

Stafford Methodist Circuit

REPORT OF THE TRUSTEES AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31ST AUGUST 2023

REGISTERED CHARITY NUMBER: 135822

STAFFORD METHODIST CIRCUIT

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Reference and Administrative Details for the Year ended 31st August 2023

Principal Address	Circuit Office Asbury House Merrey Road Stafford ST17 9LX
Registered Charity Number	1135822
Independent Examiner	Stephen Hendy Data Developments (UK) Ltd First Floor, The Chubb Buildings Fryer Street Wolverhampton WV1 1HT
Investment Bankers	Central Finance Board of the Methodist Church 9 Bonhill Street London EC2A 4PE The Trustees for Methodist Church Purposes Central Buildings Oldham Street Manchester M1 1JQ

STAFFORD METHODIST CIRCUIT

Reference and Administrative Details for the Year ended 31st August 2023 cont.

The trustees as set out below have held office during the period 1st September 2022 to the date of this report, unless otherwise stated:

Ministers	Rev. D.J. Bintliff Rev. David Middleton (from 1/11/23)	Rev. J. Kaci (until 31/08/22)
Lay workers	Mrs C.A. Hamer Mrs I.J. Wakerell	Mrs L.B. Reade *
Circuit Stewards	Mr P.W. Hardy Mr D.A. Hemingway Dr P.C. Yates (until 19/03/24)	Mrs J. Harrison Mrs J.D. Wood (until 31/12/22) Mr K.B. Day (from 5/12/23)
Circuit Meeting Secretary	*Mrs L.B. Reade	
Local Preachers Representatives	Mr R.D. Johnson (from 12/09/22) Mr I. Mason (from 12/09/22) Mrs J.M. Timmis	
Circuit Representatives to District Synod	Mrs V.E. Bates Mrs M.E. Hemingway	Mr P.W. Hardy Dr S. McCready-Shea
Church Representatives by Church		
Barlaston	Mrs K.A. Ford	Mrs K. Bradburn (until 31/08/23)
Berkswich	Mrs L.M. Westoby Mr A. Lotinga (from 29/03/23)	Mr T.A.S. Goodchild
Bishops Offley	Mrs A. Hardy	Mrs J. Palin
Eccleshall	Mrs M. Embrey Mrs D.H. Kirkham	Mrs C.E. Harper
Gnosall	Mr W.D. Basford Mrs J. Jobling	Mr K.C. Davies
Milwich	Mrs E. Hodson (until 01/07/2023) Mr R.W. Knight (until 01/07/2023) Mr B. Barker (from 01/07/2023) Mrs J. L. Barker (from 01/07/2023)	
Rising Brook	Mr I.F. Baldwin Mrs S. Francis	Mrs I.M. Cantrill (until 13/10/22)
St. John's Stone	Mrs A.E. Dair Mr D.C. Stewart	Mr A.J.A. Lockett (until 22/8/23) Mrs B. Godridge (from 01/09/23)
Trinity Stafford	Miss L.H. Birch (until 31/12/22) Miss W.E. Harris (until 31/12/22) Mr T. Houghton (until 31/12/22) Mr. A.J. Lowe	
Weston	Mrs B. Gillespie	Mr. C. Gillespie

STAFFORD METHODIST CIRCUIT

Report of the Trustees for the Year ended 31st August 2023

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

OBJECTIVES AND ACTIVITIES

Objectives & Aims

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

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

The Circuit produces a bi-monthly preaching plan to ensure the regular acts of worship take place at each of the 7 Methodist Churches and 3 Local Ecumenical Partnerships in its geographical area. The Stafford Circuit is constituted to offer acts of worship in its church communities and to further the mission of the Church in Stafford and across the borough of Stafford. With our primary internal function being that of Christian worship, we aim to provide access to acts of worship in each of the 10 Circuit churches every Sunday.

Our internal structure is based on a Circuit Meeting which meets four times a year; a Local Preachers' meeting which meets around four times a year; Circuit Leadership Team meetings throughout the year, and Staff Meetings which meet monthly. We endeavour to make our meetings focus on the on-going development of the Circuit; they are the place where important decisions are made and within them, we plan our strategies and fulfil our role as Charity Trustees.

Public Benefit

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

Report of the Trustees for the Year ended 31st August 2023

ACHIEVEMENT AND PERFORMANCE

Charitable Activities

2022/2023 has seen a period of reflection as we have moved from pandemic to post-pandemic practices. The ordained staff team remains the same numerically. However, the trust has expressed a desire for a new presbyter to come alongside the newly appointed Superintendent (lead) Presbyter. This means that our current second presbyter has been released back to the connexion for the 2023/2024 year and stationing practices have been undertaken to find a replacement. Within the standard practices of Methodist Stationing, the Circuit was unable to secure the ministry of a new presbyter; however, our New Superintendent, working with the District Chair of Wolverhampton and Shrewsbury district, alongside assistance from the connexional team, the willingness of a minister from the Baptist Union and agreement of the Baptist Union, have managed to secure 5 years of ministry from the Baptist Union from a Pastor, authorised to serve within the Stafford Circuit as a Presbyter from September 2023. While this will affect a staff change for us within next year's report, the administration and work to accomplish this must be seen as part of what the trust has achieved this year. Alongside the Circuit's ordained staffing, the Circuit continues to employ a core team of lay staff across the Circuit, our administrator and pastoral workers meet with our presbyters regularly to ensure the ministry of the Circuit is effective.

Before the pandemic, both Rowley Street and Woodseaves Methodist Churches had decided to close. We have been pursuing the possibility of selling both buildings. In 2022/2023, we achieved good sale prices on both of these buildings, recognising that some of the capital from these sales might be utilised for the upkeep or ministry and for projects within the aims of our Circuit's trust. Our thanks should be expressed to volunteers within the life of the trust who undertook much of the day-to-day aspects of the sales, working with solicitors approved by the wider Methodist Connexion and TMCP (the custodian trustees of these buildings). As the sales of these buildings did not include the purchase of capital like for like, a percentage of the overall sales was returned to the wider connexion for use in other projects within their sphere of influence.

This year has included grants for churches to be equipped to support online worship and the use of online materials within their fellowships, in the past twelve months the provision for face-to-face activity has greatly increased, back to levels close to that of pre-pandemic. 2022/2023 has seen us return, in the main, to weekly worship resourced within each of our churches. We continue to hold to the fact that Worship and Teaching are both necessary aspects of our life together as a charity, that through these, the wider aspects of our responsibilities and actions are honed and fashioned, these are often expressed through the nature of "Our Calling"

Our churches seek to embrace the breadth of 'Our Calling' whilst also recognising the challenges and difficulties. We are rooted in a number of different local communities, but our vision is much wider as we seek to serve the wider church and world in our work. Work in the community continues to be an important aspect of the circuit's mission. The return to using our buildings by various user groups has been slow, but has now begun to reach pre-pandemic use in some cases. However, this has not prevented the churches finding ways to reach out to their communities. Our youth workers continue to support the young people in a variety of ways.

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When considering achievements and performance it is right to pay tribute to the many people throughout the circuit who in their daily lives respond to the call of Jesus "follow me" by offering pastoral care and/or practical help, and, to the team of Local Preachers' who enable services to take place Sunday by Sunday. We operate an open-door policy and welcome all to our church communities and wider work irrespective of race, gender, ethnicity, sexuality, or any kind of disability,

Report of the Trustees for the Year ended 31st August 2023

FINANCIAL REVIEW

Financial position

Income

Circuit income was down by some 3.7% compared with 2022. Income is drawn primarily from the assessments paid by the Circuit member churches, and during the year these totalled £205,854 [allowing for a year end adjustment of £30,020] (2022: £213,628). This reduction in assessments had been agreed as part of the budget for the year, which considered the fall in church incomes.

During the year, the Circuit also received General income from office rentals and interest on investments totalling £24,509 (2022: £8,271). Within this total was a significant increase of some £9,408 interest earned on the capital released from the property sales of Rowley Street and Woodseaves church buildings, which is shown in the income for Designated funds in the accounts of £12,806 (2022: £8,079).

Expenditure

The day to day total expenditure for the year at £284,424 was some £15,432 or 5.8% higher than the prior year (2022: £268,992). Under General Funds there was a budgeted increase in Stipends & Salary costs of £8,789 (vs 2022: £139,564) due, primarily, to increases in remuneration to adjust for the cost-of-living post pandemic.

There were some large, extraordinary items of expense which appear under Designated funds that benefit from explanation:

- a) a budgeted £22,176 redistribution of Circuit reserves under the Donations to Churches Fund which is the third and final instalment of the special grant, which reflected the churches loss in lettings and offertory due to the pandemic, the previous payments had been made in '21.
- b) a cost of £4,807 for refurbishment work done on Asbury House (Central Heating) and Widecombe Manse (Bathroom).
- c) a £3000 grant to support Berkswich Community Worker

There were small changes in the General cost areas under Expenditure on charitable activities, which include items such as District assessment, URC Mission & Ministry, Property & Office costs, Telephone & Travel expenses.

Net position and transfers.

Considering the expected realisation of income from sale of the property assets of Rowley St & Woodseaves and deciding to use some of these monies to maintain the level of Circuit Ministry, the Circuit Meeting approved a budget with a working deficit of £80,346 in the year ending August 2023 (2022: actual deficit £47,094).

In the event, the day to day working deficit was to £54,061, as shown in these accounts. However, the working budget did not allow for the £101,529 one-off Connexional Property Fund Levy on the sale proceeds from Rowley Street and Woodseaves. So, adjusting for this extraordinary cost, there was an overall deficit of £105,879, which was 32% higher than the budgeted deficit.

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Effect on Funds & Reserves

New Funds: Two new funds were agreed by Circuit Meeting in December 2022, namely the Donation to Churches Fund, with the initial value of £11,000 plus the £22,141 third grant instalment referred to above, and the Mission Fund with £10,000. Transfers have been made from the General Fund to start these.

Redundant Property Fund: The asset value of Rowley Street and Woodseaves were brought into the Circuit accounts in 2020-21 set at £325,000. The combined sales value achieved was £373,824, which equated to a £48,824 gain in the Redundant Property Fund, before the CPF Levy. Over the three years, there was a £9,911 income, mainly from rent but this was offset by some £30,916 of costs related to insurance, utilities, property surveys, maintenance and bank charges. The £101,529 CPF Levy referred to above, resulted in a net realised value to the Circuit of £251,290 which was £3,992 higher than the forecast made in preparing the 22-23 budget.

Property Refurbishment Fund: After being run down, this designated fund has been topped up with £15,000 from the General Fund after a gap of three years.

With all the above, as at 31st August 2023, Total funds reduced by £105,879 to £1,084, 733 (2022: £1,190,608). Of this:

- The restricted fund (Berkswich CWF) stands at £2,216.
- Funds designated for specific purposes, namely Circuit Model Trust, Churches Fund, Mission Fund, Property Refurbishment, St. Johns Mission, Superintendents Discretionary and Circuit Youth Fund stand with a total at £196,640.
- The unrestricted General Funds stands at £634,019 (2022: £721,946), but, this includes Land & Buildings (with a fixed asset value of £600,000), so the current asset value has been depleted to £34,019.
- The Redundant Property Fund, £251,858 has now served its purpose and its value is now part of the TMCP Circuit Model Trust account. With agreement from TMCP, a transfer should be available for general purposes to support on-going ministry & mission.

The current 3-year budget, 21-25, involves an annual draw-down from TMCP of £90,000 to balance the budget, which means the general unrestricted funds could be regarded as being £94,632 (being the current asset unrestricted general funds plus this annual draw-down).

General Reserves Policy

It is the Trustees policy to maintain a balance of unrestricted and undesignated funds equivalent to between three and four months average unrestricted expenditure, to cover unexpected requirement which may occur from time to time, this equates to between £65,000 and £85,000.

In addition, the Circuit Reserves Policy is to maintain accessible funds of between £50,000 and £75,000 to enable the Circuit to assist its churches with appropriate grants and loans.

With the above two provisions, the General Reserve Policy equates to a minimum of £115,000 and a maximum of £160,000.

The funds which form part of the General Reserves, with their respective balances, on 31st August '23 include: Unrestricted - General (current assets) £34,019, and Designated - Church Support Fund £11,000, Mission Support Fund £10,000, Property Refurbishment Fund £10,640, Superintendents Discretionary Fund £1000 and Circuit Youth Work Fund £770, which add to a total General Reserve of £67,430.

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The General Reserves were therefore below the minimum of this scale at the year end, necessitating the budgeted £90,000 draw-down from TMCP Circuit Model Trust Fund to bring the Reserve back up to £157,430

Principal Funds

In addition to the Unrestricted General Fund, into and from which most of the financial transactions of the Circuit are made, the Circuit Meeting have determined certain designated and restricted funds for specific purposes.

Circuit Model Trust Fund (Designated)

Held and invested by the Trustees for Methodist Church Purposes (TMCP) and consists of income from churches. They have wide purposes, as defined by TMCP, and permission must be sought by the Circuit Meeting from TMCP to call upon money for specific building projects or to support the mission in general.

Redundant Property Fund (Designated)

This fund was set up for the purposes of tracking the income & expenditure related to the management and eventual sale of two church properties, namely Rowley St and Woodseaves Chapel. These projects are now complete, and the net assets from the sale are transferred to TMCP Circuit Model Trust Fund.

St. John's Mission & Development Fund (Designated)

This fund, set up with the Methodist share of the proceeds from the sale of St. John's Church building, has been designated for St. John's use in developing its future mission plans. The fund is monitored by the Circuit Meeting, to ensure that monies will be used, both for an approved purpose and within a reasonable timescale.

Property Refurbishment Fund (Designated)

Manse refurbishments are carried out at irregular intervals, usually to coincide with the change in Ministers and can, therefore, fluctuate considerably from year to year. Whilst this fund has been part of the Circuit fund portfolio for several years, but had not received transfers in for two years, so it was largely used up with refurbishment prior to the arrival of the current Superintendent in 21-22. As the intention is that the fund will receive between £5000 and 8000 per year from general funds, the decision was made to recover the previous three year's transfers (£15,000) before the year end, some £4,807 of this was used in 22-23 thereby leaving a closing balance of £10,640.

Mission Support Fund (Designated)

One of the new funds set up from general funds during the year, is for the purpose of enabling and supporting mission initiatives within the Circuit. The aim is to set a principal that such mission projects already have money put aside within the Circuit budget (originally set at a level of £10,000), and proposals will be received for approval by representatives of the Trustees. This fund has provided a grant of £3,000 to one church in 22-23, and the fund has been restored to £10,000 in preparation for 23-24.

Church Support Fund

Introduced alongside the Mission Support Fund, the Church Support Fund is designed to be the vehicle by which the Circuit can respond to a need for financial support that is raised by any church when it is unable to meet these through its own resources. Such a request for a grant or loan may be made to meet challenges in cash flow, unexpected expenditure or

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indeed, to allow the church time to respond to a significant risk to its sustainability. Whilst the fund was not in place to make the first & second grants in response to the pandemic, the fund has been used as the vehicle to make the final grant of £22,176 and this has been replaced and made up to an opening balance of £11,000 for 23-24.

Other Funds

Circuit Youth Work Fund (Designated)

To support Youth Work in the Circuit – has not been accessed in 22-23.

Superintendents Discretionary Fund (Designated)

The fund is for spend in cases of local individual need at the discretion of the Superintendent. The fund has been used for a £200 donation and the annual opening balance is designed at and restored to £1,000 for 23-24 by transfer from general fund.

Childrens Worker Fund (Restricted)

This fund, originally set up by a donation, closed in the year to 2021 as the Childrens Worker was made redundant during the pandemic. The fund was potentially to be restored this year to provide for the payroll services of a Schools Worker, however, this project has now ceased, so the intention is for these remaining monies to be transferred to Berkswich Church.

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Report of the Trustees for the Year ended 31st August 2023

STRUCTURE, GOVERNANCE AND MANAGEMENT

Governing Document

The charity is controlled by its governing document, a deed of trust and constitutes an unincorporated charity.

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 of the Methodist Church by order of the annual conference (CPD).

Induction and training of new trustees

The charity is controlled by its governing document, a deed of trust and constitutes an unincorporated charity.

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 of the Methodist Church by order of the annual conference (CPD).

Related Parties

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

The following Methodist Churches/LEPs are linked to the circuit: Barlaston, Berkswich, Bishops Offley, Eccleshall, Gnosall, Milwich (LEP), Rising Brook, St. John's-Stone (LEP), Trinity (LEP), Weston.

Risk Management

The major risks associated with the Circuit have been identified by the Circuit Leadership Team. A regular review process is in place and will be recorded.

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. Amongst 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.

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- 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.

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

The Stafford Methodist Circuit commits itself to the provision of support, advice and training for lay and ordained people that will ensure people are clear and confident about their roles and responsibilities in safeguarding and promoting the welfare of children and adults who may be vulnerable.

REPORT APPROVAL

Approved by order of the Board of Trustees on May 1st 2024 and signed on its behalf by:



.....

Rev. D.J. Bintliff - Trustee

**Independent Examiners Report to the Trustees of the Stafford Methodist Circuit -
Charity number 135822 ("the Circuit")**

I report to the Circuit trustees on my examination of the accounts for the Circuit for the year ended 31 August 2023 which are set out on pages 13 to 27.

Responsibilities and basis of report

As the trustees of the Circuit, you are responsible for the preparation of the accounts in accordance with the requirements of the Charities Act 2011 ("the 2011 Act").

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

Independent examiner's statement

I have completed my examination. I confirm that no material matters have come to my attention in connection with the examination which gives me cause to believe that in, any material respect:

- Accounting records were not kept in accordance with section 130 of the 2011 Act: or.
- The accounts do not accord with the accounting records.
- The accounts do not comply with the applicable requirements concerning the form and content of accounts set out in the Charities (Accounts and Reports) Regulations 2008 other than any requirement that the accounts give a "true and fair" view, which is not a matter considered as part of an independent examination.
- The trustee's annual report is not consistent with the accounts

I have no concerns and have no other matters in connection with the examination to which attention should be drawn in order to enable a proper understanding of the accounts to be reached.



Stephen Hendy
Data Developments (UK) Limited
1st Floor The Chubb Buildings
Fryer Street
Wolverhampton
West Midlands
WV1 1HT

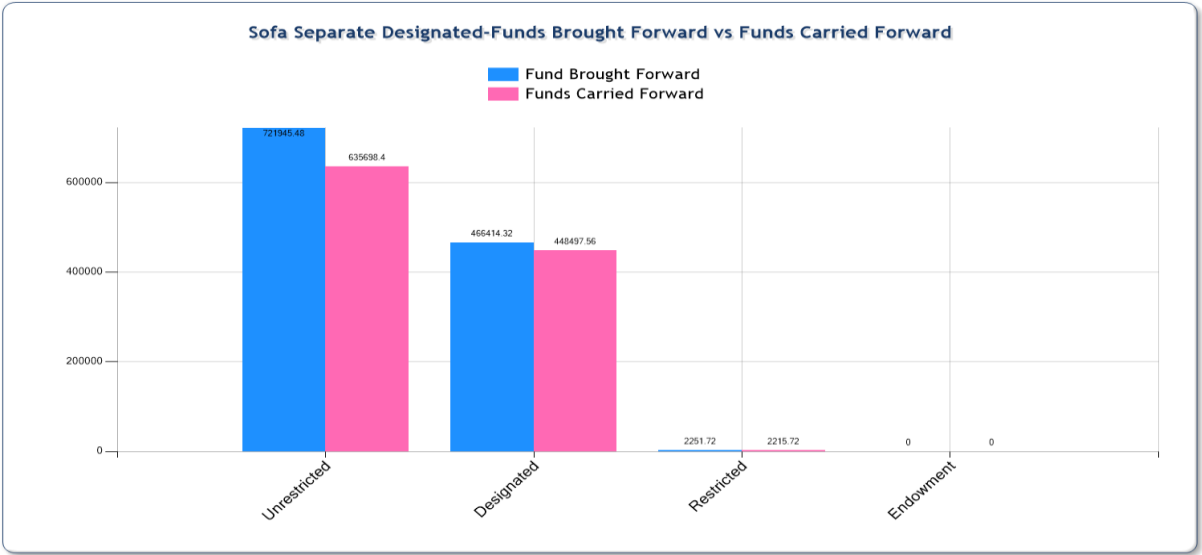
Date: 26th June 2024

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Statement of Financial Activities for the Year ended 31st August 2023

	2023	2023	2023	2023	2022
	Unrestricted	Designated	Restricted	Total	Total
	Funds	Funds	Funds	Funds	Funds
	£	£	£	£	£
Income and Endowments from :					
<i>Income from charitable activities</i>					
Church Assessments	205,854			205,854	213,628
Office income	783			783	997
Investments	1,720	8,678		10,398	990
Rental income	1,776	480		2,256	3,931
Other income	460	3,648	6,964	11,072	2,352
Total income	210,593	12,806	6,964	230,363	221,898
Expenditure on:					
Stipends, salaries, NI and Pensions	148,353		6,964	155,317	141,996
District Assessment	38,741	3,976		42,717	38,873
URC Mission & Ministry	9,424			9,424	9,876
Property	18,674	6,062		24,736	33,369
Office expenses	6,255	377	36	6,668	7,947
Telephone & Travel Expenses	10,198			10,198	9,576
Apprenticeship levy	657			657	570
Mission & Ministry expenses	476			476	573
Other expenditure	4,048	30,183		34,231	26,212
Total expenditure	236,826	40,598	7,000	284,424	268,992
Net (expenditure) resources before transfer	(26,233)	(27,792)	(36)	(54,061)	(47,094)
Transfers:					
Gross transfers between funds - in		69,846		69,846	6,327
Gross transfers between funds - out	(61,694)	(8,152)		(69,846)	(6,327)
Other recognised gains and losses:					
Gains /losses on investment assets		(51,818)		(51,818)	0
Net movement in funds	(87,927)	(17,916)	(36)	(105,879)	(47,094)
Total funds brought forward	721,946	466,414	2,252	1,190,612	1,237,706
Total funds carried forward	634,019	448,498	2,216	1,084,733	1,190,612

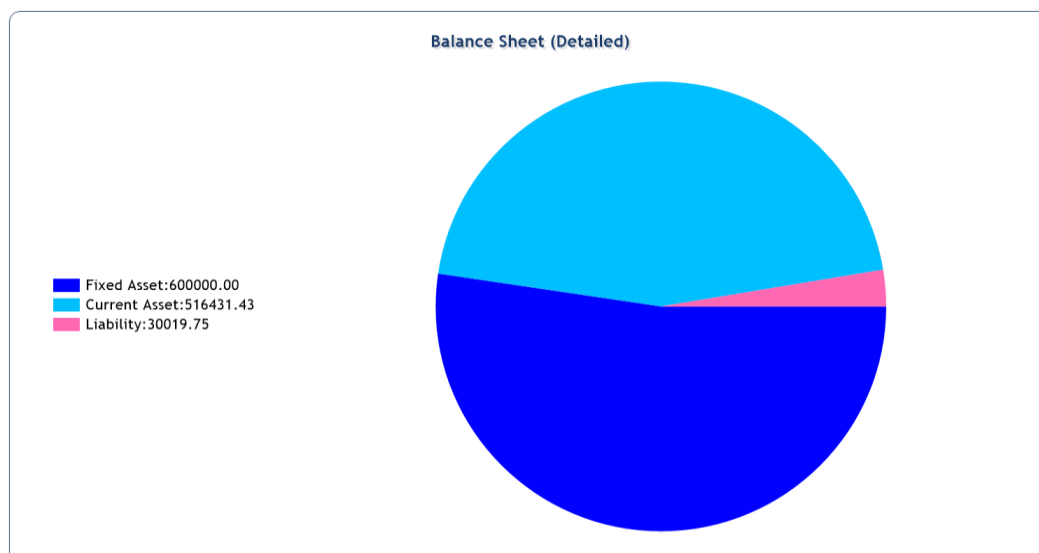
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Balance Sheet as of 31st August 2023

		2023	Restated 2022
		£	£
Fixed assets	1490: Residential land	150,000	150,000
	1491: Manses	175,000	175,000
	1492: Other Buildings	275,000	600,000
	Total Fixed Assets	600,000	925,000
Current Assets	1501: CAF Bank	15,031	45,990
	1502: Central Finance Board	60,119	59,845
	1503:TMCP:Circuit Model Trust	403,721	129,524
	1504:CFBSt John's M&D Fund	32,691	31,594
	1505: HSBC Community Account		25,634
	1506:HSBC Business Money Manager		141
	1509: Lloyds		832
	Z06: Prepayments	4,871	7,894
	Total Current Assets	516,433	301,454
Liabilities	Z04: Accounts Payable		(200)
	Z07: Accounts examination	(1,680)	(2,400)
	Z08: Assessments in advance	(30,020)	(33,242)
	Total Liabilities	(31,700)	(35,842)
	Net Assets	1,084,733	1,190,612
Represented by:	General (Unrestricted) Fund	634,019	721,946
	Designated Funds	448,498	466,414
	Restricted Funds	2,216	2,252
	Total Funds	1,084,733	1,190,612



Notes to the Financial Statements for the Year ended 31st August 2023

1. ACCOUNTING POLICIES

Basis of preparing the financial statements

The financial statements of the charity, which is a public benefit entity under FRS 102, have been prepared in accordance with the Charities SORP (FRS 102) 'Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' and the Charities Act 2011. The financial statements have been prepared under the historical cost convention.

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.

Going concern

The financial statements have been prepared on a going concern basis as the trustees believe that no material uncertainties exist. The trustees have considered the level of funds held and the expected level of income and expenditure for 12 months from authorising these financial statements.

Consolidation

The Circuit has denominational regulatory oversight in respect of the work of the Churches within the Circuit but has no legal or operational control of those Churches and their governing bodies except in extreme circumstances. For this reason, the financial statements of Churches within the Circuit are not consolidated into these financial statements.

Income

Income is included in the Statement of Financial Activities (SOFA) when the Circuit becomes entitled to the resources, and the trustees are reasonably certain they will receive the resources; and the monetary value can be measured with sufficient reliability.

Expenditure

Liabilities are recognised as expenditure as soon as there is a legal or constructive obligation committing the charity to that expenditure, it is probable that a transfer of economic benefits will be required in settlement and the amount of obligation can be

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measured reliably. Expenditure is accounted for on an accruals basis and has been classified under headings that aggregate all cost related to the category. Where costs cannot be directly attributed to particular headings, they have been allocated to activities on a basis consistent with the use of resources.

Grants made by the Circuit from its own funds are recognised in full at the time of agreement to make a grant without performance conditions or as and when the Circuit accepts that there is a legal or operational obligation to make the payment if it is subject to performance conditions. When the grant is recurrent over more than one year the balance payable in future years is treated as a provision for future commitments in the Balance Sheet against the appropriate fund, the provision being released in future years as instalments are paid in accordance with the originally agreed terms.

Tangible fixed assets

These are capitalised if they can be used for more than one year, and individually cost at least £1,000. The freehold property is shown in the accounts at 2015 deemed values, of which the land component is deemed to be £150,000. No depreciation is provided on the buildings because the trustees consider the current residual value of the property in its present condition to be not less than its current value, and in the absence of any evidence of impairment, any depreciation provision would not be material.

Redundant Churches as Investment Properties

From time to time the Circuit may be required to assume responsibility for Church premises following closure and cessation for worship. This results in the Circuit becoming Managing Trustees for the property. At that time the property is recognised as an asset at its anticipated net sale price as determined by a professional valuation. Any expenditure on such assets, if held for reinvestment of the proceeds, as the trustees determine, that is likely to enhance sales value is capitalised at the time the expenditure is incurred. Where the proceeds are intended to be spent on activities, the property is included in current assets at the lower of cost and realisable value.

Taxation

The charity is exempt from tax on its charitable activities.

Fund accounting

Unrestricted funds can be used in accordance with the charitable objectives at the discretion of the trustees.

Restricted funds can only be used for particular restricted purposes within the objects of the charity. Restrictions arise when specified by the donor or when funds are raised for restricted purposes.

Further explanation of the nature and purpose of each fund is included in the notes to the financial statements.

Pension costs

The charity operates a defined contribution pension scheme. Contributions payable to the charity's pension scheme are charged to the Statement of Financial Activities in the period to which they relate.

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 employees enrolled in a

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defined contribution pension scheme administered by The Pension Trust. Employer contributions are made into this scheme on behalf of employees who are members.

2. INCOME FROM CHARITABLE ACTIVITIES

	2023	2023	2023	2023	2022
	Unrestricted	Designated	Restricted	Total	Total
	Funds	Funds	Funds	Funds	Funds
	£	£	£	£	£
<i>Income and Endowments from :</i>					
<i>Income from charitable activities</i>					
1301- Assessments	205,854			205,854	213,628
1309- Administration	783			783	997
Income from charitable activities Total	206,637	0	0	206,637	214,625
Investments					
1308-Rent	1,776	480		2,256	3,931
1309-Interest & Investment	1,720	8,678		10,398	990
Investment Totals	3,496	9,158	0	12,654	4,921
Other income					
1306-Other income	(407)	3,648	6,964	10,205	1,202
1312-Leaving Gifts	867			867	1,150
Other income Totals	460	3,648	6,964	11,072	2,352
Income and Endowments Total	210,593	12,806	6,964	230,363	221,898

Income codes are consistent with the previous year:

- 1301 Assessments - Contribution to Circuit costs donated by the churches in the Circuit
- 1309 Administration – income from office activities e.g. photocopier charge to tenants
- 1308 Rent – Income from rent charged to tenants of Asbury House office space
- 1303 Interest & Investment – Interest from bank accounts & TMCP investments
- 1306 Other income – primarily refunds from suppliers & utility companies associated with management of redundant property. Also transfer of costs from one church to cover the salary of the Schools worker
- 1312 Leaving Gifts – Gifts from churches & circuit for ministers & staff (see expenditure

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3. EXPENDITURE ON CHARITABLE ACTIVITIES

	2023	2023	2023	2023	2022
	Unrestricted	Designated	Restricted	Total	Total
	Funds	Funds	Funds	Funds	Funds
	£	£	£	£	£
Expenditure on:					
1401- Methodist Stipends	148,353		6,964	155,317	141,996
1403-District Levy		3,976		3,976	
1404-District Assessment	38,741			38,741	38,873
1402-URC Mission & Ministry	9,424			9,424	9,876
1412- Insurance	1,946	1,709		3,655	3,823
1413-Utilities	8,342	3,436		11,778	15,366
1414-Maintenance (Office)	4,757	917		5,674	7,421
1416-Property Management	72			72	123
1418-Property Surveys	1,062			1,062	6,636
1428 Maintenance (manses)	2,495			2,495	
1405-Administration	3,989	8	36	4,033	7,767
1423-Bank Charges	586	369		955	180
1406-Telephone & Broadband	3,398			3,398	3,879
1407-Travel Expenses	6,800			6,800	5,697
1424-Apprenticeship Levy	657			657	570
1409-Youth Work				0	212
1410-Pastoral Work	243			243	124
1420-Training & Recruitment	233			233	237
1425-Accountancy	1,680			1,680	
Expenditure on charitable activities Total	232,778	10,415	7,000	250,193	242,780

- 1401 Methodist Stipends – Showing the cost-of-living increase in line with average of CPI & AWEI. The restricted fund value is that of salary paid to Community Schools Worker and matches the income for the same purpose shown under 1306 Other Income above.
- 1424 Apprenticeship Levy - Apprenticeship Levy is an amount paid to HMRC at a rate of 0.5% of an employer's annual pay bill.
- 1403 District Levy – a levy by the Wolverhampton & Shrewsbury Methodist District on interest earned from TMCP capital.
- 1404 District Assessment & URC Mission & Ministry – payments to District and URC Synod for governance & administrative oversight
- 1412 Insurance, 1413 Utilities and 1406 Telephone & Broadband – running costs for office, manses and redundant properties under the management of the Circuit. These have reduced in 22-23 due to the sale of the redundant churches.
- 1414 Maintenance (Office), 1416 Property Management & 1428 Maintenance (Manses) – relate to costs of maintaining the Circuit property portfolio

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- 1418 Property Surveys – costs of Quinquennial Surveys and pre-sale Reports – these have reduced in 22-23 as most of the costs for the sale of properties were in previous years.
- 1407 Travel Expenses – reimbursement of expenses incurred by staff in carrying out their duties
- 1409 Youth Work and 1410 Pastoral Work – Costs for materials and consumables associated with these areas of ministry
- 1420 Training & Recruitment – direct costs associated with attracting and developing ministerial & staff in the Circuit

4. TRUSTEES' REMUNERATION AND BENEFITS

Certain trustees are remunerated as employees of the Circuit. All payments to trustees are at normal market rates and are subject to review by independent members of the trustee body. Total remuneration paid to these trustees in their lay employment was £62,830 (2022: £56,875)

No expenses were paid to trustees in their capacity as trustees for the year ended 31 August 2023 (2022: £nil).

Trustee indemnity insurance was taken out for the year as part of the Circuit general insurance policy (premium costs for indemnity insurance are not identified within this general insurance policy).

5. STAFF COSTS

	2023	2022
	£	£
Lay Employee Costs (excluding Presbyters)		
Wages and Salaries	71,795	59,262
National Insurance	4,475	3,529
Pension Costs	2,193	2,099
	<u>78,463</u>	<u>64,890</u>

The average monthly number of lay employees during the year was 5 (2022: 5). No lay employees received emoluments in excess of £60,000.

The Presbyters stipends are not included within the Circuit's staff costs, as they are not employees of the Circuit. The Circuit is merely responsible for the central administration and payment of the stipends on behalf of the churches. However, the Circuit paid on average 2 (2022: 2) presbyters as office holders and the costs were as follows:

	2023	2022
	£	£
Stipends & Allowances	56,901	54,766
National Insurance	5,466	5,278
Pension	14,487	13,943
	<u>76,854</u>	<u>73,986</u>

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The Presbyters of the Circuit are also provided with the use of a manse rent free and council tax and water rates in furtherance of their duties.

Key Management Personnel are considered to be the Superintendent of the Circuit, the other Presbyter and the remaining members of the Circuit Leadership Team (CLT). The Superintendent chairs meetings of the CLT and Circuit Meetings.

The Remuneration and pensions for these people amounted to £139,684 (2022: £130,861).

6. FUNDS & MOVEMENT IN FUNDS

	1.9.2022	Income	Expenditure	Transfers	Gains & Losses	31.8.2023
	£	£	£	£	£	£
Unrestricted:						
General	721,946	210,593	(236,826)	(61,694)	0	634,019
Designated:						
Church Support Fund	0		(22,176)	33,176		11,000
Circuit Youth Work Fund	770					770
CMT - Circuit Model Trust Fund	(3,947)	7,580	(4,345)	712		0
Mission Support Fund	0		(3,000)	13,000		10,000
Circuit Model Trust Fund	133,470			(2,932)		130,538
Superintendent's Discretionary Fund	682		(200)	518		1,000
Property Refurbishment Fund	447		(4,807)	15,000		10,640
St John's Mission & Development Fund	31,594	1,098				32,692
Redundant Property Fund	303,398	4,128	(6,070)	2,220	(51,818)	251,858
Total Designated	466,414	12,806	(40,598)	61,694	(51,818)	448,498
Restricted:						
Berkswich Children's Worker Fund	2,252	6,964	(7,000)	0	0	2,216
Total Funds	1,190,612	230,363	(284,424)	0	(51,818)	1,084,733

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	1.9.2021	Income	Expenditure	Transfers	Gains & Losses	31.8.2022
	£	£	£	£	£	£
Unrestricted:						
General	734,616	219,360	(232,030)		0	721,946
Designated:						
Church Support Fund	0					0
Circuit Youth Work Fund	982		(212)			770
CMT - Circuit Model Trust Fund	0	607	(4,554)			(3,947)
Mission Support Fund	0					0
Circuit Model Trust Fund	133,470					133,470
Superintendent's Discretionary Fund	742		(60)			682
Property Refurbishment Fund	15,000	761	(15,314)			447
St John's Mission & Development Fund	31,462	132				31,594
Redundant Property Fund	316,650	1,038	(14,290)			303,398
Total Designated	498,306	2,538	(34,430)	0	0	466,414
Restricted:						
Berkswich Children's Worker Fund	4,784		(2,532)	0	0	2,252
Total Funds	1,237,706	221,898	(268,992)	0	0	1,190,612

Principal Funds

In addition to the Unrestricted General Fund, into and from which most of the financial transactions of the Circuit are made, the Circuit Meeting have determined certain designated and restricted funds for specific purposes.

Circuit Model Trust Fund (Designated)

Held and invested by the Trustees for Methodist Church Purposes (TMCP) and consists of income from churches. They have wide purposes, as defined by TMCP, and permission must be sought by the Circuit Meeting from TMCP to call upon money for specific building projects or to support the mission in general. Circuit Model Trust & Circuit Model Trust Fund – these two funds were consolidated in 22-23. They are managed by TMCP and contain net revenue from the sale of properties and the interest earned from the capital. The District Levy is made from this fund on the interest.

Redundant Property Fund (Designated)

This fund was set up for the purposes of tracking the income & expenditure related to the management and eventual sale of two church properties, namely Rowley St and Woodseaves Chapel. These projects are now complete, and the net assets from the sale are transferred to TMCP Circuit Model Trust Fund.

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St. John's Mission & Development Fund (Designated)

This fund, set up with the Methodist share of the proceeds from the sale of St. John's Church building, has been designated for St. John's use in developing its future mission plans. The fund is monitored by the Circuit Meeting, to ensure that monies will be used, both for an approved purpose and within a reasonable timescale.

Property Refurbishment Fund (Designated)

Manse refurbishments are carried out at irregular intervals, usually to coincide with the change in Ministers and can, therefore, fluctuate considerably from year to year. Whilst this fund has been part of the Circuit fund portfolio for several years, but had not received transfers in for two years, so it was largely used up with refurbishment prior to the arrival of the current Superintendent in 21-22. As the intention is that the fund will receive between £5-8000 per year from general funds, the decision was made to recover the lost three year's transfers (£15,000) before the year end, some £4,807 of this was used in 22-23 thereby leaving a closing balance of £10,640.

Mission Support Fund (Designated)

One of the new funds set up from general funds during the year, is for the purpose of enabling and supporting mission initiatives within the Circuit. The aim is to set a principal that such mission projects already have money put aside within the Circuit budget (originally set at a level of £10,000), and proposals will be received for approval by representatives of the Trustees. This fund has provided a grant of £3000 to one church in 22-23, and the fund has been restored to £10,000 in preparation for 23-24.

Church Support Fund

Introduced alongside the Mission Support Fund, the Church Support Fund is designed to be the vehicle by which the Circuit can respond to a need for financial support that is raised by any church when it is unable to meet these through its own resources. Such a request for a grant or loan may be made to meet challenges in cash flow, unexpected expenditure or indeed, to allow the church time to respond to a significant risk to its sustainability. Whilst the fund was not in place to make the first & second grants in response to the pandemic, the fund has been used as the vehicle to make the final grant of £22,176 and this has been replaced and made up to an opening balance of £11,000 for 23-24.

Circuit Youth Work Fund (Designated)

To support Youth Work in the Circuit – has not been accessed in 22-23.

Superintendents Discretionary Fund (Designated)

The fund is for spend in cases of local individual need at the discretion of the Superintendent. The fund has been used for a £200 donation and the annual opening balance is designed at and restored (by transfer from general fund) to £1,000 for 23-24,

Children's Worker Fund (Restricted)

This fund, originally set up by a donation, closed in the year to 2021 as the Children's Worker was made redundant during the pandemic. The fund was potentially to be restored this year to provide for the payroll services of a Schools' Worker, however, this project has now ceased, so the intention is for these remaining monies to be transferred to Berkswich Church.

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7. TANGIBLE FIXED ASSETS

	Land £	Manse £	Other buildings £	Total £
Deemed Cost and carrying value				
As at 1.9.2022	150,000	175,000	600,000	925,000
Transfer to investment properties			(325,000)	(325,000)
As at 31.8.2023	150,000	175,000	275,000	600,000

Analysed by Funds as follows:	Land £	Manse £	Other buildings £	Total £	2022 £
Unrestricted	150,000	175,000	275,000	600,000	600,000
Designated	0			0	325,000
Total	150,000	175,000	275,000	600,000	925,000

The properties include the Manse at Widecombe Avenue, Berkswich, Manse at The Flashes Gnosnall and Office at Asbury House, Rising Brook, Stafford

8. REDUNDANT CHURCHES INVESTMENT PROPERTY

	Redundant Churches £
Designated Fund:	£
As at 1.9.2022	0
Transfer from Fixed Assets	325,000
Disposal	<u>(325,000)</u>
As at 31.8.2023	0

The Redundant Churches being Rowley Street Church and Woodseaves Chapel were sold during the year. They achieved a value of £373,824 – resulting in a £48,824 gain before CPF levy costs paid of £101,529. The net value has been transferred to TMCP Circuit Model Trust bank account.

9. CASH IN BANK AND IN HAND

	2023 £	Restated 2022 £
1501: CAF Bank	15,031	45,990
1502: Central Finance Board	60,119	59,845
1503:TMCP:Circuit Model Trust	403,721	129,524
1504:CFBSt John's M&D Fund	32,691	31,594
1505: HSBC Community Account		25,634
1506:HSBC Business Money Manager		141
1509: Lloyds		<u>832</u>
Total Cash at Bank	511,562	293,560

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- 1501 CAF Bank – The current account used for general expenditure. The account balance is maintained by periodic transfers from CFB and TMCP accounts.
- 1502 Central Finance Board – this account receives the Church Assessments and is used to make the stipendiary payments and maintain balance of the CAF account.
- 1503 TMCP – the repository for capital realisations from property sales & source of interest on these investments
- 1504 CFB St Johns M&D Fund – managed by the Circuit on behalf of St Johns Church. No transactions made apart from interest earned & retained.
- 1508 Natwest – Previously used as the Circuit Youth account, balance has been transferred to CAF and closed, as this is managed as a separate fund

10. DEBTORS & CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	Restated	
	2023	2022
	£	£
Debtors:		
Z06:Prepayments	<u>4,871</u>	<u>7,894</u>
Creditors falling due within 1 Year		
Z04: Accounts Payable		(200)
Z07: Accounts examination	(1,680)	(2,400)
Z08: Assessments in advance	<u>(30,020)</u>	<u>(33,242)</u>
	<u>(31,700)</u>	<u>(35,842)</u>

- Z06 Prepayments – allocation of insurance paid yearly, and September stipendiary payments made in advance of year end 31st August.
- Z04 Accounts Payable – has previously included staff expenses claims received but not paid. No entries for 22-23.
- Z07 Accounts Examination – provision for year end accounts independent examination
- Z08 Assessments in advance – these are September 23 (next financial year) assessments from churches that have been received by August '23.

11. RESTATEMENT OF 2022 COMPARATIVES

In the reported accounts for the year ended 31 August 2022, there was a mis-analysis between the cash balances and creditors within 1 year of £19,500. The cash balances as at 31 August 2022 were £293,560 not the reported £313,058 and there was not a bank overdraft of £19,500 in place. The year ended 31 August 2022 comparatives have been restated for this correction. The effected note numbers are Note 9 (Cash), Note 10 (Debtors and Creditors) and Note 13 (Net Assets by Fund).

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12. COMPARATIVES FOR PREVIOUS YEAR 1ST SEPTEMBER '21 TO 31ST AUGUST '22

	Unrestricted funds	Designated funds	Restricted funds	Total funds
Stafford Methodist Circuit				
Sofa Separate Designated				
For the period from 01 September 2021 to 31 August 2022				
Income and endowments from:				
Income from charitable activities	-	-	-	-
Church Assessments	213,628	-	-	213,628
Office Income	997	-	-	997
Investments	232	758	-	990
Rental Income	3,118	813	-	3,931
Other income	1,386	967	-	2,353
Total income	219,360	2,538	-	221,898
Expenditure on:				
Expenditure on charitable activities	-	-	-	-
Stipends, Salaries, NI and Pensions	139,564	-	2,433	141,996
District Assessment	38,873	-	-	38,873
URC Mission and Ministry	9,876	-	-	9,876
Property	18,895	14,474	-	33,369
Office Expenses	7,908	39	-	7,947
Telephone and Travel Expenses	9,576	-	-	9,576
Apprenticeship Levy	570	-	-	570
Mission & Ministry Expenses	361	212	-	573
Other expenditure	6,409	19,703	100	26,212
Total expenditure	232,031	34,429	2,533	268,993
Net income / (expenditure) resources before transfer	(12,670)	(31,891)	(2,533)	(47,094)
Transfers:				
Gross transfers between funds - in	-	-	-	-
Gross transfers between funds - out	-	-	-	-
Other recognised gains / losses				
Gains/losses on investment assets	-	-	-	-
Gains on revaluation, fixed assets, charity's own use	-	-	-	-
Net movement in funds	(12,670)	(31,891)	(2,533)	(47,094)
Reconciliation of funds				
Total funds brought forward	734,616	498,306	4,784	1,237,706
Total funds carried forward	721,945	466,414	2,252	1,190,612

13. NET ASSETS

The net assets of the Circuit may be analysed as follows:

	2023 Unrestricted Funds £	2023 Designated Funds £	2023 Restricted Funds £	2023 Total Funds £
Fixed assets	600,000			600,000
Debtors	4,871			4,871
Cash at bank	60,848	448,498	2,216	511,562
Creditors	(1,680)			(1,680)
Creditors -Assessments in advance	(30,020)			(30,020)
Total Net Assets	634,019	448,498	2,216	1,084,733

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	Restated 2022	Restated 2022	2022	2022
	Unrestricted Funds	Designated Funds	Restricted Funds	Total Funds
	£	£	£	£
Fixed assets	600,000	325,000		925,000
Debtors	7,894			7,894
Cash at bank	149,894	141,414	2,252	293,560
Creditors	(2,600)			(2,600)
Creditors -Assessments in advance	(33,242)			(33,242)
Total Net Assets	721,946	466,414	2,252	1,190,612

14. OPERATING LEASE COMMITMENT

As at 31 August 2023, the Circuit was committed to making the following payments under non-cancellable operating leases:

Operating Leases which expire:	2023	2022
	£	£
Within 1 year		648
Within 1-2 years		
Within 2-5 years	590	
More than 5 years		
Total	590	648

This relates to the Circuit office photocopier.

15. RELATED PARTIES

Transactions between the Circuit and its member churches

The Circuit received assessments of £ 205,854 (2022: £213,628) from the churches within the circuit.

The Circuit provided grants to churches in the circuit amounting to £1,690 (2022: £nil) in support of technology improvements and £21,866 (2022: £nil) to support churches with the impact of reduced lettings and offertory due to the pandemic.

Transactions between the Circuit and the Wolverhampton & Shrewsbury District & Connexion

The Circuit paid the District £ 38,741 (2022:£38,873) in district assessments. They also paid them £101,529 (2022: nil) by way of levies on the net sale of properties and on the balance of monies held in the Circuit Model Trust Fund at the start of the financial year.

The Connexional assessment is collected by the District as part of the above District Assessment and in 2023 this was £35,131.