



THE METHODIST CHURCH REPORT AND ACCOUNTS

for the year ended 31 August 2022

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

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 2022

Introduction

The Trustees present their Report and Accounts for the year ended 31 August 2022

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 manses 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 2022

	Note	Unrestricted funds			Total	Total 2021
		General	Circuit Model Trust Fund	Endowment Funds		
		£	£	£	£	£
Income from:						
Assessments		162,660			162,660	187,772
Investments	4	752	634		1,386	795
Other					0	1,004
Total		163,412	634	0	164,046	189,571
Expenditure on:						
Stipends, salaries, NIC & Pension costs	5	105,168			105,168	103,704
District Assessment		34,296			34,296	35,628
Methodist Church Funds		2,662			2,662	2,768
Telephone & travel		4,173			4,173	2,864
Insurance, utilities, etc		8,421			8,421	7,697
Maintenance of manses		11,349			11,349	2,740
Other Expenditure		9,166	372		9,538	7,606
Grants and Donations		14,838	10,000		24,838	0
Contributions to District Advance Fund			4,032		4,032	4,167
Total		190,073	14,404	0	204,477	167,174
Net income/(expenditure)		-26,661	-13,770	0	-40,431	22,397
Gains/(Losses) on investment assets			-264	-579	-843	2,111
Net movement in funds		-26,661	-14,034	-579	-41,274	24,508
Reconciliation of funds:						
Total funds brought forward		643,459	130,646	10,523	784,628	760,120
Total funds carried forward		616,798	116,612	9,944	743,354	784,628

Tamworth and Lichfield Methodist Circuit

Balance Sheet as at 31 August 2022

		Unrestricted	Circuit Model Trust Fund (Unrestricted)	Endowment Funds	Total	2021
		£	£	£	£	£
Tangible Fixed Assets						
	Notes					
Land & Buildings	6	507,927			507,927	507,927
Investments	7		3,938	9,944	13,882	14,725
Total fixed assets		507,927	3,938	9,944	521,809	522,652
Current Assets						
Debtors and Prepayments	8	15,610			15,610	8,091
Other					0	
Trustees for Methodist Church Purposes deposits			112,674		112,674	126,444
Central Finance Board Deposits		135,530			135,530	165,638
Cash at Bank and in hand		4,195			4,195	1,416
Total current assets		155,335	112,674	0	268,009	301,589
Creditors and Accruals (due within one year)	9	46,464			46,464	39,613
Net current assets (liabilities)		108,871	112,674	0	221,545	261,976
Total assets less current liabilities		616,798	116,612	9,944	743,354	784,628
Net assets		616,798	116,612	9,944	743,354	784,628
Funds of the Circuit						
Unrestricted funds	11	616,798			616,798	643,459
Circuit Model Trust Fund (Unrestricted)			116,612		116,612	130,646
Endowment funds				9,944	9,944	10,523
Total Funds		616,798	116,612	9,944	743,354	784,628

Tamworth and Lichfield Methodist Circuit
Notes to the Accounts for the year ended 31 August 2022

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.

Tamworth and Lichfield Methodist Circuit
Notes to the Accounts for the year ended 31 August 2022

4. Investment income	Unrestricted	Circuit Model Trust Fund	Restricted	2022 Total	2021 Total
	£			£	£
Central Finance Board	553			553	173
Other	199	634		833	622
Total	752	634	-	1,386	795

5. Paid Employees

Staff costs paid during the year were:	2022 Total	2021 Total
	£	£
Gross stipends and salary	79,634	78,498
Employer's national insurance contributions	6,381	6,183
Pension costs	18,753	18,558
Apprenticeship levy	400	464
Total	105,168	103,703
 Average number of staff employed during the year	 3	 3

6. Tangible Fixed Assets

	Manse £	Equipment £	Total £
Cost/valuation brought forward	507,927	6,392	514,319
Cost/valuation carried forward	<u>507,927</u>	<u>6,392</u>	<u>514,319</u>
 Accumulated depreciation brought forward	 0	 6,392	 6,392
Depreciation charge for the year	0	0	0
Accumulated depreciation carried forward	<u>0</u>	<u>6,392</u>	<u>6,392</u>
 Net Book Value 31 August 2022	<u>507,927</u>	<u>0</u>	<u>507,927</u>

The insurance value of the three manses was £851,163

7 Investments

The funds that support the Circuit Model Trust Fund and the Manses Fund are held by TMCP in Trustees Interest Funds on 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	2022 Total	2021 Total
	£	£
Investments held in common investment funds	3,938	4,202
 Changes in investment values		
Market value at beginning of year	4,202	3,550
Net gain/(loss on revaluation)	-264	652
Market value at end of year	<u>3,938</u>	<u>4,202</u>

Tamworth and Lichfield Methodist Circuit
Notes to the Accounts for the year ended 31 August 2022

8 Current Assets

	2022	2021
	£	£
Debtors and prepayments		
Prepaid assessments		0
Other debtors	15,610	8,091
	<u>15,610</u>	<u>8,091</u>
Cash at bank		
Bank balance held at Lloyds Bank	4,195	1,416
	<u>4,195</u>	<u>1,416</u>

9 Creditors and accruals

(due within one year)

Prepaid assessments	37,469	39,233
Other creditors	8,995	380
	<u>46,464</u>	<u>39,613</u>

10 Capital commitments and contingent liabilities

At 31 August 2022 the Circuit had no capital commitments and no known contingent liabilities.

11 Fund Movements

	Opening				Closing	
	Balance	Income	Expended	Revaluation	Balance	Purpose of fund
Unrestricted funds						
General	643,459	163,412	190,073		616,798	General purposes
CMTF	130,646	634	14,404	-264	116,612	General purposes
	<u>774,105</u>	<u>164,046</u>	<u>204,477</u>	<u>-264</u>	<u>733,410</u>	

Endowment funds

Endowment Name	How Invested	Capital	Annual	Income	
		Value	Income	Used For	
Arthur Roland Evetts	Endowment	3,993	91	General Fund	
Tolson Fund	Endowment	4,294	96	General Fund	
Mrs E Deakin Gift	Gift in Memory	457	10	General Fund	
Various Bequests	Model Trust Bequest	1,200	1	General Fund	
		<u>9,944</u>	<u>198</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 2022 the net present value of the payments to be made was £791 (2021 - £1,135)

Tamworth and Lichfield Methodist Circuit

DECLARATIONS

Treasurer

I confirm that these accrual based accounts for the year ended 31 August 2022 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

Name of Treasurer

Address

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-22

and were approved.

Signature of the Chair of the meeting

Name of the Chair of the meeting

Date

Independent Examiner's Report to the Trustees of the

Circuit

This Report is on the Circuit Accounts for the year ended 31st August

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 2022 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