

Circuit Number 2801

Wolverhampton Methodist Circuit
REPORT AND FINANCIAL STATEMENTS
For the year ended 31 August 2023
(Charity Number 1135146)

Muras Baker Jones Limited
Chartered Accountants
Wolverhampton

Wolverhampton Methodist Circuit

Contents

For the year Ended 31 August 2023

Administrative Information	2
Trustees' Annual Report	4
Statement of Trustees' Responsibilities	13
Auditors' report	14
Statement of Financial Activities	18
Statement of Financial Position	19
Cash Flow Statement	20
Notes to the financial statements	21

Wolverhampton Methodist Circuit

Administrative Information

Registered Charity Number	1135146	
Superintendent Minister:	Revd. Dr Joanne Cox-Darling	
Ministers in the active work:	Revd. Steve Jackson Revd. Christopher Parkes Revd. Rosemary Nash	Revd. Paul Nzacahayo Revd. Teddy Siwila Deacon Linda Gilson
Senior Steward:	David Crook	
Circuit Stewards:	James Peterson Andre Burns Alan Eccles	Gabriel Gidi Lesley Cook. Edward Bridgwood
Circuit Treasurer:	Rob Turton FCA	
Other Trustees:	Revd. Glennys Bamford Revd. Ken Collins Revd. Robert Readshaw Revd. Trevor Pratt Margaret Mottram Iris Gamble Judy Brown Richard French Brenda Shuttleworth Nicola Turner Sue Readshaw Lyn Price Diana Beaumont Elaine Jones Gill Silvester Eric Robinson Robert Fellows Christine Westwood Trevor Starling Marie Lane Diane Cripps Nicola Jones Gail Cresswell Beryl Batham Michael Dickenson Sally Parker Dennis Doughty Martin Cresswell Nadine Brown Jean Ordidge Abigale Day Dennis Doughty Naomi Fearnley Janet Evans	Revd. John Barrett Revd. Margaret Heim Revd. David Wheeler Revd. Ivor Sperring Sister Betty Vaughan Christine Lees Sue Crook Dorothy Howells Liz Macer –Wright George Tonks Phillip Shuttleworth Brian Juggins Liz Porteous Jenny Ridgway Peter Share Janet Punfield 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 Juliet Bangure Ian Priest Marilyn Pratt Nicki Hale Melvyn Mottram

Wolverhampton Methodist Circuit

Administrative Information

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
Investment advisors:	Trustees for Methodist Church Purposes(TMCP) Central Buildings Oldham Street Manchester M1 1JQ
Solicitors:	Anthony Collins LLP 134 Edmund Street Birmingham B3 2ES

Wolverhampton Methodist Circuit

Trustees Report

For the year ended 31 August 2023

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 2023

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
Hurst hill
Lanesfield
Rakegate
Springdale
St Johns
Stratton Street
Upper Ettingshall
Wombourne

As previously reported 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 the disposal of its Church buildings in October 2021. The net proceeds of sale of the property of £302,918 were held by the District but agreement was reached after the year end for these monies to be placed into the Circuit Model Trust fund with the specific aim of supporting the City Centre Mission work commenced through the appointment of a Deacon on 1 September 2021. This money was received into the Circuit in November 2022.

Further to this the Circuit continues to manage Wednesfield Methodist Church ,whose congregation ceased to meet several years ago, and Stowlawn Methodist Church ,whose congregation ceased to meet in 2021. These properties are currently held for disposal and the Circuit is bearing the costs associated with the Church Buildings until they can be sold.

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 2023

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 7 ordained Presbyters who received stipends for their roles. The Circuit also employs several key lay support workers who are paid for from Church contributions, donations and Circuit funds.

Additional support continued to be provided by retired ministers who continued to have closer day to day involvement with several 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 31 August 2023 Rev Samantha Haggerman left the Circuit to become the Superintendent Minister of the Cannock Chase Circuit. We thank her for the service that she gave to the Circuit during her time with us.

On 1 September 2023 we welcomed Rev Christopher Parkes to the Circuit on a reduced hour's basis.

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 have taken this forward during the year and have developed a circuit vision for the future which has been shared with our Circuit meeting and Churches. The aim being to improve our use of resources, to provide missional leadership to support growth and to ease the current burden on our Presbyters and Leadership Team, all of this whilst acknowledging that our problems are the same as those the Church faces generally in the light of a general lack of people able to carry out the roles that Church Trusteeship requires in the modern world.

The structure finally agreed upon by the Circuit meeting is currently being laid before individual Church Councils with the aim that Churches will report back into the February 2024 Circuit meeting with a final vote on the structure then taken. If agreed the structure from 1 September 2025 will see the formation of 3 hubs of equal size together with the City Centre Mission work which will remain as it is now. As an LEP St Andrews will remain as part of the Circuit but will not be part of a hub.

The hub structures will eventually see each hub registered as a Charity with their own Trustee body who will oversee the running and finances of the Churches in the hub.

In February 2023 the activities and finances of the City Centre Pioneer Ministry, led by Nicola Turner, were transferred to the Circuit having previously been a shared responsibility with the Lichfield Diocese. The transfer will further strengthen our City Centre missional work.

The property at Fordhouses was sold as planned in late 2022. Stowlawn has also been marketed successfully and a sale of this property was completed in November 2023. The property at Wednesfield is currently under offer and it is hoped will proceed to a sale before the end of 2023. The empty manse at Lewis Street, Bilston, is also on the market for disposal and will be auctioned during the current year.

The eventual disposal of the above properties will take a considerable burden away from the Circuit finances and leadership and also reduce the outgoings of the Circuit.

Wolverhampton Methodist Circuit

Trustees Report

For the year ended 31 August 2023

The Ministers, Trustees and senior leadership team continue to believe that the implementation of the Strategic Vision for the Circuit as described above 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.

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 2023 continued to present significant challenges that the Circuit has had to deal with. The effects of some of these, some of 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.

One of our Churches, Bilston Methodist Church, took the decision during the year to cease to meet and its final service was held on 30 November 2023. The responsibility for the Church will transfer to the Circuit on that date. The potential uses of the Church building are currently under consideration and, as yet, no firm decision has been taken on retention or disposal of the buildings. This will be done in the coming months.

Wolverhampton Methodist Circuit

Trustees Report

For the year ended 31 August 2023

Further to the above there continue to be several other 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 further 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 and has been fed into the planned future Hub structure of the Circuit.

Our City Centre Mission work led by Deacon Linda Gilson continues to develop and grow and, as mentioned earlier, it has been further strengthened by bringing the work of the Wolverhampton Pioneer Ministry under our control. The ministry will operate as part of the Missional work being undertaken by Deacon Linda Gilson. Funding for this work will come from the Model Trust monies held following the sale of Darlington Street together with the balance of the monies held within WPM at the point of the transfer of responsibility. These amounted to just over £33000. This is an exciting development for the Circuit and its Mission and we are already seeing signs of how this missional work is benefiting the City.

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.

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 2023

Financial Report

The result for the year shows an overall surplus of £571,207 (2022 deficit – £93,856). The result is split across funds as follows:

General fund	£ 16,258	(2022 - £106,651)	Surplus (deficit)
Circuit Model Trust Fund	£565,249	(2022 - £26,969)	Surplus (deficit)
Designated Funds	£(1,635)	(2022 - £3,227)	Deficit for both years
Restricted Funds	£(8,667)	(2022 - £10,947)	Deficit for both years

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

- A) The General Fund produced a surplus for the year of £16,258 (2022 – deficit £106,651) after transfers from other Funds. Before transfers the fund was in deficit by £58,080 (2022 - £74,389). The pre-transfer result is after depreciation of £27,201 (2022 - £19,080) has been charged.

The actual result before depreciation was a deficit of £30,879 (2022 - £55,309). This is explained by the decision the Circuit took in previous years to fund a deficit budget. This is the case in the current year too.

In total net transfers of £74,338 (2022 - £32,262) were made from other funds. These were largely monies withdrawn from Model Trust Funds to support the ongoing work of the Circuit and the City Centre Mission post.

At the end of the year the General reserves stood at £1,579,267 (2022 - £1,563,009) 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 produced an operating surplus before transfers of £565,249 (2022 -£13,729) principally as a result of the receipt of monies through the District in respect of the Darlington Street sale, together with the proceeds from the sale of Ford houses Methodist Church .These amounts were received after deduction of the levy taken on sale proceeds and the annual levy on the value of the funds held at TMCP. The principal transfers during the year were to cover the ongoing expenditure referred to above.

At the year end the Model Trust Fund stood at £909,928 (2022 - £344,678). 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 £1,635 (2022 – £2,351). 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 in were made of £9,382 (2022 - £876) to cover most of the ongoing costs being experienced by the Circuit whilst the property is marketed.
- D) The restricted fund produced a deficit (2021 - Surplus) after transfers of £8,667(2022 - £3,387). 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 and transfers of £7,950 made to other funds. Net investment income of £1,926 (2022 - £876) was transferred to the designated fund for Wednesfield Methodist Church during the year.

Wolverhampton Methodist Circuit

Trustees Report

For the year ended 31 August 2023

Financial Report (Cont.)

The other movements on restricted funds related to the Surplus Funds account. At the year end, restricted funds amounted to £60,019 (£68,686). 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 the backdrop of the economic constraints which affect us all.

The Budget set for 2023/24 is for a deficit position as Churches continue to struggle to meet the levels of assessment that the Circuit requires. Trustees continue to monitor against this.

Going Concern

The Trustees have prepared detailed forecasts through to 31 August 2025. 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 2025.

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 2023

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 2023 free reserves meet these criteria. The reserves held at the end of the year were as follows:

	£
<i>Unrestricted funds</i>	
General Fund	1,579,267
Model Trust Fund	909,928
	<hr/>
	2,489,195
	<hr/>
<i>Designated funds</i>	
Wednesfield Methodist Church Funds	2,024
	<hr/>
	2,023
	<hr/>
<i>Total unrestricted funds</i>	2,491,219
	<hr/>
Surplus Funds	4,168
Endowed Funds from Wednesfield Methodist Church	55,851
	<hr/>
<i>Total restricted funds</i>	60,019
	<hr/>
Total funds	2,551,238
	<hr/>
Less: Tied up in freehold property and fixtures	(1,450,771)
Restricted Funds	(60,019)
	<hr/>
	(1,510,790)
	<hr/>
Total readily available reserves	1,040,448
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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 2023

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 of and major items of maintenance within 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: 16 April 2024

Wolverhampton Methodist Circuit

Statement of Circuit Members' Responsibilities

For the year ended 31 August 2023

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 2023

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 2023, 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 2023

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 2023

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 2023

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. 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.



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

Date: *16 April 2024*

Wolverhampton Methodist Circuit

Statement of Financial Activities (SOFA)

For the year ended 31 August 2023

	Note	General Fund (Unrestricted) £	Circuit Model Trust Fund (Unrestricted) £	Designated Funds £	Restricted Funds £	Totals 2023 £	Totals 2022 £
Income							
Donations and legacies	9						1,000.00
Charitable activities:							
Assessment or share	6	362,707				362,707	360,378
Grants	8		305,030			305,030	1,133
Other income	10	157,359		249		157,608	109,607
Investment income:							
Income from monetary investments		3,187	24,879		1,926	29,992	4,514
Property disposal	7		507,991			507,991	120,943
Total Income		523,253	837,900	249	1,926	1,363,328	597,575
Expenditure on							
Charitable activities:							
Salaries and associated costs	12	382,425				382,425	362,488
District assessment		90,737				90,737	90,524
MTF levy			16,294			16,294	13,212
Property Costs	14	50,657		11,266		61,923	69,074
Office Expenses	15	11,763				11,763	12,381
Depreciation		27,200				27,200	19,080
Other outgoings	16, 17	17,551	179,199		166	196,916	116,686
Grants and donations	11	1,000				1,000	1,000
Total Expenditure		581,333	195,493	11,266	166	788,258	684,445
Net Income/ (expenditure)		(58,080)	642,407	(11,017)	1,760	575,070	(86,870)
Gains/(deficits) on investments			(1,388)		(2,477)	(3,865)	(6,986)
Transfers between funds	18	74,338	(75,770)	9,382	(7,950)	-	-
Net movement in funds		16,258	565,249	(1,635)	(8,667)	571,205	(93,856)
Total funds brought forward		1,563,009	344,679	3,659	68,686	1,980,033	2,073,888
Total funds carried forward at end of year		1,579,267	909,928	2,024	60,019	2,551,238	1,980,032

Wolverhampton Methodist Circuit

Statement of financial position

As at 31 August 2023

	Note	General Fund (Unrestricted) £	Circuit Model Trust Fund (Unrestricted) £	Designated Funds (Unrestricted) £	Restricted Funds £	Totals 2023 £	Totals 2022 £
Fixed Assets							
Tangible fixed assets	19	1,450,771				1,450,771	1,477,226
Investments with TMCP	20		31,402		55,851	87,253	90,882
Current Assets	21	65,065				65,065	31,517
Debtors	22		878,526		4,168	882,694	322,482
Investments with TMCP							
Central Finance Board	22	111,454				111,454	98,017
Deposits							
Cash at Bank and in hand	22	5,421		2,024		7,445	17,595
		<u>181,941</u>	<u>878,526</u>	<u>2,024</u>	<u>4,168</u>	<u>1,066,658</u>	<u>469,611</u>
Creditors: Amounts falling due within one year	25	53,444				53,444	57,687
Net current assets		128,496	878,526	2,024	4,166	1,013,214	411,924
Total assets less current liabilities		1,579,267	909,928	2,024	60,019	2,551,247	1,980,032
Net assets		1,579,267	909,928	2,024	60,019	2,551,238	1,980,032
Funds of the circuit							
General Fund (Unrestricted)	26.1	1,579,267				1,579,267	1,563,008
Circuit Model Trust Fund (Unrestricted)	26.2		905,251			905,251	338,613
Revaluation Fund (Unrestricted)	26.2		4,677			4,677	6,065
Designated Fund (Unrestricted)	26.2			2,024		2,024	3,659
Other Funds (Restricted)	27				55,751	55,751	61,943
Revaluation Fund (Restricted)	27				4,268	4,268	6,743
Total Funds	28	1,579,267	909,928	2,024	60,019	2,551,238	1,980,032

The financial statements were approved by the Trustees on 16 Nov 2024 and signed on their behalf by:



Mr R Turton - Treasurer

Wolverhampton Methodist Circuit

Cash flow statement

For the year ended 31 August 2023

	Notes	2023 £	2022 £
Cash from operating activities			
Surplus(Deficit) for the year		575,070	(86,870)
<i>Adjustments for:</i>			
Depreciation		27,200	19,080
Decrease/(increase) in debtors		(33,548)	6,836
Increase/(decrease) in creditors		(4,243)	(6,271)
Surplus on Fixed Asset disposal		(507,991)	(120,943)
		(518,581)	(101,298)
		<hr/>	<hr/>
Net cash generated by (used in)operating activities		56,489	(188,168)
		<hr/>	<hr/>
Cash flows from investing activities			
Purchase of tangible assets		(745)	(60,050)
Purchase of fixed asset investments		(236)	(167)
Proceeds from Fixed Asset disposal		507,991	287,301
		<hr/>	<hr/>
Net cash (used in)/from investing activities		507,010	227,084
		<hr/>	<hr/>
Change in cash and cash equivalents in the period		563,499	38,916
Cash and cash equivalents at start of period		438,094	399,178
		<hr/>	<hr/>
Cash and cash equivalents at the end of the period	22	1,001,593	438,094
		<hr/>	<hr/>

Wolverhampton Methodist Circuit

Notes to the accounts

As at 31 August 2023

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 2023

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 2023

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 2023

4. Payment to Trustees

None of the Trustees received any remuneration during the year (2022 - £nil).

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

	2023	2022
Number of trustees who were paid expenses	1	1
	<hr/>	<hr/>
	2023	2022
	£	£
Total amount paid	202	43
	<hr/>	<hr/>

5. Fees for examination or audit of the accounts

	2023	2022
	£	£
Included within 'other expenditure' are the following:		
Auditors' fee for reporting on the accounts	2,460	3,050
	<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 was 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 £39,672 (2022 - £38,000) which is included in the total assessments of £362,707 (2022 - £360,378) included within these accounts.

At the year end, amounts totalling £796 (2022 - £63) 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 empty Church realising a surplus of £ 507,991. TMCP also took a levy on sale proceeds of £179,197. Under Methodist convention the net proceeds of sale were placed into the Circuit Model Trust Fund for future use.

One Manse was disposed of in 2022 realising a surplus of £120,943 over book value. A levy was paid to TMCP on gross sale proceeds of £90,920.

Wolverhampton Methodist Circuit

Notes to the accounts

As at 31 August 2023

8. Grants

The Circuit was in receipt of grants from District Funds totalling £nil (2022 - £1,133).

During the year the empty Church at Darlington Street was disposed of with the proceeds being paid into a District Fund in accordance with Methodist Protocols. The Circuit applied for the net proceeds to be granted to the Circuit to fund the important work of our City Centre Mission. This application was successful and an amount of £305,030 was received into our Model Trust Fund during the year. This amount is ring-fenced for City Centre mission work as further detailed in Note 26.

9. Donations and legacies

Donations and legacies totalling £nil (2022 - £1,000) 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:

	General £	Designated £	2023 Total £	2022 Total £
Church lay contributions	66,725		66,725	48,123
Rent from empty manses	12,650		12,650	14,736
Use of Wednesfield Church premises	-	-	-	3,707
Shared Costs of Minister shared with Queens College	25,024		25,024	23,942
Sundry Income including donations to the work of the city centre mission of £44,673	52,960	249	53,209	19,099
	<hr/>	<hr/>	<hr/>	<hr/>
	157,359	249	157,608	109,607
	<hr/>	<hr/>	<hr/>	<hr/>

11. Grants and donations

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

	2023 Total £	2022 Total £
Trinity Codsall	1,000	1,000
	<hr/>	<hr/>
	1,000	1,000
	<hr/>	<hr/>

Wolverhampton Methodist Circuit

Notes to the accounts

As at 31 August 2023

12. Staff costs

	2023 £	2022 £
Staff costs paid during the year were:		
Gross wages, salaries and benefits in kind	287,484	264,287
Employer's National Insurance costs	21,581	19,250
Pension costs	51,223	49,319
Other non-payroll costs	22,137	29,632
	<hr/>	<hr/>
Total staff costs	382,425	362,488
	<hr/>	<hr/>
Average number of full-time equivalent employees in the year were:	18	16
	<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:

	2023 £	2022 £
Ministry	283,327	278,441
Gross cost of lay support	99,098	84,047
	<hr/>	<hr/>
	382,425	362,488
	<hr/>	<hr/>

Gross lay support costs are part funded through Church lay contributions as detailed in note 10 above totalling £65,848 (2022 - £48,123). The Cost of lay support therefore funded directly by the Circuit was £33,250 (2021 - £35,924).

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.

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.

Wolverhampton Methodist Circuit

Notes to the accounts

As at 31 August 2023

13. Pensions (Cont)

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.

14. Property costs

	2023 £	2022 £
Property Maintenance	8,137	11,085
Rental of manses	16,581	16,978
Insurance	13,252	17,038
Utilities (principally rates, light and heat at Wednesfield, Stowlawn and Fordhouses and water rates)	23,953	23,973
	<hr/>	<hr/>
	61,923	69,074

The above Costs include £11,265 (2022 - £3,021) incurred in respect of the Wednesfield property and this has been charged to the Designated Fund.

The above costs include £nil (2022 - £4,970) in respect of the Circuit's responsibilities for Darlington Street Methodist Church after its congregation ceased to meet. The costs also include £3082 (2022 - £nil) in respect of the Church at Stowlawn which is now the ongoing responsibility of the Circuit until it is disposed of.

15. Office expenses

	2023 £	2022 £
Printing, postage and stationery	1,601	561
Use of office and facilities	6,296	4,913
Audit fee	3,460	3,050
Training	400	3,857
	<hr/>	<hr/>
	11,763	12,381

Wolverhampton Methodist Circuit

Notes to the accounts

As at 31 August 2023

16. Other outgoings

	2023 £	2022 £
Pulpit supply	5,185	5,618
Inspections and legal fees	11,716	15,996
Sundry outgoings	156	178
Mission and outreach	495	2,884
TMCP levies (charged to MTF and Restricted Fund)	179,364	92,010
	<hr/>	<hr/>
	196,916	116,686
	<hr/>	<hr/>

The TMCP levies include £179,197 (2022 - £90,090) paid on the net sale proceeds realised upon the sale of one church in the year.

17. Investment management

During the year the Circuit paid £1,011 (2022 - £913) to TMCP, the custodians of the District's investments within the MTF.

18. Transfers between funds

A sum of £6,396 (2022 - £6,181) was withdrawn from the Restricted Surplus Funds account to contribute to the mission work of the Circuit and £877 (2022 - £1,380) to contribute to ongoing Circuits costs. A net sum of £76,663 (2022 - £40,699) was transferred from the Model Trust Fund to the General Fund in respect of monies required to support the work of the City Centre Mission

A sum of £9,382 was transferred from the General Fund to the designated fund in order to cover the running costs of the Wednesfield Church

Wolverhampton Methodist Circuit

Notes to the accounts

As at 31 August 2023

19. Tangible fixed assets

Cost or valuation

	Manses £	Fixtures, fittings and Equipment £	Total £
At 31 August 2022	1,562,660	86,665	1,649,325
Additions		745	745
Disposals			

At 31 August 2023

1,562,660	87,410	1,650,070
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Depreciation

At 31 August 2022	98,659	73,440	172,098
Charge for year	23,062	4,138	27,200
Disposals			

At 31 August 2023

121,721	77,578	199,299
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Net book value

At 31 August 2022	1,464,001	13,225	1,477,226
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At 31 August 2023

1,440,939	9,832	1,450,771
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20. Fixed Asset Investments

	2023 £	2022 £
Cost brought forward	90,882	97,701
Additions	236	167
Unrealised (losses)/gains on revaluation	(3,865)	(6,986)
Cost carried forward	87,253	90,882

Wolverhampton Methodist Circuit

Notes to the accounts

As at 31 August 2023

21. Debtors

	2023 £	2022 £
Trade Debtors	796	63
Prepayments and other debtors	61,484	28,594
Short term loans	2785	2,860
	<hr/>	<hr/>
	65,065	31,517

22. Cash and cash equivalents

Cash and cash equivalents comprise the following:

	2023 £	2022 £
Investments with TMCP	882,694	322,482
Central Finance Board deposits	111,454	98,017
Cash at bank and in hand	7,445	17,595
	<hr/>	<hr/>
	1,001,593	438,094

23. Trustees for Methodist Church Purposes

- 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.
- 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.
- 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 2023

25. Creditors – amounts falling due within one year

	2023 £	2022 £
Accruals	19,429	28,937
Assessments in advance	30,807	26,877
Other Creditors	3,208	1,873
	<hr/>	<hr/>
	53,444	57,687
	<hr/>	<hr/>

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

Included within other creditors is an amount of £3,065 (2022 - £1,729) 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 (2022 - £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 £1,579,267 at 31 August 2023 (2022 - £1,563,008)

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 £911,952 at 31 August 2023 (2022 - £348,337)

These comprise the following four elements:

Model Trust Fund – balance of £905,251 at 31 August 2023 (2022 - £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.

Included within this fund is £ 303,179 (2022£ Nil) held for the purposes of supporting the City Centre Mission work within the Circuit

Revaluation Fund – balance of £4,677 at 31 August 2023 (2022 - £6,065)

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 2023

26.2 Unrestricted Funds (Continued)

Designated Fund - Monies received on the ceasing to meet of Wednesfield Methodist Church – balance of £2,024 at 31 August 2023 (2022 - £3,659)

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 £4,166 (2022 - £10,358)

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 (2022 - £51,585)

c) Endowed Funds Revaluation Fund £4,268 (2022 - £6,743)

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	1,563,009	523,253	(581,333)		74,338	1,579,267
Circuit Model Trust Fund	338,614	837,900	(195,493)		(75,770)	905,251
Revaluation Fund	6,065			(1,388)		4,677
Totals	1,907,688	1,361,153	(776,826)	(1,388)	(1,432)	2,489,195

Unrestricted funds – Previous year

Unrestricted Fund Name	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
Totals	1,987,368	592,303	(678,210)	(2,211)	8,437	1,907,688

Wolverhampton Methodist Circuit

Notes to the accounts

As at 31 August 2023

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	3,659	249	(11,266)	-	9,382	2,024
	<u>3,659</u>	<u>249</u>	<u>(11,266)</u>	<u>-</u>	<u>9,382</u>	<u>2,024</u>

Designated funds – Previous year

Designated Fund Name	Opening balance £	Incoming resources £	Resources Expended £	Gains/ (Losses) £	Transfers £	Closing Balance £
Wednesfield Designated Fund	6,886	3,707	(6,058)	-	(876)	3,659
	<u>6,886</u>	<u>3,707</u>	<u>(6,058)</u>	<u>-</u>	<u>(876)</u>	<u>3,659</u>

Restricted funds – Current year

Restricted Fund Name	Opening balance £	Incoming resources £	Resources Expended £	Gains/ (Losses) £	Transfers £	Closing Balance £
Surplus Funds Account	10,358	-	-		(6,190)	4,168
Wednesfield Endowed Funds	51,585	1,926	(166)		(1,760)	51,585
Wednesfield Endowed Revaluation Fund	6,743	-	-	(2,477)	-	4,266
Totals	<u>68,686</u>	<u>1,926</u>	<u>(166)</u>	<u>(2,477)</u>	<u>(7,950)</u>	<u>60,019</u>

Restricted funds – Previous 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	<u>79,634</u>	<u>1,565</u>	<u>(177)</u>	<u>(4,775)</u>	<u>(7,561)</u>	<u>68,686</u>

Wolverhampton Methodist Circuit

Notes to the accounts

As at 31 August 2023

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 2023 £
Fixed Assets					
Tangible fixed assets	1,450,771				1,450,772
Fixed asset investments		31,402		55,851	87,253
Current Assets					
Debtors	65,065				65,065
TMCP Investments		878,526		4,168	882,694
Deposit accounts	111,454				111,454
Cash at Bank and in hand	5,421		2,024		7,444
Creditors: Amounts falling due within one year	(53,444)				(53,444)
Total	1,579,267	909,928	2,023	60,019	2,551,238

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	-	-
Donor: Churches within the Circuit in respect of assessments	362,707	-
Donee: Grants to churches within the Circuit	-	1,000

In addition to the above the Circuit paid the District assessment to the Wolverhampton and Shrewsbury District. This is detailed in the face of the statement of financial activities.

There were no other related party transactions.

Wolverhampton Methodist Circuit

Notes to the accounts

As at 31 August 2023

31. Volunteer contributions

Every entity (Connexion, District, Circuit, and Church) within the Methodist Church in GB is heavily reliant on volunteers who contribute their skills, time and money in the furtherance of the work of the Church. 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 2023 £nil (2022 - £nil).