

**Circuit Number 2801**

**Wolverhampton Methodist Circuit  
REPORT AND FINANCIAL STATEMENTS  
For the year ended 31 August 2022  
(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:	Rev. Dr Joanne Cox-Darling	
Ministers in the active work:	Rev. Steve Jackson Rev. Samantha Hagerman Rev. Rosemary Nash	Rev. Paul Nzacahayo Rev. Teddy Siwila Deacon Linda Gilson
Senior Steward:	Rosie Bryant	
Circuit Stewards:	James Peterson Andre Burns David Crook Edward Bridgwood	Gabriel Gidi Lesley Cook Alan Eccles
Circuit Treasurer:	Rob Turton FCA	
Other Trustees:	Rev. Glennys Bamford Rev. Ken Collins Rev. Margaret Heim Rev. Donald Ryan Rev. David Wheeler Rev. Rachel Parkinson Sister Betty Vaughan Christine Lees Sue Crook Wendy Gould Jean Ordidge Liz Macer -Wright George Tonks Phillip Shuttleworth Brian Juggins Liz Porteous Jenny Ridgway Janet Fenney Janet Punfield Emily Donovan Paul Levett Christine Westwood Robert Fownes Marie Lane Diane Cripps Nicola Jones Janet Anderson Beryl Batham Michael Dickenson Sally Parker Margaret Williams Martin Cresswell Nadine Brown	Rev. John Barrett Rev. Stuart Davis Rev. Robert Readshaw Rev. Steve Singleton Rev. Trevor Pratt Margaret Mottram Iris Gamble Judy Brown Richard French Dorothy Howells Brenda Shuttleworth Nicola Turner Sue Readshaw Andy Dale Diana Beaumont Elaine Jones Gill Silvester Eric Robinson Robert Fellows Frank Moreton Pauline Hurst Susan Whatmore Kathryn Ridge Margaret Lowbridge Liz Green John Owen Jonathan Mtsabiwa Michael Bateman Nicola Field Emma Veiro Graham Howell Sue Bate Steve Brown

## **Wolverhampton Methodist Circuit**

### **Administrative Information**

Other Trustees (Cont.)	Maddy Coope Naomi Fearnley Jane Meddings Peter Share	Janet Evans Nicki Hale Lyn Price
Registered Office:	Beckminster Methodist Church Birches Barn Road Penn Fields Wolverhampton West Midlands WV3 7BQ	
Charity:	1135146	
Auditors	Muras Baker Jones Limited Regent House Bath Avenue Wolverhampton West Midlands WV1 4EG	
Bankers:	Lloyds Bank Plc 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	
<b>Solicitors:</b>	Anthony Collins LLP Birmingham	



## **Wolverhampton Methodist Circuit**

### **Trustees Report**

**For the year ended 31 August 2022**

#### **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 2022**

#### **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 (see below)  
Hurst hill  
Lanesfield  
Rakegate  
Springdale  
St Johns  
Stowlawn (see below)  
Stratton Street  
Upper Ettingshall  
Wombourne

Darlington Street Methodist Church ceased to meet on 30 September 2019 and the Trustees of the Circuit were responsible for its management and upkeep to the point of its disposal in October 2021. The net proceeds of sale of the property of £302,918 are currently held by the District but agreement has been reached after the year end for these monies to be placed into a Circuit Model Trust account with the specific aim of supporting the City Centre Mission work commenced through the appointment of a Deacon on 1 September 2021. Further to this the Circuit continues to manage Wednesfield Methodist Church whose congregation ceased to meet several years ago. In addition the congregations at Fordhouses and Stowlawn ceased to meet during the year and their Church buildings and related ongoing costs are now also the responsibility of the Circuit.

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

#### **Review of Activities**

In designing and monitoring the activities of the Charity, 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.



## **Wolverhampton Methodist Circuit**

### **Trustees Report**

**For the year ended 31 August 2022**

#### **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.

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.

On 1 September 2021 we welcomed Deacon Linda Gilson into the Circuit with the specific goal of developing and growing a City Centre Ministry in the City of Wolverhampton.

On 31 August 2022 Reverend William Davies moved on from the Circuit to take up a position in the London area. The Circuit are grateful for service and work that he did for our Communities whilst he was working in the Circuit. On 1 September we welcomed Reverend Rosemary Nash to take up a presbytery position in the Circuit.

Reverend Joanne Cox-Darling became our Superintendent Minister on 1 September 2021.

#### **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. The Circuit Leadership Team are in the middle of a strategic review of Circuit activities, resources and future needs. These are currently being discussed with the Circuit with the aim of being able to produce a Circuit Vision for the future. The aim is to conclude this work and to have an effective plan during 2023.

Our plans for the future will be built 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 is actively looking 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 remain at least 3 other properties that fall into this category.

Both of the properties at Fordhouses and Stowlawn are being actively marketed for sale with a disposal of Fordhouses anticipated before the end of 2022.

The Ministers, Trustees and senior leadership team continue to believe that the implementation of the Strategic Vision for the Circuit will leave it better placed to react to areas of need in the future across an area where there are significant differences in wealth with many of our Communities located in areas of significant deprivation and diverse beliefs where currently the cost of living crisis is further exacerbating matters.

#### **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 2022**

#### **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.

#### **Major Activities**

The year to 31 August 2022 presented some significant challenges that the Circuit has had to deal with. The effects of some of these which are being caused by the cost of living and energy crisis have not yet been fully felt within our Communities and we will continue to carry out work to help in these areas.

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 (through our vision work), 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. As part of this response an asset review involving all churches has been undertaken.

#### **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 (Manses and Churches) maintenance costs and finally the need to stay up to date with safeguarding protocols and procedures and with GDPR legislation.



## **Wolverhampton Methodist Circuit**

### **Trustees Report**

**For the year ended 31 August 2022**

#### **Risk Management (continued)**

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.

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 2022

#### Financial Report

The result for the year shows an overall deficit of £93,856 (2021 - £130,600). The result is split across funds as follows:

General Fund	£(106,651)	(2021 - £(62,615))	Deficit for both years
Circuit Model Trust Fund	£26,969	(2021 - £(65,304))	Surplus (deficit)
Designated Funds	£(3,227)	(2021 - £(7,216))	Deficit for both years
Restricted Funds	£(10,947)	(2021 - £(4,534))	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 £106,651 (2021 - £62,615) after transfers from other Funds. Before transfers the fund was in deficit by £74,389 (2021 - £125,221). The pre-transfer result is after depreciation of £19,080 (2021 - £27,130) and a surplus on the sale of one manse (2021 - £nil) has been charged/realised.

The actual result before depreciation was a deficit of £55,309 (2021 - £98,091). This is explained by the decision the Circuit took in the previous to fund a deficit budget. This is case in the current year too.

In total net transfers of £32,262 (2021 - £62,606) were made into other funds. These were largely monies withdrawn from Model Trust Funds to support the ongoing work of the Circuit, the City Centre Mission post and extensive work to bring a Manse into a habitable state for a new Minister.

At the end of the year the General reserves stood at £1,563,009 (2021 - £1,669,659) 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 £13,729 (2021 - £16,753) principally as a result of the MTF levy taken on the value of the funds held at TMCP. The principal transfers during the year were to cover ongoing expenditure referred to above with monies being received into the fund from the Manse disposal referred to earlier.

At the year end the Model Trust Fund stood at £344,678 (2021 - £317,709). 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 £2,351 (2021 - £4,358). This arose largely as a result of the loss of income after the decision was taken to market the property for sale. During the year net transfers out were made of £876 (2021 - £2,858) to cover some of the ongoing costs being experienced by the Circuit whilst the property was marketed.

- D) The restricted fund produced a deficit (2021 - Surplus) before transfers of £3,387 (2021 - £862). Income for the year arose largely due to the receipt of interest and dividends on monies held within TMCP and losses arose largely as result of investment losses (2021 - Gains) on endowed Funds. Net investment income of £876 (2021 - £724) 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 monies were used to provide funding in support of the final year of the Circuit support for the Families and Children's worker. At the year end, restricted funds amounted to £68,686 (2021 - £79,634). These monies are held in a mix of TMCP Investment and deposit accounts.

## **Wolverhampton Methodist Circuit**

### **Trustees Report**

**For the year ended 31 August 2022**

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

The Circuit Trustees are satisfied with the overall result achieved for the year against a backdrop the backdrop of the economic crisis affecting us all.

The Budget set for 2022/23 is for a breakeven position before depreciation is charged. Trustees continue to monitor against this.

#### **Going Concern**

The Trustees have prepared detailed forecasts through to 31 August 2024. 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 2023.

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 2022

#### 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 viability and future of the Circuit 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 2022 free reserves meet these criteria. The reserves held at the end of the year were as follows:

	£
<i>Unrestricted funds</i>	
General Fund	1,563,009
Model Trust Fund	344,678
	<hr/>
	<b>1,907,687</b>
	<hr/>
<i>Designated funds</i>	
Wednesfield Methodist Church Funds	3,659
	<hr/>
	<b>3,659</b>
	<hr/>
<i>Total unrestricted funds</i>	<b>1,911,346</b>
	<hr/>
Surplus Funds	10,358
Endowed Funds from Wednesfield Methodist Church	58,328
	<hr/>
<i>Total restricted funds</i>	<b>68,686</b>
	<hr/>
<b>Total funds</b>	<b>1,980,032</b>
	<hr/>
Less: Tied up in freehold property and fixtures	(1,464,001)
Restricted Funds	(68,686)
	<hr/>
	<b>(1,532,687)</b>
	<hr/>
<b>Total readily available reserves</b>	<b>447,345</b>
	<hr/>

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 2022**

#### **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 Dr Joanne Cox-Darling**  
**Superintendent Minister**

Date: 3/3/23

## **Wolverhampton Methodist Circuit**

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

#### **For the year ended 31 August 2022**

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.

## **Wolverhampton Methodist Circuit**

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

**For the year ended 31 August 2022**

#### **Opinion**

We have audited the financial statements of Wolverhampton Methodist Circuit for the year ended 31 August 2022 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 2022, 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.



## **Wolverhampton Methodist Circuit**

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

**For the year ended 31 August 2022**

#### **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.

## **Wolverhampton Methodist Circuit**

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

**For the year ended 31 August 2022**

#### **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.

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below.

In planning and designing our audit tests we identify and assess the risks of material misstatement within the financial statements, whether due to fraud or error. Our assessment of these risks includes consideration of the nature of the industry and sector, the control environment and the charity performance along with the results of our enquiries of management about their own identification and assessment of risks and irregularities. In common with all audits under ISAs (UK), we are also required to perform specific procedures to respond to the risk of management override. We also obtained an understanding of the legal and regulatory frameworks that the charitable company operates in, focusing on provisions of those laws and regulations that had a direct effect on the determination of material amounts and disclosures in the financial statements. The key laws and regulations we considered in this context included the UK Companies Act, Charities Act, UK tax legislation and other laws and regulations identified as risk areas identified from our discussions with management.

We communicated relevant identified laws and regulations and potential fraud risks to all engagement team members including internal specialists, and remained alert to any indications of fraud or non-compliance with laws and regulations throughout the audit.

After consideration of the above risks we then carried out audit procedures including the following:

- performing analytical procedures to identify any unusual or unexpected relationships that may indicate risks of material misstatement due to fraud;
- reading minutes of trustees meetings;
- reviewing correspondence with H M Revenue & Customs;
- enquiring of management and reviewing any correspondence with legal advisors concerning actual and potential litigation and claims;
- reviewing the financial statement disclosures and testing to supporting documentation to assess compliance with provisions of relevant laws and regulations described as having a direct effect on the financial statements;
- in addressing the risk of fraud through management override of controls, testing the appropriateness of journal entries and other adjustments; assessing whether the judgements made in making accounting estimates are indicative of a potential bias; and evaluating the business rationale of any significant transactions that are unusual or outside the normal course of business.



## **Wolverhampton Methodist Circuit**

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

**For the year ended 31 August 2022**

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

There are inherent limitations in our audit procedures described above. The more removed that the laws and regulations are from financial transactions the less likely it is that we would be aware of non-compliance. Auditing standards also limit the audit procedures required to identify non-compliance with laws and regulations to enquiry of the trustees and other management and the inspection of regulatory and legal correspondence, if any. Material misstatements that arise due to fraud can be harder to detect than those that arise from error as they may involve deliberate concealment or collusion.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at [www.frc.org.uk/auditorsresponsibilities](http://www.frc.org.uk/auditorsresponsibilities). This description forms part of our auditor's report.

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.



Murns Baker Jones Limited  
Statutory Auditor  
Regent House  
Bath Avenue  
Wolverhampton  
West Midlands  
WV1 4EG

Date: *3 April 2023*

# Wolverhampton Methodist Circuit

## Statement of Financial Activities (SOFA)

For the year ended 31 August 2022

		General Fund (Unrestricted)	Circuit Model Trust Fund (Unrestricted)	Designated Funds	Restricted Funds	Totals 2022	Totals 2021
	Note	£	£	£	£	£	£
<b>Income</b>							
Donations and legacies	9	1,000				<b>1,000</b>	2,003
Charitable activities:							
Assessment or share	6	360,378				<b>360,378</b>	360,825
Grants	8	1,133				<b>1,133</b>	8,651
Other income	10	105,900		3,707		<b>109,607</b>	101,080
Investment income:							
Income from monetary investments		342	2,607		1,565	<b>4,514</b>	3,610
Property disposal	7	120,943				<b>120,943</b>	-
<b>Total Income</b>		<b>589,696</b>	<b>2,607</b>	<b>3,707</b>	<b>1,565</b>	<b>597,575</b>	476,169
<b>Expenditure on</b>							
Charitable activities:							
Salaries and associated costs	12	359,445		3,043		<b>362,488</b>	354,587
District assessment		90,524				<b>90,524</b>	87,714
MTF levy		-	13,212			<b>13,212</b>	18,240
Property Costs	14	66,059		3,015		<b>69,074</b>	83,108
Office Expenses	15	12,381				<b>12,381</b>	8,7765
Depreciation		19,080				<b>19,080</b>	27,130
Other outgoings	16, 17	115,596	913		177	<b>116,686</b>	42,084
Grants and donations	11	1,000				<b>1,000</b>	-
<b>Total Expenditure</b>		<b>664,085</b>	<b>14,125</b>	<b>6,058</b>	<b>177</b>	<b>684,445</b>	621,639
<b>Net Income/ (expenditure)</b>		<b>(74,389)</b>	<b>(11,518)</b>	<b>(2,351)</b>	<b>1,388</b>	<b>(86,870)</b>	(145,470)
Gains/(deficits) on investments			(2,211)		(4,775)	<b>(6,986)</b>	(14,870)
Transfers between funds	18	(32,262)	40,699	(876)	(7,561)	-	-
<b>Net movement in funds</b>		<b>(106,651)</b>	<b>26,969</b>	<b>(3,227)</b>	<b>(10,947)</b>	<b>(93,856)</b>	(130,600)
<b>Total funds brought forward</b>		1,669,659	317,709	6,886	79,634	<b>2,073,888</b>	2,204,488
<b>Total funds carried forward at end of year</b>		<b>1,563,009</b>	<b>344,678</b>	<b>3,659</b>	<b>68,686</b>	<b>1,980,032</b>	2,073,888

# Wolverhampton Methodist Circuit

## Statement of financial position

As at 31 August 2022

	Notes	General Fund (Unrestricted) £	Circuit Model Trust Fund (Unrestricted) £	Designated Funds (Unrestricted) £	Restricted Funds £	Totals 2022 £	Totals 2021 £
<b>Fixed Assets</b>							
Tangible fixed assets	19	1,477,226				<b>1,477,226</b>	1,602,614
Investments with TMCP	20		32,554		58,328	<b>90,882</b>	97,701
		<u>1,477,226</u>	<u>32,554</u>		<u>58,328</u>	<b>1,568,108</b>	1,700,315
<b>Current Assets</b>							
Debtors	21	31,517				<b>31,517</b>	38,353
Investments with TMCP	22		312,124		10,358	<b>322,482</b>	299,642
Central Finance Board Deposits	22	98,017				<b>98,017</b>	80,690
Cash at Bank and in hand	22	13,936		3,659		<b>17,595</b>	18,846
		<u>143,470</u>	<u>312,124</u>	<u>3,659</u>	<u>10,358</u>	<b>469,611</b>	437,531
<b>Creditors:</b> Amounts falling due within one year	25	57,687				<b>57,687</b>	63,958
<b>Net current assets</b>		85,783	312,124	3,659	10,358	<b>411,924</b>	373,573
<b>Total assets less current liabilities</b>		<u>1,563,009</u>	<u>344,678</u>	<u>3,659</u>	<u>68,686</u>	<b>1,980,032</b>	2,073,888
<b>Net assets</b>		<u>1,563,009</u>	<u>344,678</u>	<u>3,659</u>	<u>68,686</u>	<b>1,980,032</b>	2,073,888
<b>Funds of the circuit</b>							
<b>General Fund (Unrestricted)</b>	26.1	1,563,009				<b>1,563,008</b>	1,669,659
<b>Circuit Model Trust Fund (Unrestricted)</b>	26.1		338,613			<b>338,613</b>	309,433
<b>Revaluation Fund (Unrestricted)</b>	26.1		6,065			<b>6,065</b>	8,276
<b>Designated Fund (Unrestricted)</b>	26.2			3,659		<b>3,659</b>	6,886
<b>Other Funds (Restricted)</b>	27				61,943	<b>61,943</b>	68,116
<b>Revaluation Fund (Restricted)</b>	27				6,743	<b>6,743</b>	11,518
		<u>1,563,009</u>	<u>344,678</u>	<u>3,659</u>	<u>68,686</u>	<b>1,980,032</b>	2,073,888
<b>Total Funds</b>	28	<u>1,563,009</u>	<u>344,678</u>	<u>3,659</u>	<u>68,686</u>	<b>1,980,032</b>	2,073,888

The financial statements were approved by the Trustees on 3/3/23 and signed on their behalf by:



Mr R Turton  
Treasurer



# Wolverhampton Methodist Circuit

## Cash flow statement

For the year ended 31 August 2022

	Notes	2022 £	2021 £
<b>Cash from operating activities</b>			
Deficit for the year		(86,870)	(145,470)
<i>Adjustments for:</i>			
Depreciation		19,080	27,130
Decrease/(increase) in debtors		6,836	-
Increase/(decrease) in creditors		(6,271)	(10,651)
Surplus on Fixed Asset disposal		(120,943)	-
		<b>(101,298)</b>	(24,469)
<b>Net cash used in operating activities</b>		<b>(188,168)</b>	(132,158)
<b>Cash flows from investing activities</b>			
Purchase of tangible assets		(60,050)	(11,586)
Purchase of fixed asset investments		(167)	(849)
Proceeds from Fixed Asset disposal		287,301	-
<b>Net cash (used in)/from investing activities</b>		<b>227,084</b>	(12,435)
<b>Change in cash and cash equivalents in the period</b>		38,916	(144,593)
Cash and cash equivalents at start of period		399,178	543,771
<b>Cash and cash equivalents at the end of the period</b>	22	<b>438,094</b>	399,178

## **Wolverhampton Methodist Circuit**

### **Notes to the accounts**

**As at 31 August 2022**

#### **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.

##### **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 note 28 to these accounts. Any funds may be represented by more than just cash.

##### **Taxation**

The charity, is a registered charity and has no taxable activities.

##### **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 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 one lay employee 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.

## **Wolverhampton Methodist Circuit**

### **Notes to the accounts**

**As at 31 August 2022**

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

##### **Going concern**

Based upon operational budgets and cash flow projections together with the close monitoring of the continuing 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.

##### **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.



## **Wolverhampton Methodist Circuit**

### **Notes to the accounts**

**As at 31 August 2022**

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

##### **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. There is one exception to this where the cost of improvement works to a manse is being written off over a 5 year period to accord with its estimated useful life. 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.

**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.

## Wolverhampton Methodist Circuit

### Notes to the accounts

As at 31 August 2022

#### 4. Payment to Trustees

None of the Trustees received any remuneration during the year (2021 - £nil).

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

	2022	2021
Number of trustees who were paid expenses	1	1
	<hr/>	<hr/>
	2022 £	2021 £
Total amount paid	43	95
	<hr/>	<hr/>

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

	2022 £	2021 £
Included within 'other expenditure' are the following: Auditors' fee for reporting on the accounts	3,050	3,140
	<hr/>	<hr/>

#### 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, the ability of the Church 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 until 31 August 2021 is under the responsibility of the URC under a sharing Agreement. From 1 September 2021 the Church has been the responsibility of the Methodist Circuit under the same sharing agreement. Under this agreement it paid £38,000 (2021 - £6,960) which is included in the total assessments of £360,378 (2021 - £360,825) included within these accounts.

At the year end, amounts totalling £63 (2021 - £3,288) 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

During the year the Circuit disposed of one manse realising a surplus of £120,943 over the book carrying value of £169,057. TMCP also took a levy on sale proceeds of £90,920. Under Methodist convention the net proceeds of sale were placed into the Circuit Model Trust Fund for future use.

There were no capital disposals in 2021.

## Wolverhampton Methodist Circuit

### Notes to the accounts

As at 31 August 2022

#### 8. Grants

The Circuit was in receipt of grants from District Funds totalling £1,133 (2021 - £nil) and from the Government Job Retention Scheme in respect of several lay workers amounting to £nil (2021 - £8,651).

#### 9. Donations and legacies

Donations and legacies comprising 2 legacies of £500 each and totalling £1,000 (2021 - £2,003) were received into the General Fund and £nil (£nil) into the Model Trust Fund during the current year.

#### 10. Other Charitable income

The Circuit was in receipt of the following other income:

	<b>General £</b>	<b>Designated £</b>	<b>2022 Total £</b>	<b>2021 Total £</b>
Church lay contributions	48,123	-	48,123	47,239
Rent from empty manses	14,736	-	14,736	24,008
Use of Wednesfield Church premises	-	3,707	3,707	4,642
Use of Darlington Street Premises	-	-	-	2,011
Shared Costs of Minister shared with Queens College	23,942	-	23,942	23,012
Sundry Income including recovered costs on sales of Darlington Street of £18,799	19,099	-	19,099	168
	<b>105,900</b>	<b>3,707</b>	<b>109,607</b>	101,080

#### 11. Grants and donations

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

	<b>2022 Total £</b>	<b>2021 Total £</b>
Trinity Codsall	1,000	-
	<b>1,000</b>	-



## Wolverhampton Methodist Circuit

### Notes to the accounts

As at 31 August 2022

#### 12. Staff costs

	2022 £	2021 £
<b>Staff costs paid during the year were:</b>		
Gross wages, salaries and benefits in kind	264,287	265,661
Employer's National Insurance costs	19,250	19,481
Pension costs	49,319	49,230
Other non-payroll costs	29,632	20,215
	<hr/>	<hr/>
Total staff costs	<b>362,488</b>	<b>354,587</b>
	<hr/>	<hr/>
<b>Average number of full-time equivalent employees in the year were:</b>	<b>16</b>	<b>16</b>
	<hr/>	<hr/>

No employee earned more than £60,000 (2021 - £60,000) in the year.

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

	2022 £	2021 £
Ministry	278,441	266,213
Gross cost of lay support	84,047	88,374
	<hr/>	<hr/>
	<b>362,488</b>	<b>354,587</b>
	<hr/>	<hr/>

Gross lay support costs are part funded through Church lay contributions as detailed in note 10 above totalling £48,123 (2021 - £47,239). The Cost of lay support therefore funded directly by the Circuit was £35,924 (2021 - £41,135).

During the year ended 31 August 2022 no lay workers were made redundant (In 2021, 3 lay workers were made redundant and the 2021 cost therefore reflects the severance costs involved). However the direct employment of the families and children's worker formerly employed by the Circuit was taken over by two Circuit Churches from April 2022 and therefore the relevant costs and contributions relevant to the Circuit ceased from that date.

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.

## Wolverhampton Methodist Circuit

### Notes to the accounts

As at 31 August 2022

#### 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.

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 (2021 - 1) 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

	2022	2021
	£	£
Property Maintenance	11,085	13,520
Rental of manses	16,978	14,241
Insurance	17,038	35,875
Utilities (principally rates, light and heat at Wednesfield, Stowlawn and Fordhouses and water rates)	23,973	19,472
	<hr/>	<hr/>
	<b>69,074</b>	<b>83,108</b>

The above Costs include £3,015 (2021 - £5,957) incurred in respect of the Wednesfield property and this has been charged to the Designated Fund.

The above costs include £4,970 (2021 - £31,481) in respect of the Circuit's responsibilities for Darlington Street Methodist Church after its congregation ceased to meet.

#### 15. Office expenses

	2022	2021
	£	£
Printing, postage and stationery	561	862
Use of office and facilities	4,913	4,799
Audit fee	3,050	3,140
Training	3,857	(25)
	<hr/>	<hr/>
	<b>12,381</b>	<b>8,776</b>

Following 2 years which were impacted significantly by Covid-19 training and strategic learning exercises have recommenced hence this years' level training of expenditure.



## Wolverhampton Methodist Circuit

### Notes to the accounts

As at 31 August 2022

#### 16. Other outgoings

	2022 £	2021 £
Pulpit supply	5,618	-
Inspections and legal fees	15,996	38,658
Sundry outgoings	178	291
Mission and outreach	2,884	2,195
TMCP levies (charged to MTF and Restricted Fund)	92,010	940
	<hr/>	<hr/>
	<b>116,686</b>	<b>42,084</b>
	<hr/>	<hr/>

The above costs include £nil (2021 - £28,591) in respect of legal, consultancy advice and marketing costs in respect of Darlington Street Methodist Church.

The TMCP levies include £90,090 (2021 - £nil) paid on the net sale proceeds realised upon the sale of one manse in the year.

#### 17. Investment management

During the year the Circuit paid £913 (2021 - £940) to TMCP, the custodians of the District's investments within the MTF.

#### 18. Transfers between funds

A sum of £6,181 (2021 - £5,980) was withdrawn from the Restricted Surplus Funds account to contribute to the mission work of and the work of a Children and Families worker and £1,380 (2021 - £2,858) to contribute to ongoing Circuits costs. A net sum of £40,699 (2021 - £53,768) was transferred to the Model Trust Fund from the General Fund in respect of monies required to support the work of the City Centre Mission £33,750, monies needed to prepare a manse for occupation by an incoming minister together with major renovation work on 2 other manses and to cover the ongoing costs associated with the closed churches at Fordhouses and Stowlawn. These totalled £121,900. There was also a transfer from the General fund to the Model Trust Fund in respect of £196,349 in respect of the net proceeds (after levy and costs) of the manse sold in the year.

A further sum of £876 (2021 - £nil) was transferred from the designated fund related to the Circuit Costs at Wednesfield 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 2022**

### **19. Tangible fixed assets**

#### **Cost or valuation**

	Manses £	Fixtures, fittings and Equipment £	Total £
At 31 August 2021	1,683,178	82,285	1,765,463
Additions	55,670	4,380	60,050
Disposals	(176,188)	-	(176,188)

**At 31 August 2021**

**1,562,660**

**86,665**

**1,649,325**

#### **Depreciation**

At 31 August 2021	93,890	68,959	162,849
Charge for year	14,599	4,481	19,080
Disposals	(9,830)	-	(9,830)

**At 31 August 2022**

**98,659**

**73,440**

**172,089**

#### **Net book value**

At 31 August 2021	1,589,288	13,326	1,602,614
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**At 31 August 2022**

**1,464,001**

**13,225**

**1,477,226**

### **20. Fixed Asset Investments**

	<b>2022 £</b>	<b>2021 £</b>
Cost brought forward	97,701	81,982
Additions	167	849
Unrealised (losses)/gains on revaluation	(6,986)	14,870
Cost carried forward	<b>90,882</b>	<b>97,701</b>

## Wolverhampton Methodist Circuit

### Notes to the accounts

As at 31 August 2022

#### 21. Debtors

	2022 £	2021 £
Trade Debtors	63	3,288
Prepayments	28,594	31,781
Short term loans	2,860	3,284
	<hr/>	<hr/>
	<b>31,517</b>	<b>38,353</b>
	<hr/>	<hr/>

#### 22. Cash and cash equivalents

Cash and cash equivalents comprise the following:

	2022 £	2021 £
Investments with TMCP	322,482	299,642
Central Finance Board deposits	98,017	80,690
Cash at bank and in hand	17,595	18,846
	<hr/>	<hr/>
	<b>438,094</b>	<b>399,178</b>
	<hr/>	<hr/>

#### 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 accounts 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 2022

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

	2022 £	2021 £
Accruals	28,9377	30,182
Assessments in advance	26,877	27,654
Other Creditors	1,873	6,122
	<hr/>	<hr/>
	<b>57,687</b>	<b>63,958</b>
	<hr/>	<hr/>

It is expected that all sums accrued at 31 August 2022 will be paid during the year to 31 August 2023.

Included within other creditors is an amount of £1,729 (2021 - £978) 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 £5,000 (2021 - £5,000) is held in respect of a grant made to Stratton Street that is due for payment in the coming year.

#### 26. Unrestricted Funds

##### 26.1 General Fund – balance of £1,563,009 at 31 August 2022 (2021 - £1,669,659)

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 £344,678 at 31 August 2022 (2021 - £317,709)

These comprise the following four elements:

##### Model Trust Fund – balance of £338,613 at 31 August 2022 (2021 - £309,433)

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 £6,065 at 31 August 2022 (2021 - £8,276)

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 2022

#### 26. Unrestricted Funds (Continued)

##### **Designated Fund - Monies received on the ceasing to meet of Wednesfield Methodist Church – balance of £3,659 at 31 August 2022 (2021 - £6,886)**

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 £10,358 (2021 - £16,531)**

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 £51,585 (2021 - £63,103)**

##### **c) Endowed Funds Revaluation Fund £6,743 (2021 - £11,518)**

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**

<b>Unrestricted Fund Name</b>	Opening balance £	Incoming resources £	Resources Expended £	Gains/ (Losses) £	Transfers £	Closing Balance £
General Fund	1,669,659	589,696	(664,085)	-	(32,262)	1,563,009
Circuit Model Trust Fund	309,433	2,607	(14,125)	-	40,699	338,614
Revaluation Fund	8,276	-	-	(2,211)	-	6,065
<b>Totals</b>	<b>1,987,368</b>	<b>592,303</b>	<b>(678,210)</b>	<b>(2,211)</b>	<b>8,437</b>	<b>1,907,688</b>

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

<b>Unrestricted Fund Name</b>	Opening balance £	Incoming Resources £	Resources Expended £	Gains/ (Losses) £	Transfers £	Closing Balance £
General Fund	1,732,274	468,965	(594,186)	-	62,606	1,669,659
Circuit Model Trust Fund	379,954	1,519	(18,272)	-	(53,768)	309,433
Revaluation Fund	3,059	-	-	5,217	-	8,276
<b>Totals</b>	<b>2,115,287</b>	<b>470,484</b>	<b>(612,458)</b>	<b>5,217</b>	<b>8,838</b>	<b>1,987,368</b>

## Wolverhampton Methodist Circuit

### Notes to the accounts

As at 31 August 2022

#### 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	6,886	3,707	(6,058)	-	(876)	3,659
Totals	<b>6,886</b>	<b>3,707</b>	<b>(6,058)</b>	<b>-</b>	<b>(876)</b>	<b>3,659</b>

##### Designated funds – Previous year

Designated Fund Name	Opening balance £	Incoming resources £	Resources Expended £	Gains/ (Losses) £	Transfers £	Closing Balance £
Wednesfield Designated Fund	14,102	4,642	(9,000)	-	(2,858)	6,886
Totals	<b>14,102</b>	<b>4,642</b>	<b>(9,000)</b>	<b>-</b>	<b>(2,858)</b>	<b>6,886</b>

##### Restricted funds – Current year

Restricted Fund Name	Opening balance £	Incoming resources £	Resources Expended £	Gains/ (Losses) £	Transfers £	Closing Balance £
Surplus Funds Account	16,531	8	-	-	(6,181)	10,358
Wednesfield Endowed Funds	51,585	1,557	(177)	-	(1,380)	51,585
Wednesfield Endowed Revaluation Fund	11,518	-	-	(4,775)	-	6,743
Totals	<b>79,634</b>	<b>1,565</b>	<b>(177)</b>	<b>(4,775)</b>	<b>(7,561)</b>	<b>68,686</b>

##### Restricted funds – Previous year

Restricted Fund Name	Opening balance £	Incoming resources £	Resources Expended £	Gains/ (Losses) £	Transfers £	Closing Balance £
Surplus Funds Account	22,513	73	(75)	-	(5,980)	16,531
Wednesfield Endowed Funds	50,721	970	(106)	-	-	51,585
Wednesfield Endowed Revaluation Fund	1,865	-	-	9,653	-	11,518
Totals	<b>75,099</b>	<b>1,043</b>	<b>(181)</b>	<b>9,653</b>	<b>(5,980)</b>	<b>79,634</b>

## Wolverhampton Methodist Circuit

### Notes to the accounts

As at 31 August 2022

#### 28. Funds (continued)

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 2022 £
<b>Fixed Assets</b>					
Tangible fixed assets	1,477,226				1,477,226
Fixed asset investments		32,554		58,328	90,882
<b>Current Assets</b>					
Debtors	31,517				31,517
TMCP Investments		312,124		10,358	322,482
Deposit accounts	98,017				98,017
Cash at Bank and in hand	13,936		3,659		17,595
<b>Creditors:</b> Amounts falling due within one year	(57,687)				(57,687)
<b>Total</b>	<b>1,563,009</b>	<b>344,678</b>	<b>3,659</b>	<b>68,686</b>	<b>1,980,032</b>

#### 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 £
Donee: District Advance Fund	-	90,526
Donor: Churches within the Circuit in respect of assessments	360,378	-
Donee: Grants to churches within the Circuit	-	1,000

During the year ended 31 August 2022 short term advances totalling £2,860 (2021 - £3,284) were made to Churches. These have been repaid since the year end.

There were no other related party transactions.



## **Wolverhampton Methodist Circuit**

### **Notes to the accounts**

**As at 31 August 2022**

#### **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 2022 (2021 - £nil).

#### **33. Post balance sheet events**

Subsequent to the year end two major transactions have occurred which significantly alter the financial position of the Circuit. They are as follows;

- Following the disposal of Darlington Street Methodist Church during the year, the disposal proceeds were placed into an account administered by TMCP and controlled at District level as a result of the inner City nature of the building. The Circuit meeting felt that this money should have come into the Circuit in order to fund the City Centre mission work focused around the work being done by the Reverend Linda Gilson. We put our case to the District and in September the District agreed to transfer the monies into a Model Trust account controlled directly by the Circuit with the funds being used for City Centre missional work. The amount was received in November 2022 and amounted to £258,985.
- In November 2022 the Circuit disposed of its interest in Fordhouses Methodist Church for a sum, net of levies and sale costs, of £330,195. This money is held in our Model Trust Fund and is available for use on general projects and to support the missional work of the Circuit provided the uses meet the criteria set by TMCP.