

Circuit  
Accruals Accounts  
2020-2021

**THE METHODIST CHURCH**  
**REPORT AND ACCOUNTS**

for the year ended 31 August 2021

**Tamworth and Lichfield**

**Circuit**

Registered Charity - Registration number

1137326

Birmingham

District No / Circuit No

05/09

**Ministers**

Revd Roger Baker

Revd Joanna Thornton

Deacon Joy Sykes

**Circuit Stewards**

David Gowdy

Kath Leckey

Albert Wright

Robert Share

Carole Share

**Circuit Treasurer**

Paul McDermott



**Tamworth and Lichfield Methodist Circuit  
Trustee's Annual Report  
for the year ended 31 August 2021**

**Introduction**

The Trustees present their Report and Accounts for the year ended 31 August 2021

**Aims and organisation**

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 organisation and resourcing of regular public acts of worship open to members of the church and non members alike.

The teaching of Christianity through sermons, courses and small groups.

The resourcing of pastoral work including visiting the sick and bereaved.

Taking religious assemblies in local schools.

Promotion of Christianity through the staging of events and services.

Provision of chaplaincy services to the local university and other institutions.

**Public Benefit**

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

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

Day to day management of the circuit is undertaken by the Circuit Leadership team along with the Local Preachers meeting and the Circuit Meeting.

**Trustee Training**

A range of guidance produced by 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.

**Related Parties**

The Circuit is part of the Birmingham District and is also accountable to the Methodist Conference.



**Tamworth and Lichfield Methodist Circuit  
Trustees' Annual Report (continued)**

### **Risk Management**

The major risks have been identified and recorded by the Circuit Leadership Team with professional advice taken as required.

There is a regular annual review process undertaken and recorded.

Income and Expenditure is being monitored in total and is compared with the approved annual budget on a half yearly basis to detect trends as part of the risk management process to avoid unforeseen calls on reserves.

### **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

The 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 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.

### **Reserves Policy**

The Reserves Policy for the Circuit is to hold a minimum sum equivalent to six months' average expenditure. This should be sufficient to meet any unforeseen item of major expenditure on manse and / or to be able to continue, in the short term, funding planned activities in the event of any inability to raise the full Circuit Assessment from churches.

### **Review of the year**

The financial position of the Circuit remains stable. The task of encouraging and equipping the churches within the Circuit to fulfil the mission of the Methodist Church has continued and is being further developed.



**Tamworth and Lichfield Methodist Circuit**  
**Statement of Financial Activities for the year ended 31 August 2021**

	Note	Unrestricted funds				Total
		General	Circuit Model Trust Fund	Endowment Funds	Total	2020
		£	£	£	£	£
<b>Income from:</b>						
Assessments		187,772			187,772	175,004
Investments	4	303	492		795	2,284
Other		404	600		1,004	1,481
<b>Total</b>		<b>188,479</b>	<b>1,092</b>		<b>189,571</b>	<b>178,769</b>
<b>Expenditure on:</b>						
Stipends, salaries, NIC & Pension costs	5	103,704			103,704	113,534
District Assessment		35,628			35,628	33,500
Methodist Church Funds		2,768			2,768	2,903
Telephone & travel		2,864			2,864	5,916
Insurance, utilities, etc		7,697			7,697	9,240
Maintenance of manses		2,740			2,740	23,832
Other Expenditure		7,339	267		7,606	10,101
Grants and Donations						
Contributions to District Advance Fund			4,167		4,167	4,442
<b>Total</b>		<b>162,740</b>	<b>4,434</b>		<b>167,174</b>	<b>203,468</b>
<b>Net income/(expenditure)</b>		<b>25,739</b>	<b>-3,342</b>		<b>22,397</b>	<b>-24,699</b>
Gains/(Losses) on investment assets			652	1,459	2,111	-230
<b>Net movement in funds</b>		<b>25,739</b>	<b>-2,690</b>	<b>1,459</b>	<b>24,508</b>	<b>-24,929</b>
<b>Reconciliation of funds:</b>						
Total funds brought forward		617,720	133,336	9,064	760,120	785,049
<b>Total funds carried forward</b>		<b>643,459</b>	<b>130,646</b>	<b>10,523</b>	<b>784,628</b>	<b>760,120</b>

**Tamworth and Lichfield Methodist Circuit**

**Balance Sheet as at 31 August 2021**

		<b>Unrestricted</b>	<b>Circuit Model Trust Fund (Unrestricted)</b>	<b>Endowment Funds</b>	<b>Total</b>	<b>2020</b>
		<b>£</b>	<b>£</b>	<b>£</b>	<b>£</b>	<b>£</b>
<b>Tangible Fixed Assets</b>						
	<b>Notes</b>					
Land & Buildings	6	507,927			507,927	507,927
Investments	7		4,202	10,523	14,725	12,614
<b>Total fixed assets</b>		<b>507,927</b>	<b>4,202</b>	<b>10,523</b>	<b>522,652</b>	<b>520,541</b>
<b>Current Assets</b>						
Debtors and Prepayments	8	8,091			8,091	8,470
Other						
Trustees for Methodist Church Purposes deposits			126,444		126,444	129,786
Central Finance Board Deposits		165,638			165,638	143,626
Cash at Bank and in hand		1,416			1,416	2,950
<b>Total current assets</b>		<b>175,145</b>	<b>126,444</b>		<b>301,589</b>	<b>284,832</b>
<b>Creditors and Accruals (due within one year)</b>	9	<b>39,613</b>			<b>39,613</b>	<b>45,253</b>
<b>Net current assets (liabilities)</b>		<b>135,532</b>	<b>126,444</b>		<b>261,976</b>	<b>239,579</b>
<b>Total assets less current liabilities</b>		<b>643,459</b>	<b>130,646</b>	<b>10,523</b>	<b>784,628</b>	<b>760,120</b>
<b>Net assets</b>		<b>643,459</b>	<b>130,646</b>	<b>10,523</b>	<b>784,628</b>	<b>760,120</b>
<b>Funds of the Circuit</b>						
Unrestricted funds	11	643,459			643,459	617,720
Circuit Model Trust Fund (Unrestricted)			130,646		130,646	133,336
Endowment funds				10,523	10,523	9,064
<b>Total Funds</b>		<b>643,459</b>	<b>130,646</b>	<b>10,523</b>	<b>784,628</b>	<b>760,120</b>



## **1 Basis of accounting**

The financial statements have been prepared under the Charities Act 2011 in accordance with the 2014 version of Accounting and Reporting by Charities: Statement of Recommended Practice (SORP) applicable to charities preparing their accounts in accordance with the Financial Reporting Standard for Smaller Entities applicable in the UK (effective from 1 January 2015) – the Charities SORP (FRSSE) – in replacement for the SORP's 2005 version specified in its related 2008 Regulations and in accordance with the 'true and fair override' provision contained therein."

## **2 Funds**

The funds held may include: 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 categorised as unrestricted. Restricted funds which are held for a narrower purpose. There are also the following Endowment funds as listed. Details of each material fund are disclosed in the final note to these accounts. Any funds may be represented by more than just cash.

## **3 Accounting policies**

### **Basis**

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

### **Income Recognition**

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.

### **Resources Expended**

This is recognised when a liability is incurred, or a constructive obligation arises, that results in the payment being unavoidable. 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 made by the Circuit from its own funds are recognised in full at the time of agreement or when the Circuit accepts that there is a legal or operational obligation to make the payment. 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.

### **VAT**

Since the Circuit is not VAT registered, all input VAT is charged with the expenses to which it refers.

### **Tangible fixed assets for use by the Circuit**

The freehold property is shown in the accounts at 2015 deemed values. No depreciation is provided on the building because the trustees consider the current residual fair value of the manse buildings to be not less than its balance sheet value. Any depreciation would not be material. The property has been reviewed for impairment.

### **Investments**

Investments are valued in the balance sheet at market value at the year end. Investment income is included in the accounts when receivable and any gains or losses on revaluation at the year end are shown in the SOFA.

### **Debtors and Prepayments**

Debtors include the payment of the September stipend in August.

### **Creditors**

Creditors include both sundry expenses and specifically the 1st quarter assessment received in August.



**amworth and Lichfield Methodist Circuit**  
**Notes to the Accounts for the year ended 31 August 2021**

<b>4. Investment income</b>	<b>Unrestricted</b>	<b>Circuit Model Trust Fund</b>	<b>Restricted</b>	<b>2021 Total</b>	<b>2020 Total</b>
	<b>£</b>		<b>£</b>	<b>£</b>	<b>£</b>
Central Finance Board	173			173	955
Other	130	492		622	1,329
<b>Total</b>	<b>303</b>	<b>492</b>	<b>-</b>	<b>795</b>	<b>2,284</b>

**5. Paid Employees**

**Staff costs paid during the year were:**

	<b>2021 Total</b>	<b>2020 Total</b>
	<b>£</b>	<b>£</b>
Gross stipends and salary	78,498	85,875
Employer's national insurance contributions	6,183	6,873
Pension costs	18,558	20,399
Apprenticeship levy	465	387
<b>Total</b>	<b>103,704</b>	<b>113,534</b>
Average number of staff employed during the year	3	3.5

**6. Tangible Fixed Assets**

	<b>Manses £</b>	<b>Equipment £</b>	<b>Total £</b>
Cost/valuation brought forward	507,927	6,392	514,319
Cost/valuation carried forward	507,927	6,392	514,319
Accumulated depreciation brought forward		6,392	6,392
Depreciation charge for the year			
Accumulated depreciation carried forward		6,392	6,392
<b>Net Book Value 31 August 2021</b>	<b>507,927</b>		<b>507,927</b>

The insurance value of the three manses was £784,473

**7 Investments**

which interest is credited to the accounts each month. These are regarded as medium and long term investments.

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 polity as determined by the Methodist Conference.

**Analysis of investment movements**

Investments held in common investment funds

<b>2021 Total</b>	<b>2020 Total</b>
<b>£</b>	<b>£</b>
4,202	3,550

**Changes in investment values**

Market value at beginning of year  
Net gain/(loss on revaluation)

3,550	3,614
652	-64

Market value at end of year

4,202	3,550
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**Tamworth and Lichfield Methodist Circuit**  
**Notes to the Accounts for the year ended 31 August 2021**

**8 Current Assets**

**Debtors and prepayments**

	2021 £	2020 £
Prepaid assessments		
Other debtors	8,091	8,470
	<u>8,091</u>	<u>8,470</u>

**Cash at bank**

Bank balance held at Lloyds Bank	1,416	2,950
	<u>1,416</u>	<u>2,950</u>

**9 Creditors and accruals**  
 (due within one year)

Prepaid assessments	39,233	44,653
Other creditors	380	
	<u>39,613</u>	<u>44,653</u>

**10 Capital commitments and contingent liabilities**

At 31 August 2021 the Circuit had no capital commitments and no known contingent liabilities.

**11 Fund Movements**

	Opening Balance	Income	Expended	Revaluation	Closing Balance	Purpose of fund
<b>Unrestricted funds</b>						
General	617,720	188,479	162,740		643,459	General purposes
CMTF	133,336	1,092	4,434	652	130,646	General purposes
	<u>751,056</u>	<u>189,571</u>	<u>167,174</u>	<u>652</u>	<u>774,105</u>	

**Endowment funds**

Endowment Name	How Invested	Capital Value	Annual Income	Income Used For
Arthur Roland Evetts	Endowment	4,259	59	General Fund
Tolson Fund	Endowment	4,576	62	General Fund
Mrs E Deakin Gift	Gift in Memory	488	6	General Fund
Various Bequests	Model Trust Bequest	1,200		General Fund
		<u>10,523</u>	<u>127</u>	

**12 Pension Fund Commitment**

The Circuit has in the past participated in a multi-employer scheme for two past employees. This scheme is currently in deficit and the Circuit is paying an annual sum to meet its share of this deficit under an arrangement designed to eliminate the deficit by 2025. At 31 August 2021 the net present value of the payments to be made was £1,135 (2020 - £1,432)

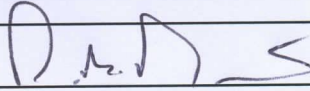


**Tamworth and Lichfield Methodist Circuit**  
**DECLARATIONS**

**Treasurer**

I confirm that these accrual based accounts for the year ended 31 August 2021 have been prepared from the records of the Circuit and that they include all funds under the control of the Circuit Meeting.

Signature of Treasurer



Date

28/02/22

Name of Treasurer

P McDermott

Address

13 Blackthorne Road, Lichfield, WS14 9YJ

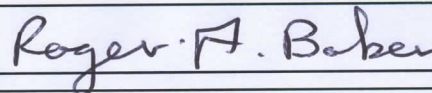
**Presentation to the Circuit Meeting for approval.**

I confirm that the annual report and accounts for the year ended 31 Aug 2021 were presented to the Circuit Meeting at its meeting on

02-Nov-21

and were approved.

Signature of the Chair  
of the meeting



Name of the Chair of  
the meeting

Revd Roger Baker

Date

17.04.22

**Independent Examiner's Report to the Trustees of the**

Tamworth and Lichfield Methodist

Circuit

This Report is on the Circuit Accounts for the year ended 31<sup>st</sup> August

2021

**Respective responsibilities of Trustees and Examiner**

The Circuit's trustees are responsible for ensuring that the annual report and accounts for the year to 31 August 2020 present a true and fair view of the Circuit's income and expenditure for the year and of its assets and liabilities at the balance sheet date. The trustees consider that an audit is not necessary for this year under Section 144 of the Charities Act 2011 (the Charities Act) and that an independent examination is needed.

It is my responsibility to:

- examine the accounts under section 145 of the Charities Act;
- to follow the procedures laid down in the general Directions given by the Charity Commission under Section 145(5)(b) of the Charities act; and
- to state whether particular matters have come to my attention.



## Tamworth and Lichfield Methodist Circuit

### Basis of Independent Examiner's Report

My examination was carried out in accordance with the general directions given by the Charity Commission. An examination includes a review of the accounting records kept by the charity and a comparison of the accounts presented with those records. It also includes consideration of any unusual items, in nature or scale, or disclosures in the accounts, seeking explanations from the Trustees concerning such matters. The procedures undertaken do not provide all the evidence that would be required in an audit and, consequently no opinion is given as to whether the accounts present a true and fair view. My report is limited to those matters set out in the statement below.

### Independent Examiner's Statement

In connection with my examination, no matter has come to my attention ~~(other than as disclosed below\*)~~

(1) which gives me reasonable cause to believe that in any material respect the requirements:

- to keep accounting records in accordance with Section 130 of the Charities Act.
- to prepare accounts which accord with the accounting records and comply with the accounting requirements of the Charities Act

have not been met, or

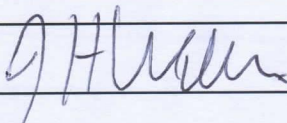
(2) to which, in my opinion, attention should be drawn in order to enable a proper understanding of the accounts to be reached.

(3) I have not obtained independent verification of all investments with the Trustees for Methodist Church Purposes or held in other trusts, bank balances and funds at the Central Finance Board of the Methodist Church which are individually in excess of £10,000 (ten thousand pounds) at the balance sheet date.

Name of independent examiner

J H Willis

Signature of independent examiner



Relevant Professional qualification of independent examiner

Chartered Accountant

Name of firm (where appropriate)

Address

134 Beacon Park Village, Lower Sandford Street, Lichfield, Staffs. WS13 6JZ

Date

28/4/22