals 2020 £	Totals 2019 £
<b>Fixed Assets</b>							
Tangible fixed assets	19	1,618,158	-	-	-	<b>1,618,158</b>	1,642,673
Investments with TMCP	20	-	29,397	-	52,585	<b>81,982</b>	72,805
		<b>1,618,158</b>	<b>29,397</b>	<b>-</b>	<b>52,585</b>	<b>1,700,140</b>	1,715,478
<b>Current Assets</b>							
Debtors	21	49,004	-	-	-	<b>49,004</b>	44,851
Investments with TMCP	22	-	353,616	-	27,514	<b>381,130</b>	411,918
Central Finance Board Deposits	22	148,539	-	-	-	<b>148,539</b>	161,426
Cash at Bank and in hand	22	-	-	14,102	-	<b>14,102</b>	24,918
		197,543	353,616	14,102	27,514	<b>592,775</b>	643,113
<b>Creditors:</b> Amounts falling due within one year	25	83,427	-	-	5,000	<b>88,427</b>	97,018
<b>Net current assets</b>		<b>114,116</b>	<b>353,616</b>	<b>14,102</b>	<b>22,514</b>	<b>504,348</b>	546,095
<b>Total assets less current liabilities</b>		<b>1,732,274</b>	<b>383,013</b>	<b>14,102</b>	<b>75,099</b>	<b>2,204,488</b>	2,261,772
<b>Grants payable in over 1 year</b>	25	-	-	-	-	-	5,000
<b>Net assets</b>		<b>1,732,274</b>	<b>383,013</b>	<b>14,102</b>	<b>75,099</b>	<b>2,204,488</b>	2,256,572
<b>Funds of the circuit</b>							
<b>General Fund (Unrestricted)</b>	26.1	<b>1,732,274</b>	-	-	-	<b>1,732,274</b>	1,756,675
<b>Circuit Model Trust Fund (Unrestricted)</b>	26.1	-	<b>379,954</b>	-	-	<b>379,954</b>	389,477
<b>Revaluation Fund (Unrestricted)</b>	26.1	-	<b>3,059</b>	-	-	<b>3,059</b>	3,564
<b>Designated Fund (Unrestricted)</b>	26.2	-	-	<b>14,102</b>	-	<b>14,102</b>	25,174
<b>Other Funds (Restricted)</b>	27	-	-	-	<b>73,234</b>	<b>73,234</b>	78,873
<b>Revaluation Fund (Restricted)</b>	27	-	-	-	<b>1,865</b>	<b>1,865</b>	2,810
<b>Total Funds</b>	28	<b>1,732,274</b>	<b>383,013</b>	<b>14,102</b>	<b>75,099</b>	<b>2,204,488</b>	2,256,572

The financial statements were approved by the Trustees on 19/1/21 and signed on their behalf by:



Mr R Turton  
Treasurer



# Wolverhampton Methodist Circuit

## Cash flow statement

For the year ended 31 August 2020

	Notes	2020 £	2019 £
<b>Cash from operating activities</b>			
Deficit for the year		(50,634)	(70,591)
<i>Adjustments for:</i>			
Depreciation		27,148	23,868
Decrease/(increase) in debtors		(4,153)	(3,087)
Increase/(decrease) in creditors		(13,591)	(25,522)
		<hr/>	<hr/>
<b>Net cash used in operating activities</b>		<b>(41,230)</b>	<b>(75,332)</b>
		<hr/>	<hr/>
<b>Cash flows from investing activities</b>			
Purchase of tangible assets		(2,633)	(14,212)
Purchase of fixed asset investments		(10,627)	-
		<hr/>	<hr/>
<b>Net cash (used in) / from investing activities</b>		<b>(13,260)</b>	<b>(14,212)</b>
		<hr/>	<hr/>
<b>Change in cash and cash equivalents in the period</b>		(54,490)	(89,544)
Cash and cash equivalents at start of period		598,261	687,805
		<hr/>	<hr/>
<b>Cash and cash equivalents at the end of the period</b>	22	<b>543,771</b>	<b>598,261</b>
		<hr/>	<hr/>



## **Wolverhampton Methodist Circuit**

### **Notes to the accounts As at 31 August 2020**

#### **1. Statement of compliance**

These financial statements have been prepared in compliance with 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) – (the Charities SORP (FRS 102)).

The Wolverhampton Methodist Circuit meets the definition of a public benefit entity under FRS 102.

#### **2. Accounting policies**

##### **Basis of preparing the financial statements**

The Financial Statements have been prepared in accordance with applicable Accounting Standards and the Statement of Recommended Practice, Accounting and Reporting by Charities - Charities SORP (FRS102).

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

##### **Going Concern**

In common with many entities the effects of the Covid -19 Pandemic have had an impact on the activities of the Circuit and its member Churches.

As explained within their report the Trustees have carried out extended financial modelling and forecasting. This confirms that the Circuit has adequate financial resources available to meet its commitments for the foreseeable future. Accordingly the Financial Statements have been prepared using the going concern basis of accounting.

##### **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.

##### **Funds**

The funds held constitute General Funds held for any purpose of the Circuit which are unrestricted. The Circuit Model Trust Fund has wide purposes defined in standing orders and is categorized as unrestricted. Restricted funds are held for a narrower purpose and include Endowment funds which represent gifts, the capital normally being unavailable for spending and the income from which is either Restricted or Unrestricted. Details of each material fund are disclosed in the final note of to these accounts. Any funds may be represented by more than just cash.

##### **Taxation**

The charity, being a registered charity, is exempt from taxation.

##### **Pension costs**

The Circuit is a member of the Connexional pension scheme (MMPS) which covers presbyters and deacons of the Methodist Church. The contribution rates are set each year by the Methodist

**2. Accounting policies (continued)**

Conference. The MMPS is a multi-employer scheme and in accordance with the guidance issued by the Charity Commission, the Circuit accounts for these contributions as if it were a defined contribution scheme.

The Circuit also has two lay employees enrolled in a defined contribution pension scheme administered by Nest Pension. Employer contributions are made at a rate of 6% to this scheme on behalf of employees who are members.

**Going concern**

Based upon operational budgets and cash flow projections together with the close monitoring of the effect of Covid-19 restrictions upon the income raising ability of Churches, the trustees believe that the Circuit has adequate financial resources available to continue in operational existence for the foreseeable future. The Financial Statements therefore continue to be prepared using the going concern basis of accounting.

**Consolidation**

The Circuit oversees the work of ministers and lay workers in Churches within the Circuit but does not have control over those Churches, Ministers or lay workers except in extreme circumstances, none of which were applicable. For this reason, the financial statements of the Churches within the Circuit are not consolidated into these financial statements.

**Income recognition**

Income is brought into account when it is more likely than not that the economic benefit of the income will accrue to the Circuit. No attempt is made to measure the value of services donated by volunteers.

Individual amounts categorised as Other Income in the SOFA are shown separately if they are considered to be material.

Donations are recognised in the statement of financial activities when they are receivable.

Interest on funds held on deposit is included upon notification of the interest paid or payable by the Bank.

The Circuit acts as agent in one matter:

- the collection from churches and payment over of their contributions to various funds administered and controlled by The Methodist Church in England and Wales.

In these circumstances the transactions are not reflected in the SOFA because there is no obligation on the Circuit.

**Expenditure**

This is recognised when a liability is incurred, or a constructive obligation arises, that results in the payment being unavoidable. All expenditure is accounted for on an accruals basis. All costs are allocated or apportioned to the applicable expenditure headings in the statement of financial activities as appropriate.

Liabilities are recognised as soon as an outflow of economic benefit is considered more likely than not under the legal or constructive obligation committing the Circuit to pay out resources.



## **Wolverhampton Methodist Circuit**

### **Notes to the accounts As at 31 August 2020**

## **2 Accounting policies (continued)**

### **Grants**

Grants are recognised in full when the award is made and once the Circuit accepts that there is an obligation to make the payment and that payment is probable.

### **VAT**

Since the Circuit is not VAT registered, all input VAT is charged within the expense headings upon which it was paid.

### **Tangible fixed assets**

Tangible fixed assets are capitalised if they can be used for more than one year, and individually cost at least £1,000. The freehold property, being church manses, is shown in the accounts at its deemed historical cost at 1 September 2015, being the properties insurance reinstatement value as calculated by the Circuit's Insurers, Methodist Insurance Limited, less any subsequent depreciation.

No depreciation is provided on the land element of the manses whilst the building element is depreciated straight line over a useful economic life of 75 years. All properties have been reviewed for impairment. Depreciation is provided on fixtures and fittings at the rate of 20% per annum from the date that the fixtures are brought into use by the Circuit.

### **Investments**

The investments of the Circuit 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 and deficits arising on investments at the end of the year are shown in the SOFA.

### **Receivables and Payables; Bank and Cash**

Debtors are stated at the amounts owed to the Circuit or the amount prepaid. Creditors are initially recognised at settlement amount after any related 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 comprising of bank balances and deposit account balances are shown at their realisable values.

## **3. 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 bodies.

**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

**MTF:** 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

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

## Wolverhampton Methodist Circuit

### Notes to the accounts As at 31 August 2020

#### 3. Glossary of terms (continued)

**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

#### 4. Payment to Trustees

None of the Trustees received any remuneration during the year (2019 - £Nil).

Trustees were reimbursed expenses during the year, consisting of reimbursement of travel and sundry office costs.

	2020	2019
Number of trustees who were paid expenses	1	1
	£	£
Total amount paid	250	117

#### 5. Fees for examination or audit of the accounts

	2020 £	2019 £
Included within 'other expenditure' are the following: Auditors' fee for reporting on the accounts	3124	3,020

#### 6. Assessments on Churches

The Circuit comprises the Churches referred to within the Trustees report.

Church Assessments are determined annually and approved by the Circuit meeting using a formulaic methodology which takes into account the size of the Church, a churches ability to pay, its income and the ministerial input to it.

In addition, St Andrews Methodist/URC church in Sedgley is also part of the Circuit but currently under the responsibility of the URC under a sharing Agreement. Under this agreement it paid £6,800 (2019 - £6,720) which is included in the total assessments of £369,195 (2019 - £390,034) included within these accounts.

At the year end, amounts totalling £7,509 (2019 - £5,053) were owed to the Circuit in respect of assessments. These amounts are all being collected after the year end.

#### 7. Profit on Sale of Fixed Assets

There were no capital disposals during the year (2019 £nil)

## Wolverhampton Methodist Circuit

### Notes to the accounts As at 31 August 2020

#### 8. Grants

The Circuit was in receipt of grants from District Funds totalling £10,200 (2019 - £200) and from the Government Job Retention Scheme in respect of several lay workers amounting to £4,294 (2019: £Nil).

#### 9. Donations and legacies

Donations of £12,893 (2019 - £1,720) were received into the General Fund and £10,626 ( £nil) into the Model Trust Fund during the current year. The amounts in the current year arose by transfer to the Circuit when the Congregation of Darlington Street ceased to meet on 30 September 2019. At this point the Darlington Street premises, Church and assets became the responsibility of the Circuit and its Trustees.

#### 10. Other Charitable income

The Circuit was in receipt of the following other income:

	<b>General £</b>	<b>Designated £</b>	<b>2020 Total £</b>	<b>2019 Total £</b>
Church lay contributions	60,635	-	60,635	67,083
Rent from empty manses	23,350	-	23,350	10,942
Use of Wednesfield Church premises	-	5,612	5,612	8,110
Use of Darlington Street Premises	16,183	-	16,183	-
Shared Costs of Minister shared with Queens College	23,012	-	23,012	22,414
University chaplaincy recharges	-	-	-	5,836
Sundry Income	3581	-	3,581	-
	<b>126,761</b>	<b>5,612</b>	<b>132,373</b>	<b>114,385</b>

#### 11. Grants and donations

During the year the Circuit made grants to Churches and others as follows:

	<b>General Fund £</b>	<b>Restricted Fund £</b>	<b>2020 Total £</b>	<b>2019 Total £</b>
Wombourne	-	-	-	-
Stratton Street	-	-	-	15,000
Trinity Codsall	98	-	98	-
Darlington Street	-	-	-	2,150
Bilston	-	-	-	2,150
Springdale	1,000	-	1,000	-
Other	-	3,000	3,000	2,332
	<b>1,098</b>	<b>3,000</b>	<b>4,098</b>	<b>19,482</b>



## Wolverhampton Methodist Circuit

### Notes to the accounts As at 31 August 2020

#### 12. Staff costs

	2020 £	2019 £
<b>Staff costs paid during the year were:</b>		
Gross wages, salaries and benefits in kind	269,684	265,991
Employer's National Insurance costs	19,006	17,599
Pension costs	48,216	48,482
Other non-payroll costs	21,644	23,060
	<hr/>	<hr/>
Total staff costs	<b>358,550</b>	<b>355,132</b>
	<hr/>	<hr/>
<b>Average number of full-time equivalent employees in the year were:</b>	<b>16</b>	<b>20</b>
	<hr/>	<hr/>

No employee earned more than £60,000 (2019 - none) in the year.

The costs can be summarised between ministry and lay worker support as follows:

	2020 £	2019 £
Ministry	260,101	256,396
Gross cost of lay support	98,449	98,736
	<hr/>	<hr/>
	<b>358,550</b>	<b>355,132</b>
	<hr/>	<hr/>

Gross lay support costs are part funded through Church lay contributions as detailed in note 10 above totalling £60,635 (2019 - £67,083). The Cost of lay support therefore funded directly by the Circuit was £37,814 (2019 - £31,653).

During the year 3 lay workers were made redundant and their severance costs are included in the cost of lay support above.

The presbyters and the Circuit Leadership Team (CLT) are also Trustees of the Circuit. Other than presbyters no member of the CLT received any payment for work undertaken on behalf of the Circuit although certain travelling and administration costs were reimbursed relating to specific meetings or projects.

#### 13. 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.

## Wolverhampton Methodist Circuit

### Notes to the accounts

As at 31 August 2020

#### 13. Pensions (continued)

On the other hand, lay employees are contractually employees and have the option of joining a pension scheme. At the year end, there was 1 (2019: 2) employee who was a member of such a scheme, the scheme being provided by NEST which is a defined contribution scheme.

The MMPS is in deficit but a plan for removal of the deficit has been proposed and is being implemented. Details of the deficit on the schemes can be found in the Annual Report and Accounts of The Methodist Church at [www.methodist.org.uk](http://www.methodist.org.uk).

#### 14. Property costs

	2020	2019
	£	£
Property Maintenance	12,530	7,840
Rental of manses	14,531	13,883
Insurance	9,221	4,729
Utilities (principally rates, light and heat at Darlington Street and water rates)	22,820	19,369
	<hr/>	<hr/>
	<b>59,102</b>	<b>45,821</b>
	<hr/>	<hr/>

The above Costs include £4,772 (2019 - £3,596) incurred in respect of the Wednesfield property and this has been charged to the Designated Fund.

The above costs include £12,666 (2019: £nil) in respect of the Circuits responsibilities for Darlington Street Methodist Church after its congregation ceased to meet.

#### 15. Office expenses

	2020	2019
	£	£
Printing, postage and stationery	3,863	1,231
Use of office and facilities	4,893	4,000
Audit fee	3,124	3,020
Training	175	176
	<hr/>	<hr/>
	<b>12,055</b>	<b>8,427</b>
	<hr/>	<hr/>

The above costs include £3,863 (2019 - £nil) incurred in respect of the office costs at Darlington Street after its congregation ceased to meet.

## Wolverhampton Methodist Circuit

### Notes to the accounts As at 31 August 2020

#### 16. Other outgoings

	2020 £	2019 £
Pulpit supply	3,366	6,197
Inspections and legal fees	16,844	3,769
Sundry outgoings	258	2,513
Mission and outreach	1,273	4,094
TMCP charges (charged to MTF and Restricted Fund)	990	1,025
	<hr/>	<hr/>
	<b>22,730</b>	<b>17,598</b>
	<hr/>	<hr/>

The above costs include £8,700 in respect of legal and consultancy advice received in respect of Darlington Street Methodist Church.

#### 17. Investment management

During the year the Circuit paid £990 (2019 - £1,025) to TMCP, the custodians of the District's investments within the MTF.

#### 18. Transfers between funds

A sum of £6,778 (2019 - £12,143) was withdrawn from the Restricted Surplus Funds account to contribute to the mission work of Stratton Street and the work of a Children and Families worker and £8,869 (2019 - £1,487) to contribute to ongoing Circuits costs of managing the Wednesfield Property( this is in place of an assessment).A further sum of £ 179( 2019:£nil) was transferred from the Model Trust Fund to the General Fund in respect of interest earned on the Darlington Street TMCP investments.

A further sum of £nil (2019 - £3,484) was transferred from the designated fund related to the University Chaplaincy to support the costs associated with the University Chaplain leaving the Circuit during the year.



## Wolverhampton Methodist Circuit

### Notes to the accounts As at 31 August 2020

#### 19. Tangible fixed assets

Cost or valuation	Manses £	Fixtures, fittings and Equipment £	Total £
At 31 August 2019	1,683,178	68,066	1,751,244
Additions	-	2,633	2,633
<b>At 31 August 2020</b>	<b>1,683,178</b>	<b>70,699</b>	<b>1,753,877</b>
<b>Depreciation</b>			
At 31 August 2019	61,850	46,721	108,571
Charge for year	16,020	11,128	27,148
<b>At 31 August 2020</b>	<b>77,870</b>	<b>57,849</b>	<b>135,719</b>
<b>Net book value</b>			
At 31 August 2019	1,621,328	21,345	1,642,673
<b>At 31 August 2020</b>	<b>1,605,308</b>	<b>12,850</b>	<b>1,618,518</b>

#### 20. Fixed Asset Investments

	2020 £	2019 £
Cost brought forward	72,805	71,914
Additions	10,627	-
Unrealised (losses)gains on revaluation	(1,450)	891
Cost carried forward	<b>81,982</b>	<b>72,805</b>

The additions relate to funds transferred to the Circuit when Darlington Street ceased to meet.

## Wolverhampton Methodist Circuit

### Notes to the accounts As at 31 August 2020

<b>21. Debtors</b>	<b>2020 £</b>	<b>2019 £</b>
Trade Debtors	7,509	5,053
Prepayments	39,418	38,064
Short term loans	2,077	1,734
	<hr/>	<hr/>
	<b>49,004</b>	<b>44,851</b>

### 22. Cash and cash equivalents

Cash and cash equivalents comprise the following:

	<b>2020 £</b>	<b>2019 £</b>
Investments with TMCP	381,130	411,918
Central Finance Board deposits	148,539	161,426
Cash at bank and in hand	14,102	24,917
	<hr/>	<hr/>
	<b>543,771</b>	<b>598,261</b>

### 23. Trustees for Methodist Church Purposes

- a) The funds that support the Model Trust Fund and the Restricted Fund are held by TMCP in Trustees Interest Funds and in CFB mixed funds. Interest is credited to the Trustee interest funds each month and is regarded as a short term investment in these accounts.
- b) The monies held in the CFB Mixed funds are regarded as long term investments and are revalued at mid-market value at each year end.
- c) 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.

### 24. Central Finance Board (CFB) and Cash at Bank

The Circuit has three current accounts at Lloyds Bank plc, Barclays Bank Plc and HSBC Bank Plc all of which are authorised institutions. The sums held on these account are immediately available. In addition the Circuit has a deposit account at CFB, a common deposit fund. Interest is earned on that account and credited monthly; the sums deposited can be withdrawn without notice and without loss of interest. These sums are viewed as being liquid.

## Wolverhampton Methodist Circuit

### Notes to the accounts As at 31 August 2020

#### 25. Creditors – amounts falling due within one year

	2020 £	2019 £
Bank Overdrafts	7,458	-
Accruals	25,034	24,086
Assessments in advance	49,770	60,833
Grant payable to Stratton Street	5,000	10,000
Other Creditors	1,165	2,099
	<hr/>	<hr/>
	<b>88,427</b>	<b>97,018</b>

It is expected that all sums accrued at 31 August 2020 will be paid during the year to 31 August 2021.

Included within other creditors is an amount of £1,021 (2019 - £1,956) held within the Wolverhampton Methodist Circuit benevolent fund which is used to meet cases of need arising within the Circuit and which is controlled by the Circuit Meeting through the Circuit Leadership Team.

An amount of £nil (2019 - £5,000) is payable in respect of a grant made to Stratton Street is due for payment in the year ended 31 August 2021. This amount is included in Creditors due within one year. (2020: over one year).

The bank overdraft relates to the bank account taken over on 30 September 2019 when Darlington Street ceased to meet. The amount has been repaid subsequent to the year end.

#### 26. Unrestricted Funds

##### 26.1 General Fund – balance of £1,732,274 at 31 August 2020 (2019 - £1,756,675)

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 90% of this fund is held as freehold properties for the use of Presbyters.

##### 26.2 Other unrestricted Funds – balance of £383,013 at 31 August 2020 (2019 - £418,215)

These comprise the following four elements:

###### **Model Trust Fund – balance of £379,954 at 31 August 2020 (2019 - £389,477)**

These monies are not restricted in purpose but can only be used for projects that pass through the appropriate Circuit and TMCP authorisations.

###### **Revaluation Fund – balance of £3,059 at 31 August 2020 (2019 - £3,564)**

These are the unrealised gains on the fixed asset investments held with TMCP. Once realised, these monies will be included as part of the Model Trust Fund and will be used in line with the purposes of that fund as outlined above.



# Wolverhampton Methodist Circuit

## Notes to the accounts As at 31 August 2020

### 26. Unrestricted Funds (Continued)

#### **Designated Fund - Monies received on the ceasing to meet of Wednesfield Methodist Church – balance of £14,102 at 31 August 2020 (2019 - £25,174)**

These monies have been ring fenced for the development of a mission based project in the Wednesfield Church buildings.

### 27. Restricted Funds

These comprise the following:

#### **a) Surplus Funds £22,514 (2019 - £28,152)**

The restricted funds are the residual surplus funds left after the merger of the three Circuits some years ago. They can only be used for projects within the enlarged Circuit at the discretion of the Circuit meeting and TMCP.

#### **b) Endowed funds £50,720 (2019 - £50,720)**

#### **c) Endowed Funds Revaluation Fund £1,865 (2019 - £2,810)**

The funds at (b) and (c) above were transferred to the Circuit by the Trustees of Wednesfield Methodist Church when they ceased to meet in the summer of 2017. These monies are currently restricted for use by the Trustees of the Circuit for projects related to the Wednesfield church buildings and surrounding area.

### 28. Funds

#### **Unrestricted funds – Current year**

Unrestricted Fund Name	Opening balance £	Incoming resources £	Resources Expended £	Gains/ (Losses) £	Transfers £	Closing Balance £
General Fund	1,756,675	524,218	(564,445)	-	15,826	1,732,274
Circuit Model Trust Fund	389,477	14,246	(23,590)	-	(179)	379,954
Revaluation Fund	3,564	-	-	(505)	-	3,059
Totals	<b>2,149,716</b>	<b>538,464</b>	<b>(588,035)</b>	<b>(505)</b>	<b>15,647</b>	<b>2,115,287</b>

#### **Unrestricted funds – Previous year**

Unrestricted Fund Name	Opening balance £	Incoming Resources £	Resources Expended £	Gains/ (Losses) £	Transfers £	Closing Balance £
General Fund	1,784,614	493,345	(535,424)	-	14,140	1,756,675
Circuit Model Trust Fund	407,696	3,741	(21,960)	-	-	389,477
Revaluation Fund	3,328	-	-	236	-	3,564
Totals	<b>2,195,638</b>	<b>497,086</b>	<b>(557,384)</b>	<b>236</b>	<b>14,140</b>	<b>2,149,716</b>

## Wolverhampton Methodist Circuit

### Notes to the accounts As at 31 August 2020

#### 28. Funds (continued)

The Circuit Model Trust Fund: this consists of income from legacy churches and property sales. They have wide purposes as defined by the Trustees for Methodist Church Purposes (TMCP) and are categorized as unrestricted. Permission must be sought from TMCP to call on money for specific building projects or to support the mission in general.

#### Designated funds – Current year

Designated Fund Name	Opening balance £	Incoming resources £	Resources Expended £	Gains/ (Losses) £	Transfers £	Closing Balance £
Wednesfield Designated Funds	25,174	5,612	(7,815)	-	(8,869)	14,102
<b>Totals</b>	<b>25,174</b>	<b>5,612</b>	<b>(7,815)</b>	<b>-</b>	<b>(8,869)</b>	<b>14,102</b>

#### Designated funds – Previous year

Designated Fund Name	Opening balance £	Incoming resources £	Resources Expended £	Gains/ (Losses) £	Transfers £	Closing Balance £
University Chaplaincy	3,714	5,836	(6,066)	-	(3,484)	-
Wednesfield Designated Fund	25,508	8,110	(9,931)	-	1,487	25,174
<b>Totals</b>	<b>29,222</b>	<b>13,946</b>	<b>15,997</b>	<b>-</b>	<b>(1,997)</b>	<b>25,174</b>

#### Restricted funds – Current year

University Chaplaincy Fund (Restricted): represents specific funding for the provision of a minister to the University of Wolverhampton.

Restricted Fund Name	Opening balance £	Incoming resources £	Resources Expended £	Gains/ (Losses) £	Transfers £	Closing Balance £
Surplus Funds Account	28,152	265	(76)	-	(5,828)	22,513
Wednesfield Endowed Funds	50,719	1,059	(107)	-	(950)	50,721
Wednesfield Endowed Revaluation Fund	2,810	-	-	(945)	-	1,865
<b>Totals</b>	<b>81,682</b>	<b>1,324</b>	<b>(183)</b>	<b>(945)</b>	<b>(6,778)</b>	<b>75,099</b>

## Wolverhampton Methodist Circuit

### Notes to the accounts As at 31 August 2020

#### 28. Funds (continued)

##### Restricted funds – Previous year

Restricted Fund Name	Opening balance £	Incoming resources £	Resources Expended £	Gains/ (Losses) £	Transfers £	Closing Balance £
Surplus Funds Account	48,538	368	(10,097)		(10,656)	28,153
Wednesfield Endowed Funds	50,719	1,594	(106)		(1,487)	50,719
Wednesfield Endowed Revaluation Fund	2,155	-	-	655	-	2,810
<b>Totals</b>	<b>101,412</b>	<b>1,961</b>	<b>(10,203)</b>	<b>655</b>	<b>(12,143)</b>	<b>81,682</b>

Surplus Funds Account: represents monies invested with TMCP which arose at the point the three Circuits came together to form the Wolverhampton Circuit five years ago. These monies are available for use to support mission and outreach projects within the Circuit.

#### 29. Analysis of net assets between funds

	General Fund (Unrestricted) £	Circuit Model Trust Fund (Unrestricted) £	Designated Funds (Unrestricted) £	Restricted Funds (Restricted) £	Totals 2020 £
<b>Fixed Assets</b>					
Tangible fixed assets	1,618,158	-	-	-	1,618,518
Fixed asset investments	-	29,397	-	52,585	81,982
<b>Current Assets</b>					
Debtors	49,004	-	-	-	49,004
TMCP Investments	-	353,616	-	27,514	381,130
Deposit accounts	148,539	-	-	-	148,539
Cash at Bank and in hand	-	-	14,102	-	14,102
<b>Creditors:</b> Amounts falling due within one year					
Amounts falling due in over one year	(83,427)	-	-	(5,000)	(88,427)
<b>Total</b>	<b>1,732,274</b>	<b>383,013</b>	<b>14,102</b>	<b>75,099</b>	<b>2,204,488</b>



## **Wolverhampton Methodist Circuit**

### **Notes to the accounts As at 31 August 2020**

#### **30. Related Party Transactions**

As part of its normal operational structure, The Circuit makes contributions to the District and receives contributions from its member churches (details as per SOFA).

All of the Circuit trustees are members of one or another Church within the Circuit and may be Trustees in their own churches.

Connected organisations include the Methodist Connexion, other Circuits and Churches within the Wolverhampton and Shrewsbury District, CFB and TMCP. All of these entities have their own trustees or directors and autonomous administration such that the Circuit has no significant influence over any of them, nor they over the Circuit. They are, therefore, not considered related parties.

Transactions with connected parties during the year are as follows:

Names of Connected Organisations	Receipts £	Payments £
Donor: District Advance Fund	10,200	(92,567)
Donor: Churches within the Circuit in respect of assessments	369,195	-
Donee: Grants to churches within the Circuit	-	(4,098)

During the year ended 31 August 2020 short term advances totalling £2,077 (2019: £nil) were made to Churches. These have been repaid since the year end.

There were no other related party transactions.

#### **31. 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. Principally this contribution is by serving on committees of the Circuit that deal with mission, manses, finance, policy, grants, training and development. We are grateful to all of them for their help and commitment.

#### **32. Capital commitments and contingent liabilities**

There were no capital commitments or contingent liabilities as at 31 August 2020 (2019 - £nil).

