

South Warwickshire Methodist Circuit

Registered Charity Number 1154830

Trustees' Report and Audited Accounts

for the year ended 31 August 2023

South Warwickshire Methodist Circuit Trustees' Report for the year ended 31 August 2023

Introduction

This report and accounts covers the year to 31 August 2023.

The Circuit seeks to live out the calling of the Methodist Church to respond to the gospel of God's love in Christ and to live out its discipleship and to:

- increase awareness of God's presence and to celebrate God's love
- help people to grow and learn as Christians through mutual support and care
- be a good neighbour to people in need and to challenge injustice

The mission of the South Warwickshire Methodist Circuit is to encourage and support people to be open and responsive to God, each other and the world.

Review of the year

The Statement of Financial Activities shows a net deficit on the General Fund, before investment and other recognised gains and losses, of £82,847 for the year. This reflects planned utilisation of reserves to fund a policy of spending reserves on new initiatives to spread the word of God.

During the year the Mickleton manse was sold. The net proceeds for the Circuit were £3,608 less estimated in last year's report.

When a Methodist Church closes the managing trusteeship of any land and buildings passed to the Circuit. If the plan is to dispose of the buildings they are recognised at fair value in the Financial Statements of the Circuit. The gain arising on recognising the value is shown in the Statement of Financial Activity and they are classified as current asset investments on the Balance Sheet. The Methodist Current at Mickleton closed in the year so its land and buildings have been recognised at a fair value of £158,603. Following difficulties in selling the former church at Fenny Compton its fair value has been reduced from £171,104 to £113,435. Net income of £221 on the Circuit Model Trust Fund is after a District Advance Fund contribution of £12,500. At the year end total reserves were £3,528,367. Of that £3,021,763 is held in fixed assets or property awaiting sale.

Income trends

The principal funding sources during the year were:

- 1) *General Fund* Assessments received from the churches in the Circuit: £270,682 (2022: £277,958).
- 2) *Circuit Model Trust Fund*: Investment income of £13,529 (2022: £1,614).

Expenditure trends

The principal items of expenditure were the stipends of ministers and provision of their manses, as well as the salaries of lay workers employed by the Circuit. Stipends increase each year in line with increases approved by the Methodist Conference. Lay workers are paid at or above the Living Wage (determined each November by the Living Wage Foundation). Lay worker salaries are reviewed periodically to take account of any change in the scope and scale of responsibilities, individual performance and local comparators.

**South Warwickshire Methodist Circuit
Trustees' Report for the year ended 31 August 2023 (continued)**

Expenditure trends (continued)

An assessment of £56,832 (2022: £57,420) was paid to the Birmingham Methodist District, to support the work of the Methodist District and the wider Methodist Church. The annual contribution to the District Advance Fund, £12,500 (2022: £19,160), was reduced from the previous year as a result of lower Model Trust Fund reserves. The contribution is made under Standing Order 955(6) and is a tariff based on Circuit funds held by the Trustees for Methodist Church Purposes at the previous year end.

Fund balances

At 31 August 2023 net current assets were £986,682 (2022: £972,864). Once a building is sold the net proceeds become part of the Circuit Model Trust Fund. The transfer between funds of £270,851 represents the net proceeds of asset sales banked into the Circuit Model Trust Fund. Consequently, there is a significant increase in fund during the year.

Plans for 2023/24 and future years

Historically the Circuit sort to cover normal ongoing costs from the assessment income. The disruption of the Covid 19 pandemic has impacted on the income of many churches and caused some to close. As a consequence, the Circuit is not yet able to return to its previous funding model. In the short term income from property disposals will bridge the gap.

Basis of preparation of accounts and legal framework

The Charity's annual report and accounts for the year ended 31 August 2023 have been prepared in accordance with the Charities Act 2011 and the Charities: Statement of Recommended Practice 2019 as applicable to the Financial Reporting Standard (FRS) 102.

These financial statements are subject to audit owing to the gross asset value of the Circuit exceeding the relevant threshold.

Charity registration number: 1154830

Main communication address : 9 Northvale Close, Kenilworth, CV8 2EN

South Warwickshire Methodist Circuit

Trustees' Report for the year ended 31 August 2023 (continued)

Charity trustees

The members of the South Warwickshire Methodist Circuit meeting are the Charity Trustees, membership being made up of circuit office holders, ministers and representatives appointed by the local churches (see Appendix to Trustees' Report for a full list of Trustees). The Circuit meeting delegates the day to day running of the circuit to a leadership team.

Circuit Leadership Team for the year to 31 August 2023

<i>Active circuit ministers</i>	Rev Iain Ballard
	Rev Sally Jones
	Rev Jeongsook Kim
	Deacon Jane Mills
	Rev Jemima Strain (part time)
	Rev Richard Wilde (part time)
<i>Circuit stewards</i>	Sheila Brown
	Trevor Pethick
	David Witham (Treasurer)

David Witham acted as the principal officer overseeing the day to day financial management and accounting for the Circuit during the year.

Auditors	JW Hinks LLP - Chartered Accountants and Statutory Auditors
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Bankers	Central Finance Board of the Methodist Church Trustees for Methodist Church Purposes CAF Bank
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Aims and organisation

The charity's objective is to act as a resource provider in South Warwickshire 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.

South Warwickshire Methodist Circuit Trustees' Report for the year ended 31 August 2023 (continued)

Aims and organisation (continued)

The Circuit encourages and supports the Methodist churches in South Warwickshire in: the organisation and resourcing of regular public acts of worship which are 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 clubs, activities and support groups with a Christian ethos.
- supporting other charities in the UK and overseas financially and with prayer.

The Circuit reviews its aims, objectives and activities and identifies opportunities for future action. It promotes mission and gives appropriate support to churches that demonstrate that they are outward looking, mission focused, not averse to change and taking risk and, where possible and appropriate, seeking to work in partnership with others.

Public Benefit

The trustees confirm that they 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.

Selection of Trustees and Training of Trustees

Trustees are appointed as set out in the Constitutional Practice and Discipline of the Methodist Church. Appointment is made by local churches or existing trustees or, in the case of ministers, on stationing in the Circuit. A range of guidance produced by Methodist Connexion to support the effective running of the Circuit is given to Circuit Meeting members. In particular 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. Other training is provided to Trustees appropriate to their role and responsibility within the Circuit.

Related Parties

The Circuit is part of the Birmingham District and is also accountable to the Methodist Conference. The following Methodist Churches and Local Ecumenical Projects (LEP) are linked to the Circuit: Cubbington, Dale Street, Henley in Arden, Kenilworth, Kineton, Radford Road (LEP), Stockton (LEP), Stratford upon Avon, Welford on Avon, Warwick, Wellesbourne and Whitnash.

The trustees and their close family members are also related parties.

South Warwickshire Methodist Circuit
Trustees' Report for the year ended 31 August 2023 (continued)

Risk Management

The major risks have been identified and recorded by the Circuit Leadership Team with professional advice taken as required. There is a regular annual review process undertaken and recorded. Income and expenditure is compared with the approved annual budget on a half yearly basis to detect trends as part of the risk management process and avoid unforeseen calls on reserves.

Safeguarding

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

Methodist Connexional practice outlines commitment to the following principles:

- the care and nurture of, and respectful pastoral ministry with, all children, young people and adults.
- the safeguarding and protection of all children, young people and adults when they are vulnerable.
- the establishing of safe, caring communities which provide a loving environment where there is informed vigilance as to the dangers of abuse.
- We will carefully select and train all those with any responsibility within the Church, in line with Safer Recruitment principles, including the use of criminal records disclosures and registration with the relevant vetting and barring schemes.
- We will respond without delay to every complaint made which suggests that an adult, child or young person may have been harmed, cooperating with the police and local authority in any investigation.
- We will seek to work with anyone who has suffered abuse, developing with them an appropriate ministry of informed pastoral care.
- We will seek to challenge any abuse of power, especially by anyone in a position of trust.
- We will seek to offer pastoral care and support, including supervision and referral to the proper authorities, to any member of our church community known to have offended against a child, young person or vulnerable adult.
- In all these principles we will follow legislation, guidance and recognised good practice

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

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

South Warwickshire Methodist Circuit
Trustees' Report for the year ended 31 August 2023 (continued)

Reserves Policy

The Reserves Policy for the Circuit is to hold a minimum sum equivalent to 4 months' average expenditure. This should be sufficient to meet any unforeseen item of major expenditure on manses and continue planned activities for the short term in the event of any inability to raise the full circuit assessment from churches.

At 31 August 2023, the Circuit held reserves of £986,682, excluding reserves held as tangible fixed assets. This represents £846,000 in excess of the amount determined under the Circuit's reserves policy. The Circuit continues to develop a strategy to utilise surplus reserves for the furtherance of its objectives. The Circuit Meeting has agreed that the following costs should be excluded from the base for calculating assessments on churches and will be funded from reserves:

- Manse refurbishment costs in excess of rental income
- Costs of part time presbyters for the length of their appointments
- Cost of additional mission focussed ministry
- Costs of maintaining and administering surplus property
- Grants

The policy is continuing.

**South Warwickshire Methodist Circuit
Trustees' Report for the year ended 31 August 2023 (continued)**

Statement of Trustees' Responsibilities

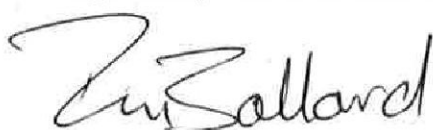
The trustees are responsible for preparing the Report of the Trustees and the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

The law applicable to charities in England and Wales, the Charities Act 2011, Charity (Accounts and Reports) Regulations 2008 and the provisions of the trust deed 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, including the income and expenditure, of the charity for that period. In preparing those financial statements, the trustees are required to

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in the Charity SORP;
- make judgements and estimates that are reasonable and prudent;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charity will continue in business.

The trustees are responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the charity and to 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. 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.

Approved by order of the board of trustees on 19 June 2024 and signed on its behalf by:



Rev Iain Ballard
Superintendent Minister

**South Warwickshire Methodist Circuit
Circuit Meeting Membership**

MINISTERS	Rev Dr Iain Ballard Rev Jemima Strain Rev Jeongsook Kim Rev Sally Jones Deacon Jane Mills Rev Tina Brooker	To 31 August 2023 From 1 September 2023
OTHER MINISTERS RESIDING IN THE CIRCUIT WHO WISH TO BE MEMBERS OF THE CIRCUIT MEETING	Rev E Brian Mason Rev Richard Wilde Rev Ros Murphy	 To 15 June 2023
CIRCUIT STEWARDS	Trevor Pethick David Witham - Treasurer Sheila Brown	
LOCAL PREACHERS REPRESENTATIVES	Russell Blackwell	
<u>CHURCH REPRESENTATIVES</u>		
Cubbington	Derek Dwyer David Chirnside	To 30 April 2024 To 30 April 2024
Dale Street	June Gabbittas Jill Lloyd Joanna Rhodes Mark Whitehouse David Sandy	 From 7 September 2022 To 31 March 2024 From 7 September 2022 From 19 May 2024
Kineton	Roger Carter Lesley Rimell	From 1 June 2023
Kenilworth	Sandra Quarterman Lindsey Sullivan Sally McCawley Jonathon Burrows	From 7 September 2022 From 1 July 2023 From 1 September 2022 From 1 June 2023
Mickleton	Mark Boulton Timothy Mead	To 30 October 2022 To 30 October 2022
Radford Road	Margaret Bull Andrew Davidson	
Stockton	Heather Chamberlain	
Stratford upon Avon	Janet Grant	From 1 June 2023
Inc Henley in Arden	Kathleen Fraser David Dumper Phillip Ledgard Margaret Blakemore Andrew Steele	To 31 August 2023 To 31 August 2023 From 1 September 2023
Warwick	Anne Oliver Julie Barr Ken Hayward Trevor Wills	 From 1 June 2023 From 1 June 2023
Welford upon Avon	Brian Bradley Edward Timmins Maurice Mills	To 20 February 2024 From 20 February 2024 From 20 February 2024
Wellesbourne	Carol Cave Roger Thompson	To 20 March 2024 To 20 March 2024
Whitnash	Jan Tyrrell	
OTHERS APPOINTED		
Climate Change	Mark Boulton	
Safeguarding	Penelope Sharples	
Archivist	Edward Royle	

South Warwickshire Methodist Circuit
Statement of Financial Activities (SOFA) for the year ended 31 August 2023

	Notes to the accounts	General Fund (Unrestricted)	Circuit Model Trust Fund (Unrestricted)	Year ended 31.8.23	General Fund (Unrestricted)	Circuit Model Trust Fund (Unrestricted)	Year ended 31.8.22
		£	£	£	£	£	£
Income							
Charitable activities							
Assessments from churches	5	270,682	-	270,682	277,958	-	277,958
Lettings	6	8,644	-	8,644	11,409	-	11,409
Other	7	38,788	-	38,788	21,738	-	21,738
Interest receivable	8	3,461	13,529	16,990	240	1,614	1,854
Total income		321,575	13,529	335,104	311,345	1,614	312,959
Expenditure							
Stipends, salaries, NI, Pension	9	260,908	-	260,908	261,419	-	261,419
District Assessment		56,832	-	56,832	57,420	-	57,420
Telephone & travel		12,594	-	12,594	12,254	-	12,254
Insurance, utilities, etc		20,739	-	20,739	20,210	-	20,210
Maintenance on manses		10,541	-	10,541	8,923	-	8,923
Office costs		9,995	-	9,995	12,047	-	12,047
Surplus properties		19,714	-	19,714	8,542	-	8,542
Other Expenditure		10,951	808	11,759	15,292	1,061	16,353
Grants and donations		627	-	627	3,239	-	3,239
Depreciation		1,521	-	1,521	720	-	720
Contributions to District Advance Fund		-	12,500	12,500	-	19,160	19,160
Total expenditure		404,422	13,308	417,730	400,066	20,221	420,287
Net (expenditure) / income		(82,847)	221	(82,626)	(88,721)	(18,607)	(107,328)
Gains and losses on investment assets							
Loss on disposal	12	(3,608)	-	(3,608)	-	-	-
Loss on reclassification		-	-	-	(204,187)	-	(204,187)
Other recognised gains and losses							
Change in fair value of property held for sale	12	100,934	-	100,934	371,910	-	371,910
Reclassification of funds							
Transfers between funds							
Draw down from model trust		140,000	(140,000)	0	70,000	(70,000)	0
Net movement in funds		(116,372)	131,072	14,700	149,002	(88,607)	60,395
Reconciliation of funds:							
Total funds brought forward		3,230,098	283,569	3,513,667	3,081,096	372,176	3,453,272
Total funds carried forward		3,113,726	414,641	3,528,367	3,230,098	283,569	3,513,667

South Warwickshire Methodist Circuit
Balance Sheet as at 31 August 2023

	Notes	General Fund (Unrestricted) £	Circuit Model Trust Fund (Unrestricted) £	31 August 2023 £	31 August 2022 £
Tangible Fixed Assets					
Land, buildings & equipment	11	2,541,685		2,541,685	2,540,803
Investment property		-		-	-
Total fixed assets		2,541,685		2,541,685	2,540,803
Current Assets					
Current investments	12	480,078	-	480,078	648,323
Debtors and prepayments	13	17,069	2,433	19,502	18,517
Trustees for Methodist Church Purposes		-	562,623	562,623	283,339
Central Finance Board Deposits		78,518	-	78,518	13,242
Cash at bank		11,370	-	11,370	29,375
Total current assets		587,035	565,056	1,152,091	992,796
Creditors and Accruals (due in under 1 yr)	14	14,994	150,415	165,409	19,932
Net current assets		572,041	414,641	986,682	972,864
Net assets		3,113,726	414,641	3,528,367	3,513,667
Funds of the Circuit					
General Fund	15	3,113,726	-	3,113,726	3,230,098
Circuit Model Trust Fund	15	-	414,641	414,641	283,569
Total Funds		3,113,726	414,641	3,528,367	3,513,667

Signed:



Dated:

19 June 2024

David Witham FCA
 Circuit Treasurer

South Warwickshire Methodist Circuit
Notes to the Accounts for the year ended 31 August 2023

1. Basis of accounting

The financial statements of the charity, which is a public benefit entity under FRS 102, have been prepared in accordance with the Charities SORP (FRS 102) "Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts with the Financial Reporting Standard applicable in the United Kingdom and Republic of Ireland (FRC 102) (effective 1 January 2019)", Financial Reporting Standard 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" and the Charities Act 2011.

2. Public benefit entity

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

3. Consolidation

The Circuit has denominational regulatory oversight in respect of the work of the Churches within the Circuit but has no legal or operational control of those Churches and their governing bodies except in extreme circumstances. For this reason, the financial statements of those Churches within the Circuit are not consolidated into these financial statements.

4. Accounting policies

i. Income Recognition

Income is brought into account when the Circuit becomes entitled to the resources and the Trustees believe it is more likely than not that they will receive the resources, and the monetary value can be measured with sufficient reliability.

In accordance with Charities SORP (FRS 102), the time of volunteers is not recognised.

ii. Expenditure and Liabilities

Liabilities are recognised where it is more likely than not that there is a legal or constructive obligation committing the Trustees to pay out resources and the amount of the obligation can be measured with reasonable certainty.

iii. Grants

Where there are no conditions attaching to a grant made by the Circuit from its own funds, the grant is recognised in full at the time of agreement to make the grant. Where the Circuit gives a grant with conditions for its payment, being a specific level of service or output to be provided, the grant is only recognised in the SOFA once the recipient of the grant has provided the specified service or output. When the grant to be accrued is recurrent over more than one year, the balance payable in future years is treated as a provision for future commitments in the Balance Sheet against the appropriate fund, the provision being released in future years as instalments are paid in accordance with the originally agreed terms.

iv. VAT

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

South Warwickshire Methodist Circuit
Notes to the Accounts for the year ended 31 August 2023

4. Accounting policies (continued)

v. Tangible fixed assets

These are capitalised if they can be used for more than one year, and individually cost at least £250.

The freehold property held at 1 September 2015 is shown in the accounts at 2015 deemed value, being that property's insurance reinstatement value. The freehold property purchased after 1 September 2015 is shown at cost on acquisition. The freehold property acquired at the merger with part of the Stratford and Evesham Circuit is shown at the value previously used in the accounts of that circuit. The land component of the freehold property is deemed to be £50,000 per property.

No depreciation is provided on property because the Trustees consider the current residual fair value of the property in its present condition to be not less than the value at which it is stated in the balance sheet and, in the absence of any evidence of impairment, any depreciation for the buildings component of the property would be immaterial. Depreciation is provided on fixtures, fittings and equipment on a straight line basis over three years.

vi. Properties held for sale

From time to time the Circuit may be required to assume responsibility for Church premises following closure and cessation of worship. This results in the Circuit Trustees becoming the managing trustees for the property so that the Trustees decide whether the property can be used in a different way to further the mission of the Circuit or whether it is redundant and should be sold. If a decision is made to sell the property, it is classified as a current asset investment. Similarly, any other property held for resale would be a current asset investment. Such properties are recognised as an asset at its anticipated net sale price as determined by a professional valuation and after taking account of the levy to be charged by the Connexion. Any expenditure on the property that is likely to enhance its sales value is capitalised at the time that the expenditure is incurred. Where proceeds are intended to be spent on activities, the property is included in assets at the lower of cost and net realisable value.

vii. Debtors, creditors, bank and cash

Debtors are stated at settlement amount or amount advanced by the charity. Subsequently they are measured at the cash or other consideration expected to be received. Creditors are initially recognised at settlement amount after any trade discounts, where normal credit terms apply, or the amount advanced to the Circuit. Subsequently creditors that are current liabilities are measured at cash or other consideration expected to be paid. The liquid funds of bank balances and deposit fund balances are shown at their realisable values.

viii. Methodist Connexional Funds

The Methodist Church Connexion raises assessments against Circuits and these are paid quarterly to their Districts. The Circuits raise assessments against Churches in the Circuit. The District remits to The Methodist Church Fund most of the sum received from Circuits. A small sum is retained by the District to meet its own costs.

South Warwickshire Methodist Circuit
Notes to the Accounts for the year ended 31 August 2023

4. Accounting policies (continued)

ix. Ministers' Manse Costs

The Circuit is required to provide accommodation for each minister in the Circuit and their families and ministers are expected to occupy the manse provided for them. The Circuit bears the cost of repairs, maintenance, buildings insurance, Council Tax and water charges, as well as the cost of ministers' removal to the Circuit. Where any manse costs are viewed by HMRC as taxable benefits to the minister, the resulting employer NI charge is included as part of the NI cost for the year.

5. Assessments from Churches

At the year end the Circuit comprises 11 churches which are assessed for a contribution to meet the overall net core, ongoing costs of the Circuit. Normally, 80% of the assessment is apportioned to the Churches on the basis of their adjusted income, including only 50% of letting income to allow for increased running costs and excluding one-off receipts, and 20% of the assessment is apportioned on the basis of their unrestricted reserves. However, in the basis period the accounts of the churches were distorted by the covid pandemic. Therefore, the previous level of assessment was continued in the year. Subsequently, there has been a return to applying the formula.

	Year ended 31.8.23	Year ended 31.8.22
	£	£
Cubbington	20,428	20,428
Dale Street	69,276	69,276
Fenny Compton	-	1,531
Henley in Arden	6,024	6,024
Kenilworth	58,320	58,320
Kineton	6,524	6,524
Mickleton	1,915	7,660
Radford Road	8,412	8,412
Stratford upon Avon	41,136	41,136
Warwick	34,060	34,060
Welford on Avon	4,919	4,919
Wellesbourne	11,432	11,432
Whitnash	8,236	8,236
	270,682	277,958

6. Lettings

Lettings income relates to either manses that are not required to house Circuit ministers in the short term or church buildings where the circuit meeting is the managing trustee body rather than a local church council. Letting income is shown gross of fees and commission.

7. Other Income from Charitable Activities

Unrestricted income of £38,788 includes reimbursement from the Coventry and Warwickshire University Free Church Standing Committee (FCSC) of £17,947, being expenditure by the circuit in providing on the payroll cost of a chaplain at the University of Warwick, and £19,830, being funds received from Mickleton Methodist Church on its closure.

South Warwickshire Methodist Circuit
Notes to the Accounts for the year ended 31 August 2023

8. Interest receivable

	Unrestricted	Circuit Model Trust Fund	Year ended 31.8.23	Year ended 31.8.22
	£	£	£	£
Central Finance Board	3,405	-	3,405	240
Trustees for Methodist Church Purposes	-	13,529	13,529	1,614
CAF Bank	56	-	56	-
Total	3,461	13,529	16,990	1,854

9. Stipends, Salaries and Associated costs

Staff Costs paid during the year were:

	Ministers (Circuit Trustees)	Mission staff	Administ- ration	Year ended 31.8.23 Total	Year ended 31.8.22 Total
	£	£	£	£	£
Gross stipends and salaries	152,408	22,642	30,506	205,556	208,176
Employer's National Insurance costs	13,354	1,900	1,508	16,762	15,353
Pension costs	36,218	1,328		37,546	36,605
Apprenticeship Levy	811	104	129	1,044	1,285
Total staff costs	202,791	25,974	32,143	260,908	261,419

Average number of full time equivalent number of staff employed during the year were :

Ministers	5.12	5.49
Mission staff	1.00	1.17
Administration	1.19	1.4
	7.31	8.06

South Warwickshire Methodist Circuit
Notes to the Accounts for the year ended 31 August 2023

9. Stipends, Salaries and Associated costs (continued)

No employees received employee benefits that totalled more than £60,000. There is no accrual for holiday pay as it is immaterial. All staff are paid at or above the living wage as calculated by the Living Wage Foundation.

Methodist Ministers are not employees of the Methodist Church although for simplicity, when accounting for National Insurance and pension contributions, the terms employer and employee are used as they would be in an employing body.

Contributions are made to the Methodist Ministers' Pension Scheme for all ministers. This is a defined benefit scheme which is accounted for in the financial statements of the Methodist Church in Great Britain. This scheme is in deficit but a plan for the removal of the deficit is being implemented.

Lay workers have the option of joining a defined contribution pension scheme which the Circuit has set up with TPT Retirement Solutions.

Each minister is entitled to a 3 month sabbatical every 7 years and the expenses incurred by the minister are met by the Connexion with the Circuit continuing to pay the stipend. The Circuit does not accrue for holiday pay cover as the remaining staff cover as needed without extra pay.

Payments to Trustees

The Superintendent Minister, other ministers of the Circuit and the Circuit Stewards constitute the Circuit Leadership Team and are considered as Key Management Personnel. The Superintendent chairs meetings of the Circuit Leadership Team and the Circuit Meeting. The Circuit Leadership Team, together with church and other representatives, are members of the Circuit Meeting and are the Trustees of the Circuit. The stipends, employer's National Insurance and employer's pension contributions and other expenses of the ministers of the Circuit are paid by the Circuit, as determined by the Methodist Church, and are separately disclosed as part of staff costs above. Manses are provided by the Circuit and the Circuit maintains the property.

	Year ended	
	31.8.23	31.8.22
Payments made to trustees who are part of the leadership team		
Travel expenses	£6,688	£5,580
Phone expenses	£4,283	£3,359
	£10,971	£8,939
Payments made to trustees who are not part of the Circuit Leadership Team for additional services - preaching fees and related expenses	£1,135	£669
Number of trustees who were paid expenses	8	8
10. Fees for audit of the accounts	Year ended	
	31.8.23	31.8.22
Audit fees	£3,804	£3,696

South Warwickshire Methodist Circuit
Notes to the Accounts for the year ended 31 August 2023

11. Tangible Fixed Assets

	Manses Land	Manses Buildings	Fixtures, Fittings & Equipment	Total
Cost or valuation	£	£	£	£
Balance at 1 September 2022	300,000	2,239,363	7,307	2,546,670
Additions	-	-	2,403	2,403
Disposals	-	-	(1,061)	(1,061)
Balance at 31 August 2023	300,000	2,239,363	8,649	2,548,012
Depreciation				
Balance at 1 September 2022	-	-	5,867	5,867
Disposals	-	-	(1,061)	(1,061)
Charge of year	-	-	1,521	1,521
Balance at 31 August 2023	-	-	6,327	6,327
Net book value				
At 31 August 2023	300,000	2,239,363	2,322	2,541,685
At 31 August 2022	300,000	2,239,363	1,440	2,540,803
Basis of depreciation			Straight line	
			3 years	

Manses at 31 August 2023 comprise:

9 Northvale Close, Kenilworth	Occupied by Circuit Minister
48 Warwick Place, Leamington Spa	Occupied by Circuit Minister
101 West Street, Warwick	Occupied by Circuit Minister
22 Gardiner Road, Kineton	Occupied by Circuit Minister
61 Murcott Road East, Whitnash	Occupied by Circuit Minister
1a Hillside Road, Stratford upon Avon	Occupied by Circuit Minister

12. Current Investments

During the year to 31 August 2023 the sales of Knightcote chapel and Mickleton manse were completed. In addition the Mickleton chapel and hall were inherited by the Circuit Meeting upon the closure of the societies there and are being held for disposed of by way of sale. Consequently, a value of those buildings is now recognised as a current asset investment.

	£	£
Balance at 1 September 2022		648,323
Sale of Knightcote chapel		(73,366)
Fair value of Mickleton chapel and hall	158,603	
Adjustment to fair value of Fenny Compton chapel	(57,669)	
		100,934
Sale of Mickleton manse - net proceeds	(192,205)	
adjustment to fair value	(3,608)	
		(195,813)
Balance at 31 August 2023		480,078

The fair value at 31 August is made up of the following properties:

	31 August 2023 £	31 August 2022 £
Knightcote chapel	-	73,366
Fenny Compton chapel	113,435	171,104
Tysoe chapel	208,040	208,040
Mickleton manse	-	195,813
Mickleton chapel and hall	158,603	-
	480,078	648,323

South Warwickshire Methodist Circuit
Notes to the Accounts for the year ended 31 August 2023

13. Debtors	31 August 2023	31 August 2022
	£	£
Prepayments accrued income	19,502	18,517

14. Creditors due in less than one year	£	£
Accruals and deferred income	14,994	19,932
Other creditors	150,415	-
	165,409	19,932

15. Reserves	General Fund	Circuit Model Trust Fund	Total
	£	£	£
At 1 September 2022	3,230,098	283,569	3,513,667
Net (expenditure)/ income for the year	(82,847)	221	(82,626)
Gains and losses on investment assets	(3,608)	-	(3,608)
Other recognised gains and losses	100,934	-	100,934
Transfers between funds	(270,851)	270,851	-
Drawdown from CMTF	140,000	(140,000)	-
At 31 August 2023	3,113,726	414,641	3,528,367

The purpose of the General Fund is for use at the discretion of the Trustees in the furtherance of the objectives of the Circuit. About 91% of this fund is held as freehold property and so is not available to meet expenditure in the short term.

The purpose of the Circuit Model Trust Fund (CMTF) is for use at the discretion of the Trustees in the furtherance of the objectives of the Circuit. Its main source of income is contributions from the sale of manse and church buildings in the Circuit, after contributions and levies to the Connexion determined by the Methodist Church. Although technically an Unrestricted Fund under the control of the Circuit Meeting, prior approval is still required from the District to utilise these funds.

South Warwickshire Methodist Circuit
Notes to the Accounts for the year ended 31 August 2023

16.Related party transactions

Name of related party	Relationship	Description of transaction	Year ended 31 August 2023	Year ended 31 August 2022	Year ended 31 August 2023	Year ended 31 August 2022
			Income from related party	Paid to or goods provided to related party	Income from related party	Paid to or goods provided to related party
			£	£	£	£
Methodist Churches within the South Warwickshire Circuit	Churches within the Circuit	Assessments (share of Circuit costs)	270,682	-	277,958	-
Wellesbourne Methodist Church	A Circuit Church	Grant for low energy lighting	-	519	-	-
Warwick Methodist Church	A Circuit Church	Outreach project	-	-	-	400
Wellesbourne Methodist Church	A Circuit Church	Outreach project	-	-	-	162
Wellesbourne Methodist Church	A Circuit Church	Grants for Audio Visual equipment	-	-	-	383
Stratford upon Avon Methodist Church	A Circuit Church	Grants for Audio Visual equipment	-	2,294	-	2,294
Birmingham Methodist District	Methodist District in which Circuit located	Assessment (share of costs of District and Methodist Connexion)	-	57,420	-	57,420
Birmingham Methodist District	Methodist District in which Circuit located	District Advance Fund contribution	-	19,160	-	19,160
Mickleton Methodist Church	Churches within the Circuit	Assets transferred on closure	119,830	-	-	-
Fenny Compton and Tysoe Methodist Churches	Churches within the Circuit	Assets transferred on closure	-	-	421,144	-

There were no amounts owed to related parties at the year end.

South Warwickshire Methodist Circuit
Notes to the Accounts for the year ended 31 August 2023

17. Contingent Liabilities and Capital Commitments

Under the agreement that divided the assets of the Stratford and Evesham Methodist Circuit a disposal of the Mickleton manse would result in a liability to share the proceeds with the South Worcestershire Methodist Circuit. At 31 August 2023 the decision to make such a disposal had already been made so the property has been reclassified as a current asset investment at a value net of the amount due to the South Worcestershire Methodist Circuit.

Independent Auditor's Report to the Trustees of South Warwickshire Methodist Circuit

Opinion

We have audited the financial statements of South Warwickshire Methodist Circuit (the 'charity') for the year ended 31 August 2023 which comprise of the Statement of Financial Activities, Statement of Cash Flows, Balance Sheet and 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 2023, and of its incoming resources and application of resources, including its income and expenditure, for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- 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 charitable company'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 our report.

Other information

The trustees are responsible for the other information. The other information comprises the information included in the trustees 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, except to the extent otherwise explicitly stated in our report, 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.

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;
- the charity has not kept adequate accounting records; or
- the financial statements are not in agreement with the accounting records and returns; or
- we have not received all the information and explanations we require for our audit.

Responsibilities of trustees

As explained more fully in the trustees' responsibilities statement, 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 the trustees 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 liquidate the charity or 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 regulations made under section 154 of that Act.

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 identified areas of laws and regulations that could reasonably be expected to have a material effect on the financial statements and discussed the policies and procedures regarding compliance.

Specific areas considered were as follows:

- Enquiring with management and others to gain an understanding of the organisation itself including operations, financial reporting and known fraud or error.
- Evaluating and understanding the internal control system.
- Performing analytical procedures as expected or unexpected variances in account balances or classes of transactions.
- Testing documentation supporting account balances or classes of transactions.

Because of the inherent limitations of an audit, there is a risk that we will not detect all irregularities, including those leading to a material misstatement in the financial statements or non-compliance with regulation. This risk increases the more that compliance with a law or regulation is removed from the events and transactions reflected in the financial statements, as we will be less likely to become aware of instances of non-compliance. The risk is also greater regarding A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at: <https://www.frc.org.uk/Our-Work/Audit/Audit-and-assurance/Standards-and-guidance/Standards-and-guidance-for-auditors/Auditors-responsibilities-for-audit/Description-of-auditors-responsibilities-for-audit.aspx>. This We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during

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 auditor's 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,

JW Hinks LLP
Chartered Accountants and Statutory Auditors
19 Highfield Road
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West Midlands
B15 3BH

19 June 2024

J.W. Hinks UP