

THE METHODIST CHURCH

SHROPSHIRE & MARCHES METHODIST CIRCUIT

ANNUAL REPORT AND ACCOUNTS
for the year ended 31 August 2022

Registered Charity number 1139091

SHROPSHIRE & MARCHES METHODIST CIRCUIT

CONTENTS

Page

2.	Administrative Information
4.	Trustees' Annual Report
9.	Statement of Trustees' Responsibilities
10.	Auditor's Report
13.	Statement of Financial Activities
14.	Comparative Statement of Financial Activities
15.	Balance Sheet
16.	Cash Flow Statement
17.	Notes to the Financial Statements

SHROPSHIRE & MARCHES METHODIST CIRCUIT

ANNUAL REPORT FOR THE YEAR ENDED 31 AUGUST 2022

ADMINISTRATIVE INFORMATION

Registered Charity	Registration number	1139091
Presbyters	Hall, Rev'd. H Richard ** Arnold, Rev'd Paul ** (from 01.09.2021) 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 (Until 13.09.2021) Bache, Mrs J Beaman, Mr R J Biseker, Rev'd. Frances C. Blanchard, Mr J. Bradley Ms Lynne Burnham, Mr Paul Burrows, Mrs Elizabeth S. Butler, Mrs Christine A. (Until 11.08.2022) Cansdale, Mrs Elizabeth (Until 10.04.2022) Cartwright Mrs Gillian A. Chesworth. Rev'd J Chidlow, Miss J Chorley, Rev'd K (Until 16.01.22) Cockayne, Mrs A Coleman, Mrs B Curtis, Mrs Christine A. Curtis, Mr David Davies, Mrs Dorothy 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 Holloway, Mrs E E Holt, Mrs Heather M. 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 Moore, Mrs L Morris, Mr N Morris, Mr R. (Until 30.04.2022) Morrison, Mrs Patricia Norris, Mrs Beth A Owens, Mrs Lynne P Parry, Ms C Pickard Rev'd D Pitchford Miss L M Powell, Mrs C A Price, Miss Heather G. Price Miss S P Pritchard, Mrs Catherine M Pritchard, Mrs E R Rees, Mr Bill Rees, Miss M Reeves, Mrs K

SHROPSHIRE & MARCHES METHODIST CIRCUIT

ANNUAL REPORT FOR THE YEAR ENDED 31 AUGUST 2022

Richardson, Rev'd Neil	Watts, Mrs H E
Roberts, Mr Barry	Weller, Mr J H
Roberts, Mrs Doris	White, Mr Henry E.G.
Roberts, Mrs Linda M	Wilford, Mrs B
Salmon, Mrs H H	Williams, Mr Adrian J **
Sheehy, Mrs V	Williams, Mrs Jean I
Stock, Mr Brian	Williams, Mrs S E
Taylor, Mr J S W	Wilson, Mrs J
Taylor, Mrs S	Wise, Mrs B
Thomas, Mr Stephen (from 22.04.2022)	Wood, Mrs Margaret O
Thomas, Mrs Vivienne (from 10.04.2022)	Wright, Mrs E Margaret
Turner, Mrs M C	Wright, Mrs M
Waldegrave, Mrs Sharman	Wright, Revd. Maurice H

Trustees appointed after 31 August 2022

Maskell, Mrs Ruth (from 02.11.2022)
Snow, Mrs Beryl (from 10.09.2022)
Hamilton-Foyn, Mr Richard W (from 05.09.2022)
Brightwell, Mr Norman J (from 05.09.2022)

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 Presbyteral 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 2022

REPORT OF THE TRUSTEES

The trustees present their annual report and financial statements for the charity for the year ended 31st August 2022. 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

2021/22 has been a very challenging year for the Shropshire and Marches Circuit which remains the largest Circuit in the Wolverhampton and Shrewsbury District. Many churches have found that their congregations have not returned to pre-pandemic levels. This may be a result of an extended change in habits or perhaps continued caution on the part of some. It may simply reflect the age profile of our churches. Whatever the cause, it is a source of concern.

The local churches continue to provide programmes of worship, pastoral care and community involvement under the leadership of Ministers, lay employees and local Church Trustees.

Circuit Staff

There were no significant changes in staffing during 2021/22. The Circuit churches continue to be supported by a team of paid staff both lay and ordained and by a much larger number of voluntary workers. We were delighted that

SHROPSHIRE & MARCHES METHODIST CIRCUIT

ANNUAL REPORT FOR THE YEAR ENDED 31 AUGUST 2022

Rev George Heinz was accepted into full Connexion and ordained at the Methodist Conference meeting in Telford in the summer of 2022.

Although we anticipate making reductions in the number of paid staff over the coming years, we do not consider that the current environment is propitious. Indeed, at this difficult time it is appropriate to ensure that all round support for our members and their related communities is maintained at the current level.

Post-pandemic Renewal

As implied above, the full impact of the pandemic lockdown is still being identified within the Circuit as it is in other parts of society. Whatever the 'new normal' might be, it has not yet emerged. We recognise that the Circuit does not exist in isolation: it cannot be separated from the political and economic uncertainty that besets the whole country. The issues we face are not ours alone. The whole church in Britain is "up against it".

The Methodist Conference has directed that the minimum size of a local church be raised from 6 members to 12. Implementing this change will be a challenge in our rural setting of small villages and scattered populations. Merging congregations to become multi-site churches is one organisational strategy that is being explored, and in some cases actively pursued. However, this raises the perceived complexity of running a local church and makes finding volunteers to become church officers more difficult.

The online service which began on the Zoom platform during the pandemic has been continued and this offers some hope of providing us with the means to resource worship in local churches with fewer available worship leaders. There will be costs associated with installing the technology in a number of churches, and a further challenge of training people to use it, but it does seem possible that our experience of providing meaningful online worship could be a means of enabling local congregations to be led together simultaneously, perhaps alongside a home-based congregation.

FINANCIAL REPORT

General Fund.

The overall position reveals a net deficit of £166,680 and this shortfall has been covered by transfers from the Circuit Model Trust Fund of £ 174,990.

Income from Churches by way of assessment was marginally short of the budget and transfers from Circuit Model Trust Fund were slightly greater than the £170,000 budgeted. This was so despite savings achieved in lay employment costs. The principal reason for the excess transfer was expenditure on two of the Manses.

Circuit Model Trust Fund.

The fund has benefited from the disposal of four Properties during the year. The net proceeds amounted to £ 336,174 from which was deducted the Connexional Levy totalling £ 56,888. This left £ 279,286 available to the Circuit for its ongoing work.

Transfers totalling c £174,990 have been made to the Circuit to cover certain specific costs and to provide general support. The annual District levy based on the balance held at the beginning of the year has been paid £16,743 (2021 – £43,950). 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 no grants during the year (2021 - £ 5,950).

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.

Grants made available to Churches are specified in Note 10 of the Accounts.

The closing value of £ 418,216 is held as a reserve for the future work and development of the Circuit as indicated in the Reserve Policy Statement.

Endowment Funds.

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

SHROPSHIRE & MARCHES METHODIST CIRCUIT

ANNUAL REPORT FOR THE YEAR ENDED 31 AUGUST 2022

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.

At the present time the long term impact of the Corona Virus pandemic is being assessed as is the challenging financial position faced by Churches and their members in the current difficult economic climate.

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 was approved by the Circuit Meeting on 20 June 2022. It reads as follows:

'Our mission is to love the Lord our God with all our heart, soul and mind, and to love our neighbour as ourselves by the power of the Holy Spirit in our large and rural community.'

With God's help we aim to:

- be aware of the differing needs of all our congregations and be prepared to adapt in order to offer mutual nurture and support
- be aware of the needs of our Ministers, Lay workers and Local preachers and encourage them in their calling and mission
- be aware of the needs of our local neighbourhoods and be witnesses for Jesus Christ within them
- accept our responsibility towards the natural world by consciously caring for God's creation
- be vocal in our commitment to inclusivity, ensuring our churches are places where all are welcome regardless of gender, race, sexuality, or any other issue which might be considered a barrier

so that we may unite as a Circuit in enabling the worship of God, and be a loving, effective and constantly evolving Methodist presence in our communities.'

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.

SHROPSHIRE & MARCHES METHODIST CIRCUIT

ANNUAL REPORT FOR THE YEAR ENDED 31 AUGUST 2022

- The Circuit Fund (Unrestricted General Fund). Balance at the year end excluding property was £ 520,497 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 to the support of its Ministers and the maintenance of the manses. Total costs for the last financial year were in the region of £760,000.
- The Reserves Policy is to hold the equivalent of at least six months' expenditure in hand i.e. £ 380,000; 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 £ 418,216 (2021: £ 339,905). The increase arises from the disposal of 4 properties. Since the year end the Fund has benefited from the receipt of c £ 257,000 (net after costs and deduction of Connexional Levy) from the disposal of a further 3 Church properties.

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 £ 49,000 for 2022/23.
- 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. £175,000 is the budgeted amount for 2022/23 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 final instalment of 5 is due in 2022/23. It is anticipated that there will be a request for continuation of this support,
- 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:

SHROPSHIRE & MARCHES METHODIST CIRCUIT

ANNUAL REPORT FOR THE YEAR ENDED 31 AUGUST 2022

- **Financial Position** – The Circuit continues to operate with a significant shortfall that is counterbalanced by transfers from reserves. These 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 57 places of worship within the Circuit and of these 25 have less than 10 members.
The majority are under some financial pressure and so their contribution to the Circuit finances is precariously balanced especially in the current economic climate. 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 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** – Whilst the pandemic itself is deemed to be over, there is a lingering effect on the membership both financially and in terms of attendance at worship.
- **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 £3,178 (2021: £3,391).

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

SHROPSHIRE & MARCHES METHODIST CIRCUIT
ANNUAL REPORT FOR THE YEAR ENDED 31 AUGUST 2022

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 *31 JANUARY 2023*

INDEPENDENT AUDITORS' REPORT TO THE TRUSTEES OF SHROPSHIRE & MARCHES METHODIST CIRCUIT IN RESPECT OF THE YEAR TO 31 AUGUST 2022

Opinion

We have audited the financial statements of Shropshire & Marches Methodist Circuit (the "Charity") for the year ended 31 August 2022 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 2022- 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 2022

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.

INDEPENDENT AUDITORS' REPORT TO THE TRUSTEES OF SHROPSHIRE & MARCHES METHODIST CIRCUIT IN RESPECT OF THE YEAR TO 31 AUGUST 2022

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.

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 matters

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**

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

9 February 2023

SHROPSHIRE & MARCHES METHODIST CIRCUIT
STATEMENT OF FINANCIAL ACTIVITIES FOR THE YEAR ENDED 31 AUGUST 2022

	Note	General Fund (Unrestricted) £	Circuit Model Trust Fund (Unrestricted) £	Restricted Funds £	Endowment Funds £	Totals this year £	Totals 2021 £
Income and endowments							
Assessment or share		449,298	-	-	-	449,298	464,324
Capital receipts	2	6,374	336,174	-	-	342,548	63,955
Interest and Investment Income		2,834	2,179	-	82	5,095	3,461
Grants	3	4,642	-	-	-	4,642	10,430
Lettings		14,976	-	-	-	14,976	14,498
Other Income	4	24,066	5,000	-	-	29,066	116,684
Total Income		502,190	343,353	-	82	845,625	673,352
Expenditure							
Expenditure on charitable activities							
Stipends, salaries, NIC & Pension costs	5	419,300	-	-	-	419,300	436,848
District assessment		106,596	-	-	-	106,596	108,150
Admin, Telephone & Travel	6	36,495	969	-	10	37,474	33,109
Insurance, Utilities etc	7	32,907	-	-	-	32,907	31,090
Maintenance on Manses		41,417	-	-	-	41,417	46,119
Expenditure on other Circuit property	8	12,267	-	-	-	12,267	8,412
Other expenditure	9	8,173	-	-	72	8,245	19,626
Grants and Donations	10	6,375	71,888	-	-	78,263	30,805
Contribution to District Advance Fund		-	16,743	-	-	16,743	43,950
Governance costs	11	5,340	-	-	-	5,340	5,000
Total Expenditure		668,870	89,600	-	82	758,552	763,109
Net income/ (expenditure)		(166,680)	253,753	-	-	87,073	(89,757)
Transfers between funds							
Property cost movement	14	-	-	-	-	-	20,000
Property value movement	13,14,17	254,000	-	-	-	254,000	157,000
Gains & losses on investments (Unrealised)		(9,587)	(452)	-	(213)	(10,252)	15,704
Net Movement in funds		252,723	78,311	-	(213)	330,821	102,947
Reconciliation of Funds							
Total funds brought forward		3,465,565	339,905	-	3,391	3,808,861	3,705,914
Total funds carried forward at end of year		3,718,288	418,216	-	3,178	4,139,682	3,808,861

SHROPSHIRE & MARCHES METHODIST CIRCUIT
COMPARATIVE 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 2021 £
Income and endowments						
Assessment or share		464,324	-	-	-	464,324
Capital receipts	2	826	63,129	-	-	63,955
Interest and Investment Income		1,887	1,521	-	53	3,461
Grants	3	10,430	-	-	-	10,430
Lettings		14,498	-	-	-	14,498
Other Income	4	21,760	94,924	-	-	116,684
Total Income		513,725	159,574	-	53	673,352

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

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

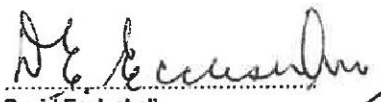
Reconciliation of Funds						
Total funds brought forward		2,999,944	703,105	-	2,865	3,705,914
Total funds carried forward at end of year		3,465,565	339,905	-	3,391	3,808,861

**SHROPSHIRE & MARCHES METHODIST CIRCUIT
BALANCE SHEET AS AT 31 AUGUST 2022**

	Note	General Fund (Unrestricted) £	Circuit Model Trust Fund (Unrestricted) £	Other Funds (Restricted) £	Endowment Funds £	Totals this year £	Totals 2021 £
Fixed Assets							
Manses etc	13	2,351,792	-	-	-	2,351,792	2,351,792
Manses held as investment	14	410,000	-	-	-	410,000	390,000
Investments	15	31,928	6,748	-	3,177	41,852	52,105
Total Fixed Assets		2,793,720	6,748	-	3,177	2,803,644	2,793,897
Current Assets							
Debtors and Prepayments	16	40,656	-	-	-	40,656	40,112
Central Finance Board and Trustees for Methodist Church Purposes deposits etc		552,517	411,468	-	1	963,986	859,325
Properties held for sale	17	436,000	-	-	-	436,000	202,000
Cash at Bank and in hand		4	-	-	-	4	17,289
Total Current Assets		1,029,177	411,468	-	1	1,440,646	1,118,726
Liabilities							
Creditors falling due within one year	18	104,608	-	-	-	104,608	103,762
Net Current Assets		924,569	411,468	-	1	1,336,038	1,014,964
Total assets less current liabilities		3,718,288	418,216	-	3,178	4,139,682	3,808,861
Funds of the charity							
General Fund (Unrestricted)	19	3,718,288	-	-	-	3,718,288	3,465,565
Circuit Model Trust Fund (Unrestricted)	19	-	418,216	-	-	418,216	339,905
Other funds (Restricted)	19	-	-	-	-	-	-
Endowment Funds	19	-	-	-	3,178	3,178	3,391
Total Funds		3,718,288	418,216	-	3,178	4,139,682	3,808,861

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 2022

	Note	2022	2021
Net cash (used) / generated in operating activities	20	<u>(364,929)</u>	<u>225,886</u>
<u>Cash flows from investing activities:</u>			
Interest and dividends		5,095	3,461
Receipts from sale of tangible fixed assets		342,548	63,955
Payments from purchase of tangible fixed assets		-	(284,792)
Net cash provided by investing activities		<u>347,644</u>	<u>(217,376)</u>
Change in cash and cash equivalents in the year		<u>(17,285)</u>	<u>8,510</u>
Cash and cash equivalents brought forward		<u>17,289</u>	<u>8,779</u>
Cash and cash equivalents carried forward		<u><u>4</u></u>	<u><u>17,289</u></u>

SHROPSHIRE & MARCHES METHODIST CIRCUIT

NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 31 AUGUST 2022

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 charity constitutes a public benefit entity as defined by FRS 102.

The trustees consider that there are no material uncertainties about the charity'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 2022

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
NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 31 AUGUST 2022

2 Capital Receipts comprise the following

	General	Unrestricted funds Circuit Model Trust	2022 Total	2021 Total
	£	£	£	£
Balances and asset sale proceeds from Manses and closed churches	6,374	-	6,374	826
Sale of Bishop's Castle Church	-	-	-	63,129
Sale of Morda Chapel	-	109,943	109,943	-
Sale of Vron Gate Chapel	-	57,313	57,313	-
Sale of Ewyas Harold Chapel	-	50,594	50,594	-
Sale of Caynam Chapel	-	118,324	118,324	-
	6,374	336,174	342,548	63,955

3 Grants

	2022 £	2021 £
Wolverhampton & Shrewsbury District of the Methodist Church	-	5,950
Various sources towards employment cost of Pastoral worker	4,642	4,480
	4,642	10,430

4 Other income

	General	Unrestricted funds Circuit Model Trust	2022 Total	2021 Total
	£	£	£	£
Employment cost of Administrator at Ludlow office has been financed by Ludlow Methodist Church and Hands Together Ludlow	20,102	-	20,102	20,572
Repayment instalment from Belle Vue Methodist Church towards cost of refurbishment provided by the Circuit	-	5,000	5,000	5,000
Refund of Connexional Levy relating to Church Stretton Manse sale	-	-	-	-
Other	3,964	-	3,964	89,924
	24,066	5,000	29,066	116,684

5 Staff costs

	Salaries	National Insurance	Pension	Apprenticeship Levy	2022 Total	2021 Total
	£	£	£	£	£	£
Ministerial	239,205	22,044	62,520	1,268	325,037	326,814
Lay employees	84,714	4,718	4,408	423	94,263	108,323
Apprenticeship Levy	-	-	-	-	-	1,711
	323,919	26,762	66,928	1,691	419,300	436,848

During the year the charity paid £Nil termination payments. (2021: £2,254).

The average number of employees during the year was 16 (2021 - 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 £147,366 (2021 - £145,365). No employees had employee benefits in excess of £60,000 (2021 - none).

**6 Telephone & Travel
including Administration**

	Unrestricted	Circuit Model Trust Fund	Restricted	Endowment	2022 Total	2021 Total
	£	£	£	£	£	£
Ministerial Travel	16,847	-	-	-	16,847	9,256
Supernumerary Travel	459	-	-	-	459	153
Lay Travel	5,044	-	-	-	5,044	2,384
Telephone - Ministers & Offices	6,033	-	-	-	6,033	7,390
Other administration	8,112	969	-	10	9,091	13,926
	36,495	969	-	10	37,474	33,109

7 Insurance, Utilities on occupied Manses.

	Unrestricted	Circuit Model Trust Fund	Restricted	Endowment	2022 Total	2021 Total
	£	£	£	£	£	£
Insurance	6,412	-	-	-	6,412	6,726
Council Tax	22,633	-	-	-	22,633	20,666
Water rates	3,862	-	-	-	3,862	3,698
	32,907	-	-	-	32,907	31,090

SHROPSHIRE & MARCHES METHODIST CIRCUIT
NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 31 AUGUST 2022

8 Expenditure on other Circuit Property.	Unrestricted	Circuit Model	Restricted	2022	2021
	£	Trust Fund	£	Total	Total
		£		£	£
Unoccupied Manses held for sale or sold		-	-	-	-
Other Manses either unoccupied or let	5,735	-	-	5,735	1,090
Churches closed and awaiting sale or sold	5,306	-	-	5,306	4,832
Cleobury Mortimer Methodist Church premises	903	-	-	903	690
Other	323	-	-	323	1,800
	12,267	-	-	12,267	8,412

9 Other expenditure	Unrestricted	CMTF	Endowment	2022	2021
	£		£	Total	Total
				£	£
Presbyteral disturbance allowances	600	-	-	600	600
Removal costs	-	-	-	-	4,214
Supernumerary Ministers' Fees	950	-	-	950	225
Churches for office accommodation	840	-	-	840	1,020
Worship Materials	2,156	-	-	2,156	3,417
Costs relating to rental of Clun property	-	-	-	-	7,383
ZOOM facility and related costs	244	-	-	244	1,797
Legal expenses	1,240	-	-	1,240	-
Other	2,143	-	72	2,215	970
	8,173	-	72	8,245	19,626

10 Grants and Donations	Unrestricted	Circuit Model	2022	2021
	£	Trust Fund	Total	Total
		£	£	£
Churches				
Wem	-	-	-	600
Moors	-	-	-	1,205
Belle Vue	-	5,000	5,000	-
Connexional levy & Grants repaid	-	-	-	-
Bishops Castle	-	-	-	12,625
Morda	-	19,977	19,977	-
Vron Gate	-	7,463	7,463	-
Ewyas Harold	-	6,119	6,119	-
Caynham	-	23,329	23,329	-
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	375
	6,375	71,888	78,263	30,805

** 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 £Nil (2021: £5,000).

SHROPSHIRE & MARCHES METHODIST CIRCUIT
NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 31 AUGUST 2022

11 Analysis of support and governance costs

	Support	Governance	2022	2021	Basis of allocation
Auditors remuneration	-	5,340	5,340	5,000	Governance
	-	5,340	5,340	5,000	

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

12 Payments to Trustees

	2022	2021
	4	4
Number of Trustees who were paid expenses excluding Presbyters and employed lay staff		
	2022	2021
	£	£
Nature of the expenses		
Supernumerary Fees and Travel expenses	1,058	67
Lay Travel and expenses excluding costs reimbursed	876	197
Total amount paid	1,934	264

During the year £568 (2021: £396) 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

	2022	2021
	£	£
Cost/valuation		
Balance brought forward	2,351,792	2,067,000
Additions		284,792
Transfers to / from properties held for sale	-	-
Transfer from Investment properties	-	-
Disposals	-	-
Balance carried forward	2,351,792	2,351,792

Net book value

31 August 2022	2,351,792
31 August 2021	2,351,792

SHROPSHIRE & MARCHES METHODIST CIRCUIT
NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 31 AUGUST 2022

14 Investment properties

	2022	2021
	£	£
Balance brought forward	390,000	370,000
Additions	-	-
Revaluations	20,000	20,000
Balance carried forward	<u>410,000</u>	<u>390,000</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	40,703	11,402	52,105
Add net gain on revaluation	(9,536)	(717)	(10,252)
Balance carried forward	<u>31,168</u>	<u>10,686</u>	<u>41,853</u>
Net book value			
31 August 2022	<u>31,167</u>	<u>10,685</u>	<u>41,852</u>
31 August 2021	<u>40,703</u>	<u>11,402</u>	<u>52,105</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

	2022	2021
	£	£
Debtors	9,705	7,624
Prepayments	30,951	32,488
	<u>40,656</u>	<u>40,112</u>

SHROPSHIRE & MARCHES METHODIST CIRCUIT
NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 31 AUGUST 2022

17 Properties etc held for sale

	2022 £	2021 £
Cost/valuation		
Balance brought forward	202,000	45,000
Additions	436,000	157,000
Revaluations	-	-
Disposals	(202,000)	-
Balance carried forward	<u>436,000</u>	<u>202,000</u>
Net book value		
31 August 2022	<u>436,000</u>	
31 August 2021	<u>202,000</u>	

18 Analysis of current liabilities

Creditors under 1 year	2022 £	2021 £
Accruals	5,340	5,000
Deferred income	99,268	98,762
	<u>104,608</u>	<u>103,762</u>

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

Balance as at 1 September 2021	98,762
Amounts released to income in the year	(98,762)
Amounts deferred in the year	99,268
Balance as at 31 August 2022	<u>99,268</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	3,465,565	502,190	(668,870)	174,990	244,413	3,718,288
CMTF	339,905	343,353	(89,600)	(174,990)	(452)	418,216
	<u>3,805,470</u>	<u>845,543</u>	<u>(758,470)</u>	<u>-</u>	<u>243,961</u>	<u>4,136,504</u>

Analysis of movements in unrestricted funds - previous year

	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>

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 - £115,000 (2021 - £100,000), specific support for lay employee costs - £34,000 (2021 - £37,000), contribution towards costs of properties subsequently sold - £4,832 (2021 - £ Nil), contribution towards cost of alterations, repairs and maintenance at 2 Manses -£ 21,158 (2021 - £45,225) and various legal and land registry costs £ Nil (2021- £ Nil).

SHROPSHIRE & MARCHES METHODIST CIRCUIT
NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 31 AUGUST 2022

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	325	7	(7)	-	(20)	305
George Parton Bequest	2,051	50	(50)	-	(129)	1,922
Mary Ann Price Legacy	1,015	25	(25)	-	(64)	951
	<u>3,391</u>	<u>82</u>	<u>(82)</u>	<u>-</u>	<u>(213)</u>	<u>3,178</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	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>

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

	2022	2021
Net movement in funds	330,821	102,947
Deduct interest income shown in investing activities	(5,095)	(3,461)
Deduct receipts from sale of tangible fixed assets	(342,548)	(63,955)
Loss / (Gain) on revaluation of properties	-	(20,000)
Decrease (increase) in debtors	(544)	(3,515)
Increase (decrease) in creditors	846	(9,774)
Loss / (Gain) on revaluation of fixed asset investment properties	(254,000)	(157,000)
Loss / (Gain) on revaluation of fixed asset investments	10,252	(15,704)
(Gain) / Loss on revaluation of current asset investments	(104,660)	396,348
	<u>(364,929)</u>	<u>225,886</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.