

THE METHODIST CHURCH
STANDARD FORM OF ACCOUNTS

VALE OF STOUR	Circuit
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FOR THE YEAR ENDED

31 August 2020

Wolverhampton & Shrewsbury	District	Circuit no	28/05
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Registered Charity - Charity Registration number

1145208

If not a registered charity Her Majesty's Revenue and
Customs Gift Aid number

(The HMRC number is equivalent to a registered charity number in terms of evidence of charitable status and may be used to give to donors or grant funders wishing to see evidence of the organisation's charitable status. Methodist charities in England and Wales that are not registered charities are excepted from registration under Statutory Instrument 2014 No.242)

Minister:

Rev. Alan Combes (Circuit Superintendent)
Rev. Michael Payne, Rev Ruth Childs (left 31/8/2020)

Rev. Peter Bradley (Supernumary), Rev. Andrew Roberts (Supernumary),
Rev. Peter Clarke (Supernumary), Rev Ian Gibson (Supernumary)

Circuit Stewards:

Miss Margaret Kite	Mrs Beatrice Cloke
Miss Jacqueline Hill	Mr Stuart Ashmore
Mr Paul Stevens (retired 31/8/20)	

Treasurer:

Mr Stuart Ashmore ACMI

Vale of Stour Methodist Circuit

Trustees' Annual Report

Introduction

The members of the Vale of Stour Methodist Circuit meeting present the accounts and Trustees' Annual Report for the year to 31 August 2020.

Brief financial review of the year

Income trends

Circuit income is primarily drawn from the assessment paid by the circuit churches. The rental income related mainly to the rental of the manse at 43 Timbertree Road, Cradley Heath but this ceased at the end of April 2020 and the manse is now occupied by Rev. Helen Croft, who joined the Circuit from September 2020.

Expenditure trends

Stipend expenditure has increased each financial year in line with conference approved increases.

23% of expenditure is the Circuit contribution to the District and Connexion, of which a significant part is used to fund the work of the wider Methodist Church.

Fund balances

As at 31 August 2020 the net current assets of the Circuit were £678,935 giving it in excess of 1 year cover for expenditure.

There is an amount of £1,009.90 held in a Youth Account and administered by Trustees. This fund will be transferred to the Circuit's Funds in the financial year 2020/21 and will be ring fenced for Youth work within the Vale of Stour Circuit.

Churches and Manses

Bromley Methodist Church, which closed for worship in 2018, has been on the market for some time – a purchaser has now come forward and sale completion is progressing, which we hope will be completed as quickly as possible. The manse at 10 Fairways Close, Stourbridge was sold on 26th June 2020 for £330,000.

Activities and Outcomes 2019/20

The Covid-19 pandemic, which brought initial closure to the circuit's churches during March 2020 (and still has restrictions in place beyond the period of this report), has been an unprecedented period in the life of the local church and the wider country.

It has brought significant disruption to the lives of individuals and communities, not least with the curtailment of many of the support activities offered and facilitated by the circuit's churches.

But amongst the challenging times we have seen incredible resilience and an outworking of our faith in the support of our congregations and wider local communities, including the development of 'online worship' (and thanks must be noted here to the circuit's Technical Community, and others, for the incredibly hard work and commitment shown in moving so quickly to establish 'digital church'), which has brought regular acts of worship via digital platforms (and which continues past the scope of this report).

When restrictions were lifted during the summer period, many churches responded by opening for private prayer and Covid-secure worship to help re-establish a personal faith connection from buildings, recognising the special role they play for many people in local communities.

We have seen other innovative ways of continuing to provide support more widely, from telephone 'wellbeing calls' to YouTube videos from our Children & Families worker – helping to support parents and families through the challenges of lockdown and home-schooling.

Plans for 2020/21

Circuit financial plans for the coming year have been prepared on the basis that there remain 4 full time ordained staff. With anticipated cost of living stipend increases combined with an increase in the assessment paid to the district, an operating budget of £292,000 has been assessed on the circuit churches.

The Rev Alan Combes was appointed Circuit Superintendent minister and took up his post in January 2020.

Covid-19 restrictions have had significant implications for the lives of all of the circuit's churches, particularly at a financial level, and some of these have already been felt in this reporting year. However, we know that such effects will continue well into 2020/21 (and likely significantly beyond) and so we remain alive to these needs as they arise.

Basis of preparation and legal framework

The Charity's annual report and accounts for the year ended 31 August 2020 have been prepared in accordance with the Charities Act 2011 and the Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard in the UK and Republic of Ireland (FRS) 102.

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Full Name of Charity: Vale of Stour Methodist Circuit

Registration Charity Number: 1145208

Date of registration: 22 December 2011

Main communication address: Circuit Office, New Road Methodist Church, New Road, Stourbridge, DY8 1PA

The members of the Vale of Stour Methodist Circuit meeting are the Charity Trustees, membership being made up of circuit office holders, ministers and representatives appointed by the local churches.

Full membership is shown as Appendix A to this report.

Circuit Ministers and officers

Active Circuit Ministers	Rev Alan Combes (Superintendent) Rev Michael Payne Rev Ruth Childs (left 31/8/2020) Rev Josephine Soon
Circuit Lay Worker	Mrs Claire Biggs (Children & Families Worker)
Financial Administrator	Mr David Little (P/T)
Circuit Local Lay Pastor	Mr Martyn Filsak
Circuit Stewards	Miss Margaret Kite Mrs Beatrice Cloke Miss Jacqueline Hill Mr Stuart Ashmore Mr Paul Stevens (retired 31/8/20)
Circuit Administrator	Mrs Elaine Panchal
Treasurer	Mr Stuart Ashmore
Independent examiner	David Wright FCA, Nicklin LLP, Church Court, Stourbridge Road, Halesowen, West Midlands B63 3TT
Investment Bankers	Central Finance Board of the Methodist Church Trustees for Methodist Church purposes HSBC Bank plc

Aims and organisation

Charity objective is to act as a Resource provider within the area around Vale of Stour Circuit for the Methodist Church:

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

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

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

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

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

Taking religious assemblies in local schools.

Promotion of Christianity through the staging of events and services.

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

Public Benefit

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

Structure, Governance and Management

The governing document for the circuit is the Deed of Union (1932) and Methodist Church Act (1976)

Detailed governance arrangements are outlined within the Constitutional Practice and Discipline of the Methodist Church by order of the annual conference (CPD).

Day to day management of the circuit is undertaken by the Circuit Leadership team along with the Local Preachers meeting, the Circuit Finance and Property Committee and the Circuit Policy Committee.

Trustee Training

A range of guidance produced by Methodist Connexion to support the effective running of the circuit, specifically the leaflet 'The Role of a Trustee in The Methodist Church' is given to all new Circuit meeting members as induction to their role as trustees.

Related Parties

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

The following Methodist Churches are linked to the circuit: Amblecote/Wordsley, Birch Coppice, Brierley Hill, Dudley Wood, Gig Mill, Kingswinford, Kinver, Lawrence Lane, New Road, Overend Mission, Providence, United Church Lye, Wesley, Wollaston.

Risk Management

The major risks have been identified and recorded by the Circuit Finance and Property Committee with professional advice taken as required.

The current Covid – 19 Pandemic has meant that very stringent Risk Assessments have had to be undertaken to allow some of our churches to reopen for worship in early August 2020. Government guidelines have been followed very carefully.

There is a regular annual review process undertaken and recorded.

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

Safeguarding

Every person has a value and dignity which comes directly from the creation of male and female in God's own image and likeness. Christians see this potential as fulfilled by God's re-creation of us in Christ. Among other things this implies a duty to value all people as bearing the image of God and therefore to protect them from harm.

Methodist Connexional practice outlines commitment to the following principles:

- the care and nurture of, and respectful pastoral ministry with, all children, young people and adults
- the safeguarding and protection of all children, young people and adults when they are vulnerable
- the establishing of safe, caring communities which provide a loving environment where there is informed vigilance as to the dangers of abuse.
- We will carefully select and train all those with any responsibility within the Church, in line with Safer Recruitment principles, including the use of criminal records disclosures and registration with the relevant vetting and barring schemes.
- We will respond without delay to every complaint made which suggests that an adult, child or young person may have been harmed, cooperating with the police and local authority in any investigation.

- We will seek to work with anyone who has suffered abuse, developing with them an appropriate ministry of informed pastoral care.
- We will seek to challenge any abuse of power, especially by anyone in a position of trust.
- We will seek to offer pastoral care and support, including supervision and referral to the proper authorities, to any member of our church community known to have offended against a child, young person or vulnerable adult.
- In all these principles we will follow legislation, guidance and recognised good practice

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

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

Reserves Policy

The Reserves Policy for the Circuit is to hold a minimum sum equivalent to 6 months' average expenditure. This should be sufficient to meet any unforeseen item of major expenditure on manses and / or to be able to continue, in the short term, funding planned activities in the event of any inability to raise the full Circuit Assessment from churches.

Statement of Financial Activities (SOFA) for the year ended 31 August 2020

	Notes to the accounts	General Fund (Unrestricted)	Circuit Model Trust (Unrestricted)	Designated Funds (unrestricted)	Restricted Funds	Endowment Funds	Total 2019-20
		£	£	£	£	£	£
Income							
1 Donations and legacies							0
2 Income from monetary investments		1,373	2,555		108		4,036
3 Income from investment properties		5,148					5,148
4 Assessments on Churches		279,439					279,439
5 Capital Receipts		28,670					28,670
6 Grants received		10,000					10,000
7 Other charitable income							
8 Total income		324,630	2,555	-	108	-	327,294
Expenditure							
9 Grants and donations		500					500
10 Salaries and associated costs		206,191					206,191
11 Property maintenance		22,548					22,548
12 Connexional assessment & model trust levy		109,981					109,981
13 District Assessment & Levy		63,294	12,402				75,696
14 Depreciation							0
15 Office expenses		20,127					20,127
16 Other outgoings		16,634	659				17,293
17 Total charitable expenditure		439,275	13,060		0		452,335
18 Gains/(losses) on monetary investments							0
19 Gains/(losses) on investment properties							
20 Net income/(expenditure)		(114,644)	(10,505)		108		(125,042)
21 Transfers between funds		(214,971)	214,971				0
22 Other gains/(losses)							
23 Net movement in funds		(329,615)	204,466		108		(125,042)
24 Total funds brought forward		1,868,576	284,581		17,340		2,170,497
25 Total funds carried forward		1,538,961	489,047		17,448		2,045,455

Statement of Financial Activities (SOFA) for the year ended 31 August 2019

	Notes to the accounts	General Fund (Unrestricted) £	Circuit Model Trust (Unrestricted) £	Designated Funds (unrestricted) £	Restricted Funds £	Endowment Funds £	Total 2018-19 £
Income							
1 Donations and legacies		1,881					1,881
2 Income from monetary investments		1,357	2,528		253		4,138
3 Income from investment properties		10,018					10,018
4 Assessments on Churches		276,784					276,784
5 Capital Receipts		10,000					10,000
6 Grants received							
7 Other charitable income							
8 Total income		300,040	2,528	-	253	-	302,821
Expenditure							
9 Grants and donations		1,107					1,107
10 Salaries and associated costs		209,222					209,222
11 Property maintenance		26,127					26,127
12 Connexional assessment & model trust levy							
13 District Assessment & Levy		60,587	15,071				75,658
14 Depreciation							
15 Office expenses		16,412					16,412
16 Other outgoings		18,034	570		119		18,723
17 Total charitable expenditure		331,489	15,641	0	119	0	347,249
18 Gains/(losses) on monetary investments		66					66
19 Gains/(losses) on investment properties							
20 Net income/(expenditure)		(31,383)	(13,113)	0	134	0	(44,362)
21 Transfers between funds							
22 Other gains/(losses)							
23 Net movement in funds		(31,383)	(13,113)	0	134	0	(44,362)
24 Total funds brought forward		1,899,959	297,694		17,206		2,214,859
25 Total funds carried forward		1,868,576	284,581	-	17,340	-	2,170,497

Name of Circuit

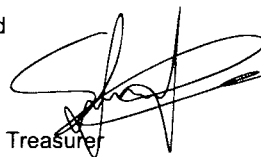
Vale of Stour

Circuit No 28/05

Balance Sheet as at 31 August 2020

Notes to the Accounts	General Fund (Unrestricted)	Circuit Model Trusts (Unrestricted)	Designated Funds (Unrestricted)	Restricted Funds	Endowment Funds	Totals 2019/20	Totals 2018/19
	£	£	£	£	£	£	£
Fixed Assets							
Circuit Manses & Equipment	1,366,520					1,366,520	1,662,802
Investment properties						0	
Investments						0	
Total fixed assets	1,366,520	0	0	0	0	1,366,520	1,662,802
Current Assets							
Debtors	13,996					13,996	16,972
Loans by the Circuit		2,560				2,560	2,560
Investments with TMCP		486,487		17,448		503,935	299,361
Central Finance Board Deposits	175,166					175,166	200,610
Cash at Bank and in hand	12,264					12,264	19,522
Total current assets	201,426	489,047	0	17,448	0	707,921	539,025
Current liabilities							
Creditors (due in under 1 year)	28,986					28,986	31,330
Grants payable within 2018-19						0	
Total current liabilities	28,986	0	0	0	0	28,986	31,330
Net current assets/liabilities	172,440	489,047	0	17,448	0	678,935	507,695
Total assets less current liabilities	1,538,960	489,047	0	17,448	0	2,045,455	2,170,497
Long term liabilities (due after more than one year)							
Grants payable after 2018-19						0	
Loans to the Circuit						0	
Net assets	1,538,960	489,047	0	17,448	0	2,045,455	2,170,497
Funds of the Circuit							
General Fund (Unrestricted)	1,538,960					1,538,960	1,868,576
Circuit Model Trust Fund (Unrestricted)		489,047				489,047	284,581
Designated Funds (Unrestricted)			0			0	
Total Unrestricted Funds						2,028,007	2,153,157
Restricted Funds				17,448		17,448	17,340
Endowment Funds					0	0	
Total Funds	1,538,960	489,047	0	17,448	0	2,045,455	2,170,497

Signed


Circuit Treasurer
Stuart Ashmore ACMI

Notes to the Accounts

1 Basis of accounting

The financial statements have been prepared under the Charities Act 2011 in accordance with the 2014 version of Accounting and Reporting by Charities: Statement of Recommended Practice (SORP) applicable to charities preparing their accounts in accordance with FRS102 – the Charities SORP (FRS102) and taking note of the Update Bulletin 1 issued in 2016.

2 Funds

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. There are no Endowment funds. Details of each material fund are disclosed in the final note to these accounts. Any funds may be represented by more than just cash.

3 Accounting policies

Basis

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

Incoming Resources

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

Resources Expended

This is recognised when a liability is incurred, or a constructive obligation arises, that results in the payment being unavoidable. Liabilities are recognised as soon as an outflow of economic benefit is considered more likely than not under the legal or constructive obligation committing the Circuit to pay out resources.

Grants

Grants made by the Circuit from its own funds are recognised in full at the time of agreement or when the Circuit accepts that there is a legal or operational obligation to make the payment.

VAT

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

Tangible fixed assets for use by the Circuit

Tangible fixed assets are capitalised if they can be used for more than one year, and cost at least £500. The freehold property is shown in the accounts at 2015 deemed values, of which the land component is deemed to be £350,000. No depreciation is provided on the building because the trustees consider the current residual fair value of the manse buildings (on the assumption that it had reached the end of its useful economic life by the year-end) to be not less than its current value. Any depreciation would not be material. The property has been reviewed for impairment..

Investment Properties

Investment properties - no property is currently deemed to not be held for the long term purposes of the charity.

Investments

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

Debtors and Prepayments

These are shown as having been calculated using appropriate accounting conventions..

Creditors

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

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4 Payment to Trustees

There were no payments made to trustees for additional services provided to the Circuit by agreement with the Circuit Meeting, this excludes stipends.

Trustee expenses

	2019/20	2018/19
Number of Trustees	78	78
Total amount	£5,940	£9,936

Expense payments primarily relate to reimbursement for travel and computing costs

5 Fees for examination or audit of the accounts

	2019/20 £	2018/19 £
Independent examiner's or auditors' fees for reporting on the accounts	1200	1800
Other fees (e.g. advice, accountancy services) paid to the independent examiner or auditor	NIL	NIL

6 Paid employees

Staff Costs paid during the year were:

	2019/20	2018/19
Gross wages, salaries and benefits in kind	£ 158,199	161,533
Employer's National Insurance costs	£ 11,677	12,947
Pension costs	£ 22,777	29,452
Total staff costs	£ 192,653	203,912

Average number of full-time equivalent employees in the year were:

7	7
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7 Capital Commitments and Contingent Liabilities

At the 31st August 2020 there are no capital commitments.
No Contingent liabilities were identified at 31st August 2020.

8 For information only: Money received and passed on to External Organisations

	2019/20	2018/19
	£	£
Balance brought forward from last year	0	0
Offerings/Gifts - received for External Organisations	2,950	3,412
Offerings/Gifts - passed to External Organisations	2,950	3,412
Balance carried forward	0	0

Cont ...

9 Tangible Fixed Assets

Cost or valuation

	Land £	Manse £	Other buildings £	Fixtures, fittings and equipment £	Payments on account and assets under construction £	Total £
Balance brought forward	0	1,662,802	0	0		1,662,802
Additions						
Revaluations (+/-)						
Disposals (-)		(296,282)				(296,282)
Transfers * (+/-)						
Balance carried forward	0	1,366,520		0		1,366,520

Accumulated depreciation

Balance brought forward				0		0
Depreciation charge for year (-)				0		0
Revaluations (+/-)						
Disposals (-)						
Transfers* (+/-)						
Balance carried forward				0		0

Net book value

Brought forward	0	1,662,802	0	0		1,662,802
Carried forward	0	1,366,520	0	0		1,366,520

10 Investment assets

The circuit has no common investment fund holdings

11 Loans

The Circuit currently has no loans

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12 Analysis of restricted and designated funds: 2019-2020

Restricted Fund Name	Opening Balance £	Incoming Resources £	Resources Expended £	Transfers £	Closing Balance £	Purpose of the fund
Unconditional Bequest	275	0	0		275	Any purpose specified part 9 of CPD volume 2
John R Wright	13,289	88	0		13,376	For the maintenance of the ministry
Arthur Pearson Bequest	1,798	12	0		1,810	LP training
Barry Blunt	876	2	0		878	For training local circuit preachers
Surplus New Road account	1,101	7	0		1,108	Fund designated for the maintenance of the centre.
Totals	17,339	108	0		17,448	

Comparative analysis of restricted and designated funds 2018-2019

Restricted Fund Name	Opening Balance £	Incoming Resources £	Resources Expended £	Transfers £	Closing Balance £	Purpose of the fund
Unconditional Bequest	275	2	2		275	Any purpose specified part 9 of CPD volume 2
John R Wright	13,203	112	26		13,289	For the maintenance of the ministry
Arthur Pearson Bequest	1,787	15	4		1,798	LP training
Barry Blunt	847	113	84		876	For training local circuit preachers
Surplus New Road account	1,094	9	2		1,101	Fund designated for the maintenance of the centre.
Totals	17,206	251	118		17,339	

Declarations and Scrutiny

I confirm that these accruals-based accounts for the year to 31 August 2020 have been prepared from the records of the Circuit and that they include all funds under the control of the Circuit meeting.

Signature of treasurer  Date... 10th March 2021

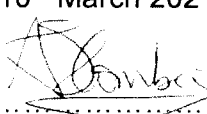
Name and address of treasurer Stuart Ashmore

4 Southern Close, Kingswinford.

Post Code: DY6 8HS

Presentation to the Circuit meeting

I confirm that the annual report and accounts for the year ended 31 August 2020 were presented to the Circuit meeting held on 10th March 2021.

Signature of the Chair of the meeting 

Name of the Chair of the meeting: Rev. Alan Combes

Date 10th March 2021

Independent Examiner's Report to the Trustees of the

Vale of Stour Circuit

Charity Number 1145208

Responsibilities and basis of report

I report to the trustees on my examination of the accounts of the Vale of Stour Circuit for the year ended 31 August 2020 set out on pages 2 to 14. As the Circuit's trustees, you are responsible for the preparation of the accounts in accordance with the requirements of the Charities Act 2011 ('the Act').

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

Name of Circuit: VALE OF STOUR

No: 28/05

Independent Examiner's Statement

The Circuit's gross income exceeded £250,000 and I am qualified to undertake the examination by being a qualified member of the Institute of Chartered Accountants in England and Wales.

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

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

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

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

Signature of independent examiner 

Name of independent examiner: David Wright

Relevant professional qualification of independent examiner: FCA

Name of firm Nicklin LLP

Address Church Court, Stourbridge Road,

Halesowen, West Midlands.

Post Code B63 3TT

Date 10th June 2021.