

THE METHODIST CHURCH
STANDARD FORM OF ACCOUNTS

Vale of Stour	Circuit
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FOR THE YEAR ENDED
31 AUGUST 2022

Wolverhampton & Shrewsbury District	Circuit no	28/05
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Registered Charity - Charity Registration number	1145208
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If not a registered charity Her Majesty's Revenue and Customs Gift Aid number	n/a
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Ministers:

Rev Alan Combes
Rev Michael Payne
Rev Josephine Soon (left 31/8/22)
Rev Helen Croft

Circuit Stewards:

Margaret Kite
Michael Sykes
Stuart Ashmore
Beatrice Cloke (Retired 31/3/22)
Jacqueline Hill

Treasurer:

Stuart Ashmore

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 2022.

Brief financial review of the year

Income trends

Circuit income is primarily drawn from the assessment paid by the circuit churches.

Expenditure trends

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

25% 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 2022 the net current assets of the Circuit were £678,017 giving it in excess of 1 year cover for expenditure. (see Reserves Policy)

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 2022/23 and will be ring-fenced for Youth Work within the Vale of Stour Circuit.

Churches and Manses

No premises were disposed of during the financial year, but the former Brierley Hill manse was re-purposed to support partnership missional activities with The Brierley Hill Project.

Activities and Outcomes 2021/22

The Covid-19 pandemic, which initially saw the Circuit's churches temporarily close in March 2020, has been an unprecedented period in the life of the local church and the wider country.

It 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 our faith has remained resilient in these challenging times, with many innovative ways of supporting our congregations and wider local communities.

During the year, church life has returned to some level of 'business as usual', albeit not at pre-Covid levels; congregational numbers have been slow to return and, overall, we are seeing lower numbers of both church members and weekly

congregations across the Circuit. This, in turn, has implications for both church and Circuit finances and conversations have already begun during the year in respect of the Circuit 'Way Forward' and what the future might look like.

One of the key outcomes at Circuit level was the new partnership working arrangement with The Brierly Hill Project (BHP), whose mission is to provide targeted life support and mentoring for the people from the Brierley Hill area and wider Dudley Borough. A re-purposing of the former Brierly Hill manse created the opportunity to work with BHP, helping them to move to new premises having outgrown their previous location. Such a partnership serves to strengthen the Circuit's charitable role (through its churches) of acting as a resource provider for the Methodist Church in the local area.

Plans for 2022/23

Circuit financial plans for the coming year have been prepared on the basis of a reduction to **three** full-time ordained staff, following the re-location of Rev. Josephine Soon and her family to Scotland. The impact of the Covid pandemic, together with anticipated cost of living stipend increases and a stable assessment paid to the district, means a gross operating budget of £349,896 has been assessed on the circuit churches. However, the Circuit has actively chosen to invest in two key lay roles from its reserves, meaning a net operating budget of £301,845 has been approved.

Covid-19 restrictions have had significant implications for the lives of all the circuit's churches, particularly at a financial level, and these continue to be felt. Many churches, though, have proved to be very resilient, with regular giving being maintained by congregations in the face of challenging circumstances and rental income levels beginning to return, albeit slowly. Indeed, some churches were the beneficiaries of funding to support the operation of vaccination centres, but this is, very much, a 'one-off' income stream.

However, the Circuit Leadership Team remains alive to the ongoing impact of the pandemic and have openly encouraged individual churches to discuss their own future plans with the Circuit Leadership Team where they feel the impact of the pandemic has had significant impact on their wellbeing and spiritual life.

Discussions have also started in respect of the Circuit's future planning – 'The Way Forward' – to see what changes may be appropriate for the future against the backdrop of current datasets and missional imperatives.

Two meetings took place in the financial year – January and April 2022 – with a third scheduled for November 2022, to discuss the possible options going forward and what a future, re-imagined Circuit and its churches might look like.

Basis of preparation and legal framework

The Charity's annual report and accounts for the year ended 31 August 2022 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.

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 Josephine Soon (resigned 31 st August 2022) Rev Helen Croft
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 (resigned: 31 st March 2022) Miss Jacqueline Hill Mr Stuart Ashmore Mr Mike Sykes
Circuit Administrator	Mrs Elaine Panchal
Treasurer	Mr Stuart Ashmore ACMI

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 together 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 Covid – 19 Pandemic meant that very stringent Risk Assessments had to be undertaken to allow some of our churches to reopen for worship in early August 2020. Such formal assessments are no longer required in accordance with Government guidelines but churches remain mindful of good practice regarding ventilated spaces and good personal hygiene.

There is a regular annual process review undertaken and recorded.

Income and Expenditure is 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.

Name of Circuit

Vale of Stour

Circuit No 28/05

Statement of Financial Activities (SOFA) for the year ended 31 August 2022

Notes to the accounts	General Fund (Unrestricted) £	Circuit Model Trust (Unrestricted) £	Designated Funds (unrestricted) £	Restricted Funds £	Endowment Funds £	Total 2021-22 £
Income						
1 Donations and legacies						0
2 Income from monetary investments	126	3057		197		3,380
3 Income from investment properties						0
4 Assessments on Churches	264,095					264,095
5 Capital Receipts	10,000					10,000
6 Grants received						0
7 Other charitable income	1,600					1,600
8 Total income	275,821	3,057	-	197	-	279,075
Expenditure						
9 Grants and donations						0
10 Salaries and associated costs	225,811					225,811
11 Property maintenance	40,100					40,100
12 Connexional assessment & model trust levy						0
13 District Assessment & Levy	60,897	41,158				102,055
14 Depreciation						0
15 Office expenses	14,937					14,937
16 Other outgoings	16,897	2,288		681		19,866
17 Total charitable expenditure	358,642	43,446	0	681	0	402,769
18 Gains/(losses) on monetary investments				0		0
19 Gains/(losses) on investment properties						0
20 Net Income/(expenditure)	(82,821)	(40,389)	0	(484)	0	(123,694)
21 Transfers between funds						0
22 Other gains/(losses)						0
23 Net movement in funds	(82,821)	(40,389)	0	(484)	0	(123,694)
24 Total funds brought forward	1,482,624	667,999		17,608		2,168,231
25 Total funds carried forward	1,399,803	627,610	0	17,124	0	2,044,537

Name of Circuit

Vale of Stour

Circuit No 28/05

Statement of Financial Activities (SOFA) for the year ended 31 August 2021

Notes to the accounts	General Fund (Unrestricted) £	Circuit Model Trust (Unrestricted) £	Designated Funds (unrestricted) £	Restricted Funds £	Endowment Funds £	Total 2020-21 £
Income						
1 Donations and legacies						0
2 Income from monetary investments	220	2,657	199			3,076
3 Income from investment properties						0
4 Assessments on Churches	267,388					267,388
5 Capital Receipts	308,341					308,341
6 Grants received	10,000					10,000
7 Other charitable income						
8 Total income	585,949	2,657	199	-	-	588,805
Expenditure						
9 Grants and donations	1,490					1,490
10 Salaries and associated costs	220,216					220,216
11 Property maintenance	27,574					27,574
12 Connexional assessment & model trust levy	103,336					103,336
13 District Assessment & Levy	62,275	27,737				90,012
14 Depreciation						0
15 Office expenses	14,420					14,420
16 Other outgoings	7,970	973	39			8,982
17 Total charitable expenditure	437,281	28,710	39	0	0	466,030
18 Gains/(losses) on monetary investments						0
19 Gains/(losses) on investment properties						
20 Net income/(expenditure)	148,668	(26,053)	160	0	0	122,775
21 Transfers between funds	(205,005)	205,005				0
22 Other gains/(losses)						
23 Net movement in funds	(56,337)	178,952	160	0	0	122,775
24 Total funds brought forward	1,538,961	489,047	17,448			2,045,456
25 Total funds carried forward	1,482,624	667,999	17,608	0	0	2,168,231

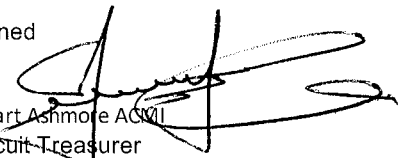
Name of Circuit

Vale of Stour Methodist Circuit

Circuit No
28/05**Balance Sheet as at 31 August 2022**

Notes to the Accounts	General Fund (Unrestricted)	Circuit Model Trusts (Unrestricted)	Designated Funds (Unrestricted)	Restricted Funds	Endowment Funds	Totals 2021/22	Totals 2020/21
	£	£	£	£	£	£	£
Fixed Assets							
Circuit Manses & Equipment	1,366,520					1,366,520	1,366,520
Investment properties						0	
Investments						0	
Total fixed assets	1,366,520	0	0	0	0	1,366,520	1,366,520
Current Assets							
Debtors	21,306					21,306	15,768
Loans by the Circuit		2,560				2,560	2,560
Investments with TMCP		625,050		17,124		642,174	683,047
Central Finance Board Deposits	24,640					24,640	122,511
Cash at Bank and in hand	16,397					16,397	6,924
Total current assets	62,343	627,610	0	17,124	0	707,077	830,810
Current liabilities							
Creditors (due in under 1 year)	29,060					29,060	29,100
Grants payable within 2021-22						0	
Total current liabilities	29,060	0	0	0	0	29,060	29,100
Net current assets/liabilities	33,283	627,610	0	17,124	0	678,017	801,710
Total assets less current liabilities	1,399,803	627,610	0	17,124	0	2,044,537	2,168,231
Long term liabilities (due after more than one year)							
Grants payable after 2021-22						0	
Loans to the Circuit						0	
						0	
Net assets	1,399,803	627,610	0	17,124	0	2,044,537	2,168,231
Funds of the Circuit							
General Fund (Unrestricted)	1,399,803					1,399,803	1,482,624
Circuit Model Trust Fund (Unrestricted)		627,610				627,610	667,999
Designated Funds (Unrestricted)			0			0	0
Total Unrestricted Funds						2,027,412	2,150,623
Restricted Funds				17,124		17,124	17,608
Endowment Funds					0	0	
Total Funds	1,399,803	627,610	0	17,124	0	2,044,537	2,168,231

Signed


 Stuart Ashmore ACMI
 Circuit Treasurer

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

	2021/22	2020/21
Number of Trustees	78	78
Total amount	£6,173	£4,876

Expense payments primarily relate to reimbursement for travel and computing costs

5 Fees for examination or audit of the accounts

	2021/22	2020/21
	£	£
Independent examiner's or auditors' fees for reporting on the accounts	1,320	1,440
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:

	2021/22	2020/21
Gross wages, salaries and benefits in kind	£ 171,462	£ 171,784
Employer's National Insurance costs	£ 14,807	£ 13,633
Pension costs	£ 29,924	£ 26,254
Total staff costs	£ 216,193	£ 211,671

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 2021 there are no capital commitments.

No Contingent liabilities were identified at 31st August 2020/1

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

	2021/22	2020/21
	£	£
Balance brought forward from last year	0	0
Offerings/Gifts - received for External Organisations	2,973	3,810
Offerings/Gifts - passed to External Organisations	2,973	3,810
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	1,366,520	0	0		1,366,520
Additions						
Revaluations (+/-)						
Disposals (-)						
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	1,366,520	0	0		1,366,520
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

Cont ...

12 Analysis of restricted and designated funds: 2021-22

Restricted Fund Name	Opening Balance £	Incoming Resources £	Resources Expended £	Transfers £	Closing Balance £	Purpose of the fund
Unconditional Bequest	275	1	1		275	Any purpose specified part 9 of CPD volume 2
John R Wright	13,395	63	38		13,420	For the maintenance of the ministry
Arthur Pearson Bequest	1,813	8	486		1,335	LP training
Barry Blunt	1,015	120	153		982	For training local circuit preachers
Surplus New Road account	1,110	5	3		1,112	Fund designated for the maintenance of the centre.
Totals	17,608	197	681		17,124	

Comparative analysis of restricted and designated funds 2020-21

Restricted Fund Name	Opening Balance £	Incoming Resources £	Resources Expended £	Transfers £	Closing Balance £	Purpose of the fund
Unconditional Bequest	275	1	1		275	Any purpose specified part 9 of CPD volume 2
John R Wright	13,376	45	27		13,395	For the maintenance of the ministry
Arthur Pearson Bequest	1,810	6	3		1,813	LP training
Barry Blunt	878	168	31		1,015	For training local circuit preachers
Surplus New Road account	1,108	4	2		1,110	Fund designated for the maintenance of the centre.
Totals	17,448	224	64		17,608	


Name of Circuit: VALE OF STOUR

No: 28/05

Declarations and Scrutiny

I confirm that these accruals-based accounts for the year to 31 August 2022 have been prepared from the records of the Circuit and that they include all funds under the control of the Circuit meeting.

Signature of treasurer



Date.....

13/3/2023

Name and address of treasurer Stuart Ashmore ACMI

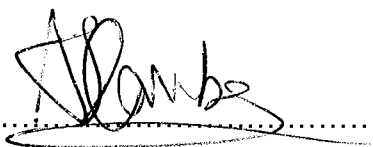
4 Southern Close, Kingswinford.

Post Code: DY6 8HS

Presentation to the Circuit meeting

I confirm that the annual report and accounts for the year ended 31 August 2022 were presented to the Circuit meeting held on:

Signature of the Chair of the meeting



Name of the Chair of the meeting:

Rev. Alan Combes

Date

Independent Examiner's Report to the Trustees of the

Vale of Stour Methodist 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 2022 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.

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

Date: 24/3/23

Relevant professional qualification of independent examiner: FCA

Name of firm Nicklin LLP

Address Church Court, Stourbridge Road,

Halesowen, West Midlands.

Post Code B63 3TT