

THE METHODIST CHURCH

SHROPSHIRE & MARCHES METHODIST CIRCUIT

**ANNUAL REPORT AND ACCOUNTS
for the year ended 31 August 2021**

Registered Charity number 1139091

SHROPSHIRE & MARCHES METHODIST CIRCUIT

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SHROPSHIRE & MARCHES METHODIST CIRCUIT

ANNUAL REPORT FOR THE YEAR ENDED 31 AUGUST 2021

ADMINISTRATIVE INFORMATION

Registered Charity	Registration number	1139091
Presbyters	Hall, Rev'd. H Richard ** Cooper, Rev'd Shalome M Eaton – Challinor, Rev'd. James ** Heinz, Rev'd George	Hides, Rev'd Roger Skitt, Rev'd Julia. ** Stilwell, Rev'd Kim ** Windsor – Hides, Deacon S. Woodley, Deacon G. Carys
Circuit Stewards	Davies, Mrs A Davies, Mrs Lynne Evans, Mrs N C ** Hallworth, Mrs B	Harlington, David ** Knowles, Mrs V A Threadgold, Mrs Ann **
Circuit Treasurer	Eccleshall, Mr David **	
Other Trustees	Bache, Mr Anthony Bache, Mrs J Beaman, Mr R J Biseker, Rev'd. Frances C. Blanchard, Mr J. Bradley Ms Lynne Burnham, Mr Paul (from 17.11.2020) Burrows, Mrs Elizabeth S. Butler, Mrs Christine A. Cansdale, Mrs Elizabeth Cartwright Mrs Gillian A. Chesworth. Rev'd J Chidlow, Miss J Chorley, Rev'd K Cockayne, Mrs A Coleman, Mrs B Curtis, Mrs Christine A. Curtis, Mr David Davies, Mrs Dorothy Davies, Revd. R. Ward (until 09.11.2020) Davies Mrs Susan Diggory, Mrs H Dorsett, Mrs J Drummond, Mr Roger Dutton Mr A D Dutton, Mr David C. Edlington, Mr Keith Edwards, Mrs P A Faulkner, Mrs Christine Finnigan, Mr R Gibbon, Mrs J P Gilbride Mrs Linda Gwatkin, Mr David B Gwatkin, Mr John B Gwatkin, Mrs Jean Hallworth, Mr Michael J. Harmer, Mrs Diana Harmer, Mr Philip W Harrison-Koring Mrs R (from 19.07.2021) Holloway, Mrs E E Holt, Mrs Heather M.	Hoos, Mr J (until 19.07.2021) Howard, Mrs C Huband, Revd, William Jackson, Mrs June Jackson, Mr M Jennings, Mr C P Johnson, Mrs Ann Johnson, Mr Paul Jones, Mrs Christine A. Jones, Mrs Dilys Jones, Mr Haydn Jones, Mr J C Jones, Mrs Sylvia M Kennett, Mr Christopher Kennett, Mrs Mary Killick, Mrs R Y Knight, Mrs E A Knight, Mr M Lewis, Mrs E A Lewis, Mrs Sandra M. Link, Mrs C Littlehales, Ms V J Lloyd, Mr M G Mathews, Miss Susan ** Miller, Mrs C S Mayo, Mrs A Molyneux, Pastor Jacob (until 20.02.2021) Moores, Mrs L Morris, Mr N Morris, Mr R. Morrison, Mrs Patricia Norris, Mrs Beth A Owens, Mrs Lynne P Parkinson, Mrs D M (until 13.08.2021) Parry, Ms C Pickard Rev'd D Pitchford Miss L M Powell, Mrs C A Price, Miss Heather G. Price Miss S P Pring, Mr John L. (until 01.04.2021)

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Pritchard, Mrs Catherine M	Taylor, Mrs S
Pritchard, Mrs E R	Turner, Mrs M C
Purcell, Mr Philip J (until 31.12.2020)	Vaughan Mrs J A (until 08.09.2020)
Rees, Mr Bill	Waldegrave, Mrs Sharman
Rees, Miss M	Walker, Mr R (until 08.09.2020)
Reeves, Mrs K	Watts, Mrs H E
Richardson, Rev'd Neil	Weller, Mr J H
Roberts, Mr Barry	White, Mr Henry E.G.
Roberts, Mr Bryan O (until 31.08.2021)	Wilford, Mrs B
Roberts, Mrs Doris	Williams, Mr Adrian J **
Roberts, Mrs Linda M	Williams, Mrs Jean I
Roberts, Mrs P M (until 19.03.2021)	Williams, Mrs S E
Salmon, Mrs H H	Wilson, Mrs J (from 28.11.2020)
Sheehy, Mrs V	Wise, Mrs B
Sides, Mrs J (until 10.05.2021)	Wood, Mrs Margaret O
Sparey, Miss D (until 19.03.2021)	Wright, Mrs E Margaret
Stock, Mr Brian	Wright, Mrs M (from 31.12.2020)
Taylor, Mr G W (until 01.03.2021)	Wright, Revd. Maurice H
Taylor, Mr J S W	

Trustees appointed after 31 August 2021

Arnold, Rev'd Paul (from 01.09.2021)

Contact Shropshire and Marches Methodist Circuit,
The Methodist Centre, Lansdowne Road,
Bayston Hill, Shrewsbury, SY3 0HZ

Governing Document Deed of Union (1932) and Methodist Church Act (1976)

The Circuit is the primary unit within the Methodist Church in which Local Churches express and experience their interconnexion in the Body of Christ, for purposes of mission, mutual encouragement and help. It is constituted in accordance with Standing Orders set down in the Constitutional Practice & Discipline of the Methodist Church [C P D] that is updated each year by the Methodist Conference. The full C P D is available to view on the Methodist Church website via the following link:
<https://www.methodist.org.uk/for-churches/governance/cpd>.

The Circuit Meeting is the appointed authority for the management of the Circuit and its constitution and composition is dictated by the terms laid down in Standing Orders within the C P D. The basis on which Churches are represented by Trustees is there too and the process ensures that each has a voice. The meeting is chaired by the Superintendent Minister who is effectively the Chief Executive Officer of the Circuit. The basis of decision making within the Circuit Meeting is set down within the C P D. The day to day operation of the Circuit is delegated to an Executive Committee which is also chaired by the Superintendent Minister. This Committee is constituted in a way that allows representation from Presbyterian and Lay individuals who are also drawn from across the Circuit geographically. The members of this Committee have been identified in the list of Trustees that appears earlier in this document.

Should advice and guidance be required this is available within the Connexional structure of the Methodist Church either from the Wolverhampton & Shrewsbury District or from the central Connexional Offices and Officials. Where it is appropriate and necessary reference is made to qualified Professionals. Financial and legal guidance is, where required, also available from the Central Finance Board of the Methodist Church and the Trustees for Methodist Church Purposes.

SHROPSHIRE & MARCHES METHODIST CIRCUIT

ANNUAL REPORT FOR THE YEAR ENDED 31 AUGUST 2021

REPORT OF THE TRUSTEES

The trustees present their annual report and financial statements for the charity for the year ended 31st August 2021. The financial statements have been prepared in accordance with the accounting policies set out in note 1 to the accounts and comply with the charity's trust deed, the Charities Act 2011 and "Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS102)" (as amended for accounting periods commencing from 1 January 2019).

STRUCTURE, GOVERNANCE AND MANAGEMENT

Shropshire & Marches Methodist Circuit is an unincorporated charity, registered with the Charity Commission.

Trustees are not 'recruited' in the generally accepted sense. They are appointed to the Circuit Meeting in accordance with the requirements set down in the C P D. These include the basis on which each Church is represented at the Circuit Meeting. Whilst no formal training is in place the responsibilities of Trustees undertaking the role is communicated to them when they are first appointed. They have access to The Methodist Church website via <https://www.methodist.org.uk/for-churches/office-holders/managing-trustees>. This site is updated regularly.

In addition Trustees are able to view various Charity Commission documents through the following links: <https://www.gov.uk/government/publications/the-essential-trustee-what-you-need-to-know-cc3/the-essential-trustee-what-you-need-to-know-what-you-need-to-do> & <https://www.charitygovernancecode.org/en>

OBJECTS OF THE CHARITY

The purposes of the Methodist Church are and shall be deemed to have been since the date of Union the advancement of –

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

REVIEW OF ACTIVITIES

In designing and monitoring the Charity's activities, the Trustees have paid due regard to the Charity Commission's guidance on public benefit. The review of activities in the following sections demonstrates how the Charity has provided benefit directly to the individual churches in the Circuit and thereby to the congregations of those churches and other sections of the community in the area.

General Review

This has been a most challenging year which began with the hope that the worst effects of the COVID-19 pandemic were at an end and an expectation that restrictions on the Circuit's activities would soon be coming to an end. As it turned out, that hope was a false one. Legal restrictions were first re-imposed then replaced with a confusing urge to caution.

Despite this, during the year 2020/21 Shropshire and Marches has continued to be the largest Circuit within the Wolverhampton and Shrewsbury District. Support for the churches that make up the Circuit has been maintained by a staff team of presbyters and lay employees. The leadership team which forms the Executive Committee consists of the Superintendent, Circuit Treasurer and Circuit Property Secretary in addition to presbyteral and lay appointees chosen to represent the diversity of the Circuit. A team of Circuit Stewards has played a vital part in the Circuit Leadership, especially in respect of overseeing the Stationing process and care for the Circuit Manses.

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ANNUAL REPORT FOR THE YEAR ENDED 31 AUGUST 2021

At a more local level the churches and congregations have continued their own programmes of worship, pastoral care of their church families and projects designed to serve their local communities and provide Christian care and witness. The Superintendent Minister exercises leadership for the whole Circuit working with others in a collaborative ministry. He oversees the wider work of the Circuit by chairing meetings across the Circuit and initiating gatherings or consultation, training and fellowship for the whole staff and leadership.

Circuit Staff

We were glad to welcome Revd George Heinz as a Probationer Minister to the Craven Arms cluster and Revd Roger Hides to a half-time role operating out of Knighton.

In February 2021 Jacob Molyneux resigned from his position as lay pastor in the north of the Circuit. Although this creates an obvious gap in the staff team it has not felt to be appropriate to seek a replacement and this position remains open.

Covid-19

The work of the Circuit has been massively disrupted by the pandemic, and it remains unclear what the long-term impact will be. Although all churches have returned to "on site" meeting, many previously regular attendees continue to be wary. Risk assessments and mitigations are in place across the circuit and this means that attending church is a very different experience to that of pre-March 2020.

The loss of singing at full voice is particularly mourned by many. Creating the quarterly Preaching Plan has become an ever greater challenge than before as preachers understandably are only able to offer a reduced availability both in quantity and flexibility. Other means of sharing worship across the Circuit are being actively explored. A weekly online service has continued

FINANCIAL REPORT

General Fund.

The overall position reveals a net deficit of £179,546 and this shortfall together with the cost of the replacement Manse at Craven Arms [£ 284,792] has been substantially covered by transfers from the Circuit Model Trust Fund of £ 454,106.

- Income from Churches by way of assessment was almost in line with the budget but transfers from Circuit Model Trust Fund were materially greater than the £159,950 budgeted. This was so despite savings achieved in lay employment costs and Ministerial travel expenditure due to the COVID 19 Pandemic. The principal reason for the additional transfer was expenditure on Manses which included a substantial refurbishment of the Leominster Manse [c £24,000] prior to the arrival of a new Presbyter.

Circuit Model Trust Fund.

The fund has benefited from the disposal of only 1 Property during the year. The Church at Bishop's Castle generated c £50,000 net of costs and Connexional Levy. However, as anticipated last year the Connexional Levy paid on the disposal of the Church Stretton Manse [£89,923] was refunded to contribute to the purchase of a replacement Manse in Craven Arms. That property cost £284,792 after taking into account the conversion of the garage into an office.

Transfers totalling c £454,106 have been made to the Circuit to cover the cost of the Craven Arms Manse, certain costs and provide general support. The annual District levy based on the balance held at the beginning of the year has been paid [£43,950] (2020 – £26,423). This payment is our direct contribution to the work of the District and is used with allotted Connexional funds to provide grant support to Churches and Circuits within the District for approved projects. This Circuit received grants to the value of £5,950 during the year [See No.3 of the Notes on Accounts.]

A payment of £ 10,000 has been made to the District as a contribution to the employment costs of the District Agricultural Chaplain who is based within the Circuit.

Various grants have been made available to Churches as specified in Note 10 of the Accounts.

The closing value of £ 339,905 is held as a reserve for the future work and development of the Circuit as indicated in the Reserve Policy Statement.

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Endowment Funds.

Only minimal activity has occurred on these funds during the year in accordance with the inbuilt restrictions.

Overall position.

Although the underlying financial position is sound, it continues to be necessary to support the ongoing work of the Circuit from reserves. The challenge of balancing the cost of providing Ministerial leadership across such a wide geographical area within which are many small chapels and churches is immense. Fresh approaches are constantly being considered and implemented where potential is identified. The effects of the Corona Virus Pandemic will have an additional influence on the decisions that will need to be made.

Properties – Manses and redundant Churches – are being sold as opportunities arise and the proceeds provide the wherewithal to maintain a significant involvement in the mainly rural communities that make up the Circuit.

Executive Committee is constantly aware of the need to manage the financial position in a positive but careful manner thus seeking to ensure that the future work of the Methodist Church is not in doubt.

Aims

Our aim is twofold:

- To secure and sustain the Circuit's viability and future.
- To give reassurance to the general public that the Circuit, which is a charity, intends to use all of the money coming into its care for the purposes of the charity.

PROCESS

Mission Policy

A revised Mission Policy, approved by the Circuit Executive Committee on 28th September 2021, will be placed before the Circuit Meeting (as the charity trustees) for approval on 7th December 2021. It reads as follows:

- To speak about and live out the relevance of Jesus Christ in our Shropshire and Marches context.
- To facilitate and encourage the worship of God according to Methodist belief, making this open and available to all.
- To work with our local communities, exploring and using the gifts and skills of all people, those of faith and those of none.
- To use the resources of property, finance and people within the Circuit to continue to shape and develop our Church life, so that we are best able to identify and respond to opportunities for mission.
- To inspire and lead, so that all are able to discern and deepen their understanding of discipleship, broadening the relationships between churches and individuals, to bring the good news of God's kingdom on earth to all.

Financial Plans.

- The Circuit Assessment required to be paid by the individual Churches is reviewed annually and the income generated covers a high proportion of the costs of the Circuit. The contribution made by each church is arrived at by having regard to the overall size of its membership and its ability to pay.
- We make provision for a property maintenance programme for the Manses occupied by the Ministers by designating a sum agreed by the Circuit Meeting each year for this purpose. We also have regard to the longer term need arising from local inspections and Quinquennial reports and where necessary provide additional funds for these identified purposes.
- The Circuit Fund (Unrestricted General Fund). Balance at the year end excluding property was £ 723,773 although this balance does include c £ 160,000 proceeds from a property sale that is held in suspense at the moment [See Note 21]. Under Standing Orders the Circuit must meet its financial obligations in relation

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to the support of its Ministers and the maintenance of the manses. Total costs for the last financial year were in the region of £700,000.

- The Reserves Policy is to hold the equivalent of at least six months' expenditure in hand i.e. £ 350,000; so the present figure meets that criteria.
- Within the Circuit there are a large number of smaller Churches many of whom are struggling to meet their financial obligations including their commitment to Circuit finances. This situation places continuing pressure on the Circuit and, as is evident from the Accounts a substantial transfer has been required from reserves again to counter an operating shortfall. This position is constantly under review.

Circuit Model Trust Fund [CMTF].

The value at the year end was £ 339,905 (2020: £ 703,105). The substantial decrease arises from the purchase of a replacement Manse at Craven Arms and the support needed for the ongoing operations of the Circuit.

This fund derives from sales of churches and chapels and other property and whereas this used to be a restricted fund it is now unrestricted. Although the fund can be used for a variety of purposes there are guidelines set down that need to be respected as well as the principles agreed by the Circuit Meeting.

Reserves Policy.

Our Reserves Policy relates to our general (unrestricted) funds which are freely available to be used for any or all of the purposes of the Circuit.

Other funds are also included for the sake of clarity and openness and to show that the Circuit has a policy for the management of all its money not simply those which are defined as reserves.

The Reserves Policy is to hold the equivalent of at least six months' expenditure in hand.

The Charity Commission has agreed that it is appropriate for the Trustees to set a policy for the management of this fund and that policy is set out below:

A proportion of the money held in the CMTF has been earmarked by the Trustees for the following purposes:

- Contribution to the employment costs of lay employees within the Circuit of £ 41,000 for 2021/22.
- General support of Circuit activities whilst it continues its ongoing review of the way in which its presbyters, lay workers and members pursue its mission policy. £129,000 is the budgeted amount for 2021/22 with a continuing recognition that support at this level and beyond cannot be sustained indefinitely.
- Circuit Meeting has agreed to provide financial support to the District to the extent of £ 10,000 p.a. for a further period as a contribution towards the employment costs of an Agricultural Chaplain. The fourth instalment of 5 is due in 2021/22.
- Support for projects within individual churches – whether for property schemes or for mission – based on the principle that only 10% of cost will be provided by the Circuit in the normal course but larger amounts can be made available dependent upon the project details and the underlying objectives.
- The balance is maintained to support the Circuit in achieving its objectives.

RISK ASSESSMENT

The Trustees acknowledge that there are areas of Risk within the Circuit, the principal ones being as follows:

- **Financial Position** – The Circuit continues to operate with a significant shortfall that is counterbalanced by transfers from reserves that are bolstered from time to time by the disposal of churches and chapels that have ceased to meet for worship and so have closed. At the end of the financial year there were 60 places of worship within the Circuit and of these 30 have less than 10 members. The majority are under some financial pressure and so their contribution to the Circuit finances is precariously balanced. It is also the case that the age profile of the membership is increasing and this accelerates the existential and financial vulnerability. However, each of the Churches/Chapels has a

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value and so when closed each of them realises at least a modest sum which tends to replenish reserves. As has been said many times before, such a policy cannot be sustained over the long term. The members of the Executive Committee are constantly aware of this and continue to seek a solution that could be the basis of growth in the future.

- **Corona Virus pandemic** – As this report is written [October 2021] we are less constrained than we were by Governmental requirements but it cannot be said that we are back to normal. To date the financial impact has been substantial across the Circuit as income streams have been difficult to sustain. Whilst the membership continues by various means to contribute financially to their individual Churches, the loss of letting income from much used buildings is considerable. To date Churches have been able to make their assessment contributions using reserves to differing extents but the coming months will bring added pressure. In those circumstances, the Circuit will need to depend on its Reserves at a level even greater than budgeted. Although the Reserves appear considerable at the present time it is acknowledged that critical decisions may need to be made. Support from the Connexion is likely to be very restricted and although no assistance has yet been sought from any of the Governmental schemes to protect employment such steps would need to be considered.
- **Property** - Directly, the Circuit includes within its Annual Accounts the properties occupied by its Ministers even though the title is actually vested in the Trustees for Methodist Church Purposes. A property formerly occupied by a Minister but now let to generate income to support the activities of the Circuit is also included even though that too is actually registered in the name of Trustees for Methodist Church Purposes. Whilst susceptible to the movement in the domestic property market, it is envisaged that the majority of properties owned will not be disposed of in the foreseeable future and so the risk of loss of capital is not considered to be great.
- **Safeguarding** – The aim of the Methodist Church Safeguarding policy is ‘to create Christian communities of love and care, where good practice in this area becomes a way of life.’ A handbook is made available to each Church and information is disseminated through Districts and Circuits via training and publications. Each Church has a nominated Safeguarding Officer and a policy agreed by its Church Council. The Circuit has responsibility for the overview of the Churches within its area.
- **Key positions** – Within the Circuit there are key positions held by lay members of the Methodist Church who act on a voluntary unpaid basis. Principal among these are Circuit Stewards who represent different geographical parts of the Circuit, a team of people who are responsible for overseeing all matters in connection with Circuit property and the Circuit Treasurer who is accountable to the Circuit Meeting Trustees for all financial matters relating to the Circuit. The Executive Committee is aware of the dangers of having too much reliance on any one individual either for a significant part of the work or for a period that is unreasonably long. The Methodist Church policy is that in the normal course no officer should occupy a post for more than six years and so succession is an issue constantly under review and discussion.

Endowment Funds.

At the year end the following was the balance on these funds:

- Endowment Funds, including Trusts domiciled with Trustees for Methodist Church Purposes £3,391 (2020: £2,865).

The income arising on these funds and the capital involved is available only for the various purposes originally designated.

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STATEMENT OF TRUSTEES' RESPONSIBILITIES:

The trustees are responsible for preparing the Trustees' Report and the financial statements in accordance with applicable law and United Kingdom Accounting Standards including Financial Reporting Standard 102: The Financial Reporting Standard applicable in the UK and Republic of Ireland (United Kingdom Generally Accepted Accounting Practice).

The law applicable to charities in England & Wales requires the trustees to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the charity and of the incoming resources and application of resources of the charity for that year.

In preparing these financial statements, the trustees are required to:

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in the Charities SORP;
- make judgments and accounting estimates that are reasonable and prudent;
- state whether applicable accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements, and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charity will continue in operation.

The trustees are responsible for maintaining proper accounting records which disclose with reasonable accuracy at any time the financial position of the charity and enable them to ensure that the financial statements comply with the Charities Act 2011, the Charity (Accounts and Reports) Regulations 2008 and the provisions of the trust deed/constitution. They are also responsible for safeguarding the assets of the charity and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

The trustees' report was approved by the Board of Trustees.



Rev H Richard Hall
Superintendent Minister

Date

20 DECEMBER 2021

INDEPENDENT AUDITORS' REPORT TO THE TRUSTEES OF SHROPSHIRE & MARCHES METHODIST CIRCUIT IN RESPECT OF THE YEAR TO 31 AUGUST 2021

Opinion

We have audited the financial statements of Shropshire & Marches Methodist Circuit (the "Charity") for the year ended 31 August 2021 which comprise the Statement of Financial Activities, the Balance sheet, the Statement of Cash flows and the notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102: The Financial Reporting Standard applicable in the UK and Republic of Ireland (United Kingdom Generally Accepted Accounting Practice).

In our opinion, the financial statements:

- give a true and fair view of the state of the Charity's affairs as at 31 August 2021- and of its incoming resources and application of resources for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice;
- have been prepared in accordance with the requirements of the Charities Act 2011.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the Charity in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

In auditing the financial statements, we have concluded that the trustees' use of the going concern basis of accounting in the preparation of the financial statements is appropriate. Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the association's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue. Our responsibilities and the responsibilities of the trustees with respect to going concern are described in the relevant sections of this report.

Other information

The trustees are responsible for the other information. The other information comprises the information included in the annual report other than the financial statements and our auditor's report thereon. Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

INDEPENDENT AUDITORS' REPORT TO THE TRUSTEES OF SHROPSHIRE & MARCHES METHODIST CIRCUIT IN RESPECT OF THE YEAR TO 31 AUGUST 2021

Matters on which we are required to report by exception

We have nothing to report in respect of the following matters in relation to which the Charities (Accounts and Reports) Regulations 2008 require us to report to you if in our opinion:

- the information given in the financial statements is inconsistent in any material respect with the trustees' report; or
- sufficient accounting records have not been kept; or
- the financial statements are not in agreement with the accounting records; or
- we have not received all the information and explanations we require for our audit.

Responsibilities of trustees

As explained more fully in the statement of trustees' responsibilities, the trustees are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as they determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the trustees are responsible for assessing the Charity's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the trustees either intend to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

We have been appointed as auditor under section 144 of the Charities Act 2011 and report in accordance with the Act and relevant regulations made or having effect thereunder.

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud.

The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below:

We gained an understanding of the legal and regulatory framework applicable to the charity and the sector in which it operates, and considered the risk of acts by the charity that were contrary to applicable laws and regulations, including fraud.

We designed audit procedures to respond to the risk, recognising that the risk of not detecting a material misstatement due to fraud is higher than the risk of not detecting one resulting from error, as fraud may involve deliberate concealment by, for example, forgery or intentional misrepresentations, or through collusion.

We focussed on laws and regulations which could give rise to a material misstatement in the financial statements, including, but not limited to, the Charities Act 2011 and UK tax legislation. Our tests included agreeing the financial statement disclosures to underlying supporting documentation and enquiries with management.

There are inherent limitations in the audit procedures described above and, the further removed non-compliance with laws and regulations is from the events and transactions reflected in the financial statements, the less likely we would become aware of it.

We did not identify any key audit matters relating to irregularities, including fraud.

As in all our audits, we also addressed the risk of management override of internal controls, including testing journals and evaluating whether there was evidence of bias by the trustees that represented a risk of material misstatement due to fraud.

**INDEPENDENT AUDITORS' REPORT TO THE
TRUSTEES OF SHROPSHIRE & MARCHES METHODIST CIRCUIT
IN RESPECT OF THE YEAR TO 31 AUGUST 2021**

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


Other matter

Your attention is drawn to the fact that the charity has prepared financial statements in accordance with "Accounting and Reporting by Charities: Statement 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)" (as amended) in preference to the Accounting and Reporting by Charities: Statement of Recommended Practice issued on 1 April 2005 which is referred to in the extant regulations but has now been withdrawn.

This has been done in order for the financial statements to provide a true and fair view in accordance with current Generally Accepted Accounting Practice.

Use of our report

This report is made solely to the charity's trustees, as a body, in accordance with part 4 of the Charities (Accounts and Reports) Regulations 2008. Our audit work has been undertaken so that we might state to the charity's trustees those matters we are required to state to them in an auditors' report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the charity and the charity's trustees as a body, for our audit work, for this report, or for the opinions we have formed.



**MR IAN WALSH
DYKE YAXLEY LIMITED
CHARTERED ACCOUNTANTS
AND STATUTORY AUDITORS**

Date 18/1/22

**1 BRASSEY ROAD
OLD POTTS WAY
SHREWSBURY
SY3 7FA**

SHROPSHIRE & MARCHES METHODIST CIRCUIT

NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 31 AUGUST 2021

1 Accounting Policies

a) Basis of preparation and assessment of going concern

The accounts have been prepared in accordance with the Charity's governing document, the Charities Act 2011 and "Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS102)" (as amended for accounting periods commencing from 1 January 2019).

The financial statements are prepared in sterling, which is the functional currency of the Charity. Monetary amounts in these financial statements are rounded to the nearest £.

The accounts (financial statements) have been prepared under the historical cost convention with items recognised at cost or transaction value unless otherwise stated in the relevant notes to these accounts

The trust constitutes a public benefit entity as defined by FRS 102.

The trustees consider that there are no material uncertainties about the Trust's ability to continue as a going concern.

b) Funds structure

The funds held constitute: General Funds held for any purpose of the Circuit which are Unrestricted. The Circuit Model Trust Fund has wide purposes defined in Standing Orders and is categorised as unrestricted. Restricted funds which are held for a narrower purpose and Endowment funds which represent gifts, the capital normally being unavailable for spending, and the income from which is either Restricted or Unrestricted. Details of each material fund are disclosed in note 19 to these accounts. Any funds may be represented by more than just cash.

c) Income recognition

Income is recognised when the charity is legally entitled to it after any performance conditions have been met, the amounts can be measured reliably, and it is probable that income will be received.

Cash donations are recognised on receipt. Other donations are recognised once the charity has been notified of the donation, unless performance conditions require deferral of the amount

Grants are recognised on receipt unless performance conditions require deferral of the amount.

Capital receipts are recognised when the charity is entitled to the income.

Legacies are recognised on receipt or otherwise if the charity has been notified of an impending distribution, the amount is known, and receipt is expected. If the amount is not known, the legacy is treated as a contingent asset.

Investment income is recognised on receipt of the income.

d) Expenditure recognition

Expenditure is recognised once there is a legal or constructive obligation to make a payment to a third party, it is probable that settlement will be required and the amount of the obligation can be measured reliably.

e) Allocation of governance costs

Administration expenses of the charity relate to the costs of running the Charity, such as insurance, accountancy fees and costs of statutory compliance, and include any costs which cannot be specifically attributed to another expenditure classification. See note 11 for basis of allocation.

SHROPSHIRE & MARCHES METHODIST CIRCUIT

NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 31 AUGUST 2021

f) Charitable activities

The Shropshire & Marches Methodist Circuit exists to encourage and support the ministry and mission of all the churches in its care. Any expenditure specifically to achieve these objects is included in direct charitable expenditure.

g) Tangible fixed assets for use by the Circuit

Tangible fixed assets are capitalised at cost if they can be used for more than one year, and cost at least say £1,000. Provision is made for depreciation where appropriate.

Properties used for the purposes of the charity are included in the Circuit's accounts when responsibility for maintenance, etc rests with the Circuit.

They are valued at cost or a reasonable value on receipt. Where cost is not available, the Circuit Meeting has estimated the buildings' current value to the circuit, based on insurance values and taking account of the fact that cover will be based on demolition and reinstating the current building and not the original cost less accumulated depreciation.

When properties are sold, the Connexion is entitled to levy a proportion of the proceeds and therefore, when the decision is made to sell a property, the book value is adjusted to reflect the expected realisable value, net of levies and any other selling costs.

h) Investment Properties

Investment property, which is property held to earn rentals and/or for capital appreciation, is measured using the fair value model and stated at its fair value at the reporting end date. The surplus or deficit on revaluation is recognised in net income/ (expenditure) for the year.

i) Fixed asset investments

Fixed asset investments are initially measured at transaction price excluding transaction costs, and are subsequently measured at fair value at each reporting date. Changes in fair value are recognised in net income/(expenditure) for the year. Transaction costs are expensed as incurred.

j) Realised gains and losses

All gains and losses are taken to the Statement of Financial Activities as they arise. Realised gains and losses on investments are calculated as the difference between sales proceeds and their opening carrying value or their purchase value if acquired subsequent to the first day of the financial year. Unrealised gains and losses are calculated as the difference between the fair value at the year end and their carrying value. Realised and unrealised investment gains and losses are combined in the Statement of Financial Activities.

k) Basic Financial Assets

Basic financial assets, which include debtors and cash and bank balances, are initially measured at transaction price including transaction costs and are subsequently carried at amortised cost using the effective interest method. Financial assets classified as receivable within one year are not amortised.

l) Basic Financial Liabilities

Basic financial liabilities, including creditors are initially recognised at transaction price. Financial liabilities classified as payable within one year are not amortised.

m) Pensions

Payments to defined contribution retirement benefit schemes are charged as an expense as they fall due.

SHROPSHIRE & MARCHES METHODIST CIRCUIT
STATEMENT OF FINANCIAL ACTIVITIES FOR THE YEAR ENDED 31 AUGUST 2021

	Note	General Fund (Unrestricted) £	Circuit Model Trust Fund (Unrestricted) £	Restricted Funds £	Endowment Funds £	Totals this year £	Totals 2020 £
Income and endowments							
Assessment or share		464,324	-	-	-	464,324	465,520
Capital receipts	2	826	63,129	-	-	63,955	571,018
Interest and Investment Income		1,887	1,521		53	3,461	9,442
Grants	3	10,430	-	-	-	10,430	14,514
Lettings		14,498	-	-	-	14,498	14,349
Other Income	4	21,760	94,924	-	-	116,684	20,683
Total Income		513,725	159,574	-	53	673,352	1,095,526

Expenditure

Expenditure on charitable activities							
Stipends, salaries, NIC & Pension costs	5	436,848	-	-	-	436,848	392,658
District assessment		108,150	-	-	-	108,150	109,511
Admin, Telephone & Travel	6	31,698	1,405		6	33,109	43,599
Insurance, Utilities etc	7	31,090	-	-	-	31,090	27,452
Maintenance on Manses		46,119	-	-	-	46,119	6,378
Expenditure on other Circuit property	8	8,412	-	-	-	8,412	10,492
Other expenditure	9	19,579	-	-	47	19,626	15,046
Grants and Donations	10	6,375	24,430	-	-	30,805	201,495
Contribution to District Advance Fund		-	43,950	-	-	43,950	26,423
Governance costs	11	5,000	-	-	-	5,000	5,000
Total Expenditure		693,271	69,785	-	53	763,109	838,054

Net income/ (expenditure)		(179,546)	89,789	-	-	(89,757)	257,472
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Transfers between funds		454,106	(454,106)		-	-	-
Property cost movement	14	20,000	-	-	-	20,000	(235,000)
Property value movement	13,14,17	157,000	-	-	-	157,000	(70,000)
Gains & losses on investments (Unrealised)		14,061	1,117	-	526	15,704	4,300
Net Movement in funds		465,621	(363,200)	-	526	102,947	(43,228)

Reconciliation of Funds

Total funds brought forward		2,999,944	703,105		2,865	3,705,914	3,749,142
Total funds carried forward at end of year		3,465,565	339,905	-	3,391	3,808,861	3,705,914

SHROPSHIRE & MARCHES METHODIST CIRCUIT
COMPARATIVE STATEMENT OF FINANCIAL ACTIVITIES FOR THE YEAR ENDED 31 AUGUST
2020

	Note	General Fund (Unrestricted) £	Circuit Model Trust Fund (Unrestricted) £	Restricted Funds £	Endowment Funds £	Totals 2020 £
Income and endowments						
Assessment or share		465,520	-	-	-	465,520
Capital receipts	2	5,078	565,940	-	-	571,018
Interest and Investment Income		4,799	4,585	-	58	9,442
Grants	3	14,514	-	-	-	14,514
Lettings		14,349	-	-	-	14,349
Other Income	4	20,683	-	-	-	20,683
Total Income		524,943	570,525	-	58	1,095,526

Expenditure

Expenditure on charitable activities						
Stipends, salaries, NIC & Pension costs	5	392,658	-	-	-	392,658
District assessment		109,511	-	-	-	109,511
Admin, Telephone & Travel	6	42,655	938	-	6	43,599
Insurance, Utilities etc	7	27,452	-	-	-	27,452
Maintenance on Manses		6,378	-	-	-	6,378
Expenditure on other Circuit property	8	10,492	-	-	-	10,492
Other expenditure	9	14,994	-	-	52	15,046
Grants and Donations	10	6,000	195,495	-	-	201,495
Contribution to District Advance Fund		-	26,423	-	-	26,423
Governance costs	11	5,000	-	-	-	5,000
Total Expenditure		615,140	222,856	-	58	838,054

Net income/ (expenditure)		(90,197)	347,669	-	-	257,472
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Transfers between funds		113,783	(113,783)	-	-	-
Property cost movement	17	(235,000)	-	-	-	(235,000)
Property value movement	13,14,17	(70,000)	-	-	-	(70,000)
Gains & losses on investments (Unrealised)		4,460	(109)	-	(51)	4,300
Net Movement in funds		(276,954)	233,777	-	(51)	(43,228)


Reconciliation of Funds

Total funds brought forward		3,276,898	469,328	-	2,916	3,749,142
Total funds carried forward at end of year		2,999,944	703,105	-	2,865	3,705,914

SHROPSHIRE & MARCHES METHODIST CIRCUIT
BALANCE SHEET AS AT 31 AUGUST 2021

	Note	General Fund (Unrestricted)	Circuit Model Trust Fund (Unrestricted)	Other Funds (Restricted)	Endowment Funds	Totals this year	Totals 2020
		£	£	£	£	£	£
Fixed Assets							
Manses etc	13	2,351,792	-	-	-	2,351,792	2,067,000
Manses held as investment	14	390,000	-	-	-	390,000	370,000
Investments	15	41,514	7,200	-	3,391	52,105	36,400
Total Fixed Assets		2,783,306	7,200	-	3,391	2,793,897	2,473,400
Current Assets							
Debtors and Prepayments	16	40,112	-	-	-	40,112	36,597
Central Finance Board and Trustees for Methodist Church Purposes deposits etc		526,620	332,705	-	-	859,325	1,255,673
Properties held for sale	17	202,000	-	-	-	202,000	45,000
Cash at Bank and in hand		17,289	-	-	-	17,289	8,779
Total Current Assets		786,021	332,705	-	-	1,118,726	1,346,048
Liabilities							
Creditors falling due within one year	18	103,762	-	-	-	103,762	113,536
Net Current Assets		682,259	332,705	-	-	1,014,964	1,232,513
Total assets less current liabilities		3,465,565	339,905	-	3,391	3,808,861	3,705,914
Funds of the charity							
General Fund (Unrestricted)	19	3,465,565	-	-	-	3,465,565	2,999,944
Circuit Model Trust Fund (Unrestricted)	19	-	339,905	-	-	339,905	703,105
Other funds (Restricted)	19	-	-	-	-	-	-
Endowment Funds	19	-	-	-	3,391	3,391	2,865
Total Funds		3,465,565	339,905	-	3,391	3,808,861	3,705,914

The accounts on Pages 13 to 24 were approved by the Board of Trustees and signed on their behalf by:



 Rev H Richard Hall



 David Eccleshall

SHROPSHIRE & MARCHES METHODIST CIRCUIT
STATEMENT OF CASHFLOWS FOR THE YEAR ENDED 31 AUGUST 2021

	Note	2021	2020
Net cash (used) / generated in operating activities	20	225,886	(575,291)
<u>Cash flows from investing activities:</u>			
Interest and dividends		3,461	9,442
Receipts from sale of tangible fixed assets		63,955	571,018
Payments from purchase of tangible fixed assets		(284,792)	-
Net cash provided by investing activities		(217,376)	580,460
Change in cash and cash equivalents in the year		8,510	5,168
Cash and cash equivalents brought forward		8,779	3,609
Cash and cash equivalents carried forward		17,289	8,779

SHROPSHIRE & MARCHES METHODIST CIRCUIT
NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 31 AUGUST 2021

2 Capital Receipts comprise the following

	General	Unrestricted funds Circuit Model Trust	2021 Total	2020 Total
	£	£	£	£
Balances and asset sale proceeds from Manse and closed churches	826	-	826	5,078
Sale of Hyssington Chapel	-	-	-	51,278
Sale of Ellesmere Manse	-	-	-	239,853
Sale of Church Stretton Manse	-	-	-	274,809
Sale of Bishops Castle Church	-	63,129	63,129	-
	826	63,129	63,955	571,018

3 Grants

	2021 £	2020 £
Wolverhampton & Shrewsbury District of the Methodist Church	5,950	11,250
Various sources towards employment cost of Pastoral worker	4,480	3,264
	10,430	14,514

4 Other income

	General	Unrestricted funds Circuit Model Trust	2021 Total	2020 Total
	£	£	£	£
Employment cost of Administrator at Ludlow office has been financed by Ludlow Methodist Church and Hands Together Ludlow	20,572	-	20,572	20,356
Repayment instalment from Belle Vue Methodist Church towards cost of refurbishment provided by the Circuit	-	5,000	5,000	-
Refund of Connexional Levy relating to Church Stretton Manse sale	-	89,924	89,924	-
Other	1,188	-	1,188	327
	21,760	94,924	116,684	20,683

5 Staff costs

	Salaries	National Insurance	Pension	Apprenticeship Levy	2021 Total	2020 Total
	£	£	£	£	£	£
Ministerial	243,076	20,228	63,510	-	326,814	275,433
Lay employees	97,553	5,614	5,156	-	108,323	115,668
Apprenticeship Levy	-	-	-	1,711	1,711	1,557
	340,629	25,842	68,666	1,711	436,848	392,658

During the year the charity paid termination payments of £2,254 (2020: £NIL).

The average number of employees during the year was 18 (2020 - 18) with all employee time involved in providing support services to charitable activities. All the Ministers are Trustees of the Circuit but stipends relate solely to their duties as Ministers.

The Charity considers its key management personnel comprises the members of the executive committee. The total employment benefits including employer pension contributions of key management personnel were £145,365 (2020 - £141,804). No employees had employee benefits in excess of £60,000 (2020 - none).

6 Telephone & Travel including Administration

	Unrestricted	Circuit Model Trust Fund	Restricted	Endowment	2021 Total	2020 Total
	£	£	£	£	£	£
Ministerial Travel	9,256	-	-	-	9,256	17,605
Supernumerary Travel	153	-	-	-	153	503
Lay Travel	2,384	-	-	-	2,384	5,676
Telephone - Ministers & Offices	7,390	-	-	-	7,390	8,791
Other administration	12,515	1,405	-	6	13,926	11,024
	31,698	1,405	-	6	33,109	43,599

7 Insurance, Utilities on occupied Manse.

	Unrestricted	Circuit Model Trust Fund	Restricted	Endowment	2021 Total	2020 Total
	£	£	£	£	£	£
Insurance	6,726	-	-	-	6,726	4,724
Council Tax	20,666	-	-	-	20,666	19,907
Water rates	3,698	-	-	-	3,698	2,821
	31,090	-	-	-	31,090	27,452

SHROPSHIRE & MARCHES METHODIST CIRCUIT
NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 31 AUGUST 2021

8 Expenditure on other Circuit Property.	Unrestricted	Circuit Model Trust Fund	Restricted	2021 Total	2020 Total
	£	£	£	£	£
Unoccupied Manses held for sale or sold		-	-	-	1,772
Other Manses either unoccupied or let	1,090	-	-	1,090	3,048
Churches closed and awaiting sale or sold	4,832	-	-	4,832	334
Cleobury Mortimer Methodist Church premises	690	-	-	690	2,718
Other	1,800	-	-	1,800	2,620
		-	-	-	-
	8,412	-	-	8,412	10,492

9 Other expenditure	Unrestricted	CMTF	Endowment	2021 Total	2020 Total
	£		£	£	£
Presbyteral disturbance allowances	600	-	-	600	1,800
Removal costs	4,214	-	-	4,214	1,125
Supernumerary Ministers' Fees	225	-	-	225	1,575
Churches for office accommodation	1,020	-	-	1,020	1,560
Worship Materials	3,417	-	-	3,417	2,319
Purchase of Manse in Craven Arms	-	-	-	-	864
Costs relating to rental of Clun property	7,383	-	-	7,383	2,169
ZOOM facility and related costs	1,797	-	-	1,797	1,734
Other	923	-	47	970	1,900
		-	-	-	-
	19,579	-	47	19,626	15,046

10 Grants and Donations

	Unrestricted	Circuit Model Trust Fund	2021 Total	2020 Total
	£	£	£	£
Churches				
Wem	-	600	600	-
Moors	-	1,205	1,205	-
Tenbury Wells	-	-	-	2,000
Pontesbury	-	-	-	2,625
Craven Arms	-	-	-	1,000
Wyson	-	-	-	2,250
North Area Churches - 'Tiny Church Project'	-	-	-	1,500
Connexional levy & Grants repaid	-	-	-	-
Bishops Castle	-	12,625	12,625	-
Hyssington Chapel	-	-	-	10,256
Ellesmere Manse	-	-	-	75,941
Church Stretton Manse	-	-	-	89,923
District Agricultural Chaplain	-	10,000	10,000	10,000
St. Mary's Youth Project, Cleobury Mortimer **	6,000	-	6,000	6,000
Herefordshire Churches Together	375	-	375	-
	6,375	24,430	30,805	201,495

** This amount is returned to the Circuit as rental for the premises and is included in income received.

Belle Vue Church Council has committed to repaying the Circuit a further £5,000 (2020: £10,000) but as there is no formal loan agreement and repayment instalments are at the discretion of the Church Council the potential benefit to the Circuit has not been recognised in these accounts.

SHROPSHIRE & MARCHES METHODIST CIRCUIT
NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 31 AUGUST 2021

11 Analysis of support and governance costs

	Support	Governance	2021	2020	Basis of allocation
Auditors remuneration	-	5,000	5,000	5,000	Governance
	-	5,000	5,000	5,000	

The total included in auditors remuneration relates to the audit and no other services are provided.

12 Payments to Trustees

Number of Trustees who were paid expenses excluding Presbyters and employed lay staff	2021 4	2020 9
Nature of the expenses	2021 £	2020 £
Supernumerary Fees and Travel expenses	67	1,141
Lay Travel and expenses excluding costs reimbursed	197	572
Total amount paid	264	1,713

During the year £396 (2020: £302) was paid to a trustee for carrying out PAT testing. This amount includes both mileage and labour costs.

None of the Trustees received any remuneration in the year for their services as Trustees.

13 Tangible Fixed Assets

	2021 £	2020 £
Cost/valuation		
Balance brought forward	2,067,000	2,257,000
Additions	284,792	-
Transfers to / from properties held for sale	-	-
Transfer from Investment properties	-	-
Disposals	-	(190,000)
Balance carried forward	2,351,792	2,067,000

Net book value

31 August 2021	2,351,792
31 August 2020	2,067,000

SHROPSHIRE & MARCHES METHODIST CIRCUIT
NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 31 AUGUST 2021

14 Investment properties

	2021	2020
	£	£
Balance brought forward	370,000	250,000
Additions	-	110,000
Revaluations	20,000	10,000
Balance carried forward	<u>390,000</u>	<u>370,000</u>

The investment properties were valued by independent valuers with relevant professional qualifications. Ruyton X1 Towns property is valued on the basis of open market value in accordance with The Royal Institute of Chartered Surveyors.

The property at Cleobury Mortimer is valued on the basis that there is a lease in favour of St. Mary's Youth Project.

15 Fixed Asset Investments

	Listed investments £	Unlisted investments £	Total £
Market value			
Balance brought forward	26,755	9,645	36,400
Add net gain on revaluation	13,948	1,757	15,705
Balance carried forward	<u>40,703</u>	<u>11,402</u>	<u>52,105</u>
Net book value			
31 August 2021	<u>40,703</u>	<u>11,402</u>	<u>52,105</u>
31 August 2020	<u>26,755</u>	<u>9,645</u>	<u>36,400</u>

All investments are carried at their fair value. Investment in equities and fixed interest securities are all traded in quoted public markets, primarily the London Stock Exchange. Holdings in common investment funds, unit trusts and open-ended investment companies are at the bid price. The basis of fair value for quoted investments is equivalent to the market value, using the bid price. Asset sales and purchases are recognised at the date of trade at cost (that is their transaction value).

16 Analysis of debtors and prepayments

	2021	2020
	£	£
Debtors	7,624	2,171
Prepayments	32,488	34,426
	<u>40,112</u>	<u>36,597</u>

SHROPSHIRE & MARCHES METHODIST CIRCUIT
NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 31 AUGUST 2021

17 Properties etc held for sale

	2021 £	2020 £
Cost/valuation		
Balance brought forward	45,000	280,000
	-	-
Additions	157,000	45,000
Revaluations	-	-
Disposals	-	(280,000)
Balance carried forward	<u>202,000</u>	<u>45,000</u>

Net book value

31 August 2021	<u>202,000</u>
31 August 2020	<u>45,000</u>

Included in the above balance of £202,000 is £85,000 which relates to Morda Church which was sold after the year end for £115,000 before deducting fees and the levy.

18 Analysis of current liabilities

Creditors under 1 year	2021 £	2020 £
Accruals	5,000	5,000
Deferred income	98,762	108,536
	<u>103,762</u>	<u>113,536</u>

Deferred income comprises of assessments received in advance to the period that they relate to:

Balance as at 1 September 2020	108,536
Amounts released to income in the year	(108,536)
Amounts deferred in the year	98,762
Balance as at 31 August 2021	<u>98,762</u>

19 Analysis of charitable funds

Analysis of movements in unrestricted funds

	Balance b/fwd £	Income £	Expenditure £	Transfers £	Gains and losses £	Fund c/fwd £
General	2,999,944	513,725	(693,271)	454,106	191,061	3,465,565
CMTF	703,105	159,574	(69,785)	(454,106)	1,117	339,905
	<u>3,703,049</u>	<u>673,299</u>	<u>(763,056)</u>	<u>-</u>	<u>192,178</u>	<u>3,805,470</u>

Analysis of movements in unrestricted funds - previous year

	Balance b/fwd £	Income £	Expenditure £	Transfers £	Gains and losses £	Fund c/fwd £
General	3,276,898	524,943	(615,140)	113,783	(300,540)	2,999,944
CMTF	469,328	570,525	(222,856)	(113,783)	(109)	703,105
	<u>3,746,226</u>	<u>1,095,468</u>	<u>(837,996)</u>	<u>-</u>	<u>(300,649)</u>	<u>3,703,049</u>

The unrestricted funds are available to be spent for any purposes of the charity.

The transfer of funds between General and CMTF, related to the following:- general support of circuit activities - £100,000 (2020 - £39,000), specific support for lay employee costs - £37,000 (2020 - £48,500), contribution towards costs of properties subsequently sold - £ Nil (2020 - £14,400), contribution towards cost of alterations, repairs and maintenance at 3 Manses -£ 45,225 (2020 - £10,000) and various legal and land registry costs £ Nil (2020- £ 1,883)

SHROPSHIRE & MARCHES METHODIST CIRCUIT
NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 31 AUGUST 2021

19 Analysis of charitable funds - continued

Analysis of movements in endowment funds

Endowment Name	Balance b/fwd	Income	Expenditure	Transfers	Gains and losses	Fund c/fwd
	£	£	£	£	£	£
Hazel J Price Gift	274	5	(5)	-	51	325
George Parton Bequest	1,733	32	(32)	-	318	2,051
Mary Ann Price Legacy	858	16	(16)	-	157	1,015
	<u>2,865</u>	<u>53</u>	<u>(53)</u>	<u>-</u>	<u>526</u>	<u>3,391</u>

Analysis of movements in endowment funds - previous year

Endowment Name	Balance b/fwd	Income	Expenditure	Transfers	Gains and losses	Fund c/fwd
	£	£	£	£	£	£
Hazel J Price Gift	279	6	(6)	-	(5)	274
George Parton Bequest	1,764	35	(35)	-	(31)	1,733
Mary Ann Price Legacy	873	17	(17)	-	(15)	858
	<u>2,916</u>	<u>58</u>	<u>(58)</u>	<u>-</u>	<u>(51)</u>	<u>2,865</u>

All the endowment funds are invested in CFB Managed Mixed Fund and the income is used for general circuit purposes.

20 Reconciliation of net movements in funds to cash flow from operating activities

	2021	2020
Net movement in funds	102,947	(43,228)
Deduct interest income shown in investing activities	(3,461)	(9,442)
Deduct receipts from sale of tangible fixed assets	(63,955)	(571,018)
Loss / (Gain) on revaluation of properties	(20,000)	235,000
Decrease (increase) in debtors	(3,515)	(2,955)
Increase (decrease) in creditors	(9,774)	5,312
Loss / (Gain) on revaluation of fixed asset investment properties	(157,000)	70,000
Loss / (Gain) on revaluation of fixed asset investments	(15,704)	(4,300)
(Gain) / Loss on revaluation of current asset investments	396,348	(254,660)
	<u>225,886</u>	<u>(575,291)</u>

21 Contingent liability relating to the potential claim over a sold estate

It continues to be the case that a third party may have a claim over an estate which was sold during 2018/2019 financial year end. This amount cannot be reliably measured therefore no accounting provision has been recognised in the accounts.