



**Circuit
Accruals Accounts
2020-2021**

**THE METHODIST CHURCH
REPORT AND ACCOUNTS
(ACCRUALS BASIS)
for the year ended 31 August 2021**

South Worcestershire Methodist

Circuit

Registered Charity - Registration number

1164581

District No / Circuit No 05/16

Ministers

Rev Helen Caine - Superintendent
Rev Nigel Coke-Woods
Rev Gary Molver
Rev Katherine Pickering
Rev Israel Selvanayagam

Circuit Stewards

Mr Jeremy Curtis
Mr Heath Watton
Mrs Cynthia Merriman
Mrs Christine Parker
Dr David Jones

Circuit Treasurer

Ms Sandie Smith

South Worcestershire Methodist Circuit
TRUSTEES' ANNUAL REPORT

FOR THE YEAR ENDED 31 AUGUST 2021

Introduction

South Worcestershire Methodist Circuit was formed in September 2019 from the churches of South West Worcestershire Methodist Circuit and those from the Evesham side of the Stratford and Evesham Methodist Circuit. It is a small but vibrant circuit with churches based around the city of Worcester and the towns of Droitwich, Evesham and Malvern.

Aims and organisation

As Methodists in South Worcestershire, mindful of 'Our Calling' and the Priorities of the Methodist Church, we seek to serve, enable, inspire and challenge our member churches to engage in God's mission in a changing world by:

- Providing opportunities to grow together as Spirit-led, grace-filled, Jesus-centred people of God
- Assisting our churches in increasing awareness of God's presence and sharing the love of God in our communities
- Helping our churches to work for justice and peace for all people, and care for the environment.

Review of the year

South Worcestershire Methodist Circuit has fulfilled its objectives during the last year by supporting the churches within the Circuit providing Christian ministry in their localities.

The year continued to be overshadowed by the COVID-19 pandemic. Happily churches were able to open, although many found themselves with reduced in person congregations with some congregations still worshiped online from home. As the year progressed some churches found it increasingly more difficult to remain open, and the Church Councils of two churches, Norton and Willersey, voted to close. These decisions are to be taken to the September synod for agreement.

The Circuit has supported 5 full-time presbyters to exercise pastoral oversight of the 11 churches that make up the Circuit. The Circuit has also provided voluntary support and leadership in the form of Local Preachers and Circuit Stewards. There are many other office holders who support the churches with help and advice on property, finance, worship and work with young people.

Our churches have supported charitable causes, both local and worldwide and several churches have buildings which are used by the local communities where we serve, although this was curtailed in line with government guidance during the main lockdown and subsequent restrictions.

The Circuit continues to encourage varied work across the Circuit supporting a part-time Family Worker at Droitwich and a part-time Pastoral Worker in Malvern. A new full-time Ecumenical Lay Worker (partly URC funded) started in the Evesham, Broadway, Willersey part of the circuit started work in August 2021. The part-time worker at Bromyard Road/Ombersley Road left in June 2021. Plans for a replacement are presently on hold.

Income and expenditure trends

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

Stipend expenditure has increased each financial year in line with conference approved increases. Lay salaries have increased in line with stipend expenditure

18.0% 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 2021 the net current assets of the Circuit were £211,363 giving approximately 7.8 months cover for expenditure.

Plans for 2021/22

The current Superintendent Minister stood down from their post at the end of August 2021 and became part-time to facilitate the transition for the alteration of the Circuit, and the hoped for arrival of a Deacon based in Worcester City Centre from September 2022. The new Superintendency will be based at Evesham Methodist Church from September 2021. Circuit financial plans for the coming year have therefore been prepared on the basis that there will be 4.5 full time ordained staff with anticipated cost of living stipend increases combined with the assessment paid to the district such that on average a 2.5% assessment increase has been requested from the circuit churches.

South Worcestershire Methodist Circuit

Trustee's Annual Report on Finance and Governance

Basis of preparation and legal framework

The Charity's annual report and accounts for the year ended 31 August 2021 have been prepared in accordance with the Charities Act 2011 and the Charities Statement of Recommended Practice 2015 as applicable to the Financial Reporting Standard(FRSSE) 2015

Full Name of Charity: South Worcestershire Methodist Circuit

Registration Charity Number: 1164581

Date of registration: 26 November 2015

Main communication address: 39 Barnes Way, Worcester, WR5 3AP

The members of the South West Worcestershire 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 Minister and Officers

Active Circuit Ministers

Rev Helen Caine
Rev Israel Selvanayagam
Rev Nigel Coke-Woods
Rev Gary Molver
Rev Katherine Pickering

Circuit Lay Workers	Miss Anne Rich
	Mrs Sarah Jessop
	Miss Judy Oliver

Circuit Stewards	Mr Jeremy Curtis Mr Heath Watton Mrs Cynthia Merriman Mrs Christine Parker Dr David Jones
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Administrator: Ms Vanessa Hearn

Ms Sandie Smith acted as the principal officer overseeing the day to day financial management and accounting for the circuit during the year.

Independent Examiner: Mrs Eve Jennings
24 Dalziel Drive, Whittington, Worcester, WR5 2QY

Investment Bankers: Central Finance Board of the Methodist Church
Trustees for Methodist Church Purposes

South Worcestershire Methodist Circuit

Aims and organisation

Charity objective is to act as a Resource provider within the area around Worcester, Evesham, Malvern and Droitwich 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 Committees and the Circuit Meeting.

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 Birmingham District and is also accountable to the Methodist Conference.

The following Methodist Churches are linked to the circuit: St. Andrews Worcester, Droitwich, Bromyard Road, Ombersley Road, Norton, Lansdowne Crescent, Somers Park Avenue, Upper Welland, Evesham, Broadway, Willersey

South Worcestershire Methodist Circuit

Risk Management

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

There is a regular annual review process undertaken and recorded.

Income and Expenditure is being monitored in total and is compared regularly with the approved annual budget 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 South Worcestershire 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 South Worcestershire 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 4 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 2021

	Notes to the accounts	Unrestricted funds	CMTF (Unrestricted)	Restricted Funds	Endowment Funds	Total 2020-21	Total 2019-2020
		£	£	£	£	£	£
Income and Endowments from:							
1	Donations and legacies	12,113				12,113	-
2	Charitable activities					-	-
2a	Assessments or share	309,444				309,444	308,780
2b	Other					-	-
3	Other trading activities					-	-
3a	- Lettings					-	
3b	- Miscellaneous					-	
4	Investments	283	217			501	1,561
5	Other	18,734		6,925		25,659	14,964
6	Total	340,575	217	6,925	-	347,717	325,305
Expenditure on:							
7	Stipends, salaries, NIC & Pension costs	208,861				208,861	198,334
8	District Assessment	55,032				55,032	53,920
9	Methodist Church Fund					-	-
10	Telephone & travel	4,894				4,894	13,871
11	Insurance, utilities, etc	12,423				12,423	15,262
12	Maintenance on manses	19,627				19,627	18,497
13	Expenditure on other Circuit property	5,153				5,153	-
14	Depreciation					-	-
15	Outreach and Mission	5,000				5,000	7,269
16	Other Expenditure	8,828	132			8,960	15,634
17	Grants and Donations	400				400	760
18	Contributions to District Advance Fund		1,652			1,652	1,588
19	Total	320,218	1,784	-	-	322,002	325,135
20	Net income/(expenditure)	20,356	-	1,567	6,925	25,714	170
21	Transfers between funds						
		20,356	-	1,567	6,925	-	170
	Funds received from Stratford and Evesham Circuit						94,339
Other recognised gains / (losses):							
22	Gains/(Losses) on revaluation of fixed assets					-	631,000
23	Gains/(Losses) on investment assets					-	-
24	Actuarial gains /(losses) on defined benefit pension schemes					-	-
25	Net movement in funds	20,356	-	1,567	6,925	25,714	725,509
Reconciliation of funds:							
26	Total funds brought forward	1,982,680	66,073	50,000		2,098,753	1,373,244
27	Total funds carried forward	2,003,036	64,506	56,925	-	2,124,467	2,098,753

Balance Sheet as at 31 August 2021

Unrestricted	Circuit Model Trust Fund (Unrestricted)	Restricted	Endowment Funds	Totals this year	Totals last year
£	£	£	£	£	£

Tangible Fixed Assets

Notes

Land & Buildings		1,913,000			1,913,000	1,913,000
Equipment						
Investment properties						
Investments		105			105	105
Total fixed assets		1,913,105			1,913,105	1,913,105

Current Assets

Debtors and Prepayments		8,133			8,133	5,023
Other						
Trustees for Methodist Church Purposes deposits			64,506		64,506	66,073
Central Finance Board Deposits		123,534		56,925	180,460	155,187
Cash at Bank and in hand		20,462			20,462	13,587
Total current assets		152,129	64,506	56,925	273,561	239,870

Creditors and Accruals (due in under 1 yr)

		62,198			62,198	54,222
Net current assets (liabilities)		89,931	64,506	56,925	211,363	185,648

Total assets less current liabilities

		2,003,036	64,506	56,925	2,124,468	2,098,753
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Loans and creditors due after 1 year

Provisions for liabilities and charges						
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Net assets

		2,003,036	64,506	56,925	2,124,468	2,098,753
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Funds of the Circuit

Unrestricted funds		2,003,036			2,003,036	1,982,680
Circuit Model Trust Fund (Unrestricted)			64,506		64,506	66,073
Restricted funds				56,925	56,925	50,000
Endowment funds					-	-
Total Funds		2,003,036	64,506	56,925	2,124,468	2,098,753

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 the Financial Reporting Standard for Smaller Entities applicable in the UK (effective from 1 January 2015) – the Charities SORP (FRSSE) – in replacement for the SORP's 2005 version specified in its related 2008 Regulations and in accordance with the 'true and fair override' provision contained therein."

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 also the following Endowment funds as listed. 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.

Income Recognition

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. When the grant 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.

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

These are capitalised if they can be used for more than one year, and individually cost at least £1,000.

The freehold property is shown in the accounts at 2020 deemed values. No depreciation is provided on the buildings because the trustees consider the current residual fair value of the manse buildings (on the assumption that they had reached the end of their useful economic life by the year-end) to be not less than their current value. Any depreciation would not be material. The properties have 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

Debtors relate to the payment of the September stipend in August.

Creditors

Creditors include sundry expenses incurred but not yet paid.

Impact of Accounting changes

A statement is required if there has been any restatement required to previous reported information as a consequence of the new SORP. There is no such restatement.

South Worcestershire Methodist | Circuit

4. Investment income	Unrestricted	Circuit Model	Restricted	2021	2020
	£000	Trust Fund	£000	Total	Total
				£000	£000
Central Finance Board				-	
Rental income				-	
Other	105			105	104
Total	105	-	-	105	104

5. Payment to Trustees		This year	Last year
Payments made to trustees	£	-	
Number of trustees who were paid expenses			
Total amount paid	£		

6. Paid employees
Staff Costs paid during the year were:

		This year	Last year
Gross wages, salaries and benefits in kind	£	162,351	152,395
Employer's National Insurance costs	£	12,180	12,513
Pension costs	£	34,330	33,426
Total staff costs	£	208,861	198,334
Average number of staff employed during the year were:		8	8

8. Payment to Trustees

Payment to Trustees	This year	Last year
Payments made to trustees for additional services provided to the Circuit by agreement with the Circuit Meeting	£	
Number of trustees who were paid expenses	5	4
Nature of the expenses		
Expense payments primarily relate to reimbursement for travel and computing costs		
Total amount paid	£ 4,031	8,782

9. Fees for examination or audit of the accounts

Independent examiner's or auditors' fees for reporting on the accounts	£	
Other fees (eg: advice, accountancy services) paid to the independent examiner or auditor	£	

**South Worcestershire Methodist Circuit
DECLARATIONS**

Treasurer

I confirm that these accrual based accounts for the year ended 31 August 2021 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 Sandie Smith Date 18-Feb-22

Name of Treasurer Sandie Smith

Address 43 Crofters Green, Droitwich Spa, Worcestershire, WR9 9HX

Presentation to the Circuit Meeting for approval.

I confirm that the annual report and accounts for the year ended 31 Aug 2021 were, or will be* presented to the Circuit Meeting at its meeting on

08-Mar-22

and were approved.

Signature of the Chair of the meeting Nigel Coke-Woods

Name of the Chair of the meeting Rev Nigel Coke-Woods

Date 21/6/22

Independent Examiner's Report to the Trustees of the

South West Worcestershire Methodist

Circuit

This Report is on the Circuit Accounts for the year ended 31st August

2021

Respective responsibilities of Trustees and Examiner

The Circuit's trustees are responsible for ensuring that the annual report and accounts for the year to 31 August 2021 present a true and fair view of the Circuit's income and expenditure for the year and of its assets and liabilities at the balance sheet date. The trustees consider that an audit is not necessary for this year under Section 144 of the Charities Act 2011 (the Charities Act) and that an independent examination is needed.

It is my responsibility to:

- examine the accounts under section 145 of the Charities Act;
- to follow the procedures laid down in the general Directions given by the Charity Commission under Section 145(5)(b) of the Charities act; and
- to state whether particular matters have come to my attention.

** Please delete or circle as appropriate*

South Worcestershire Methodist Circuit
Basis of Independent Examiner's Report

My examination was carried out in accordance with the general directions given by the Charity Commission. An examination includes a review of the accounting records kept by the charity and a comparison of the accounts presented with those records. It also includes consideration of any unusual items, in nature or scale, or disclosures in the accounts, seeking explanations from the Trustees concerning such matters. The procedures undertaken do not provide all the evidence that would be required in an audit and, consequently no opinion is given as to whether the accounts present a true and fair view. My report is limited to those matters set out in the statement below.

Independent Examiner's Statement

In connection with my examination, no matter has come to my attention (other than as disclosed below*)

(1) which gives me reasonable cause to believe that in any material respect the requirements:

- to keep accounting records in accordance with Section 130 of the Charities Act.
- to prepare accounts which accord with the accounting records and comply with the accounting requirements of the Charities Act

have not been met, or

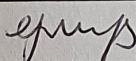
(2) to which, in my opinion, attention should be drawn in order to enable a proper understanding of the accounts to be reached.

(3) I ~~have~~ /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.

Name of independent examiner

Eve Jennings

Signature of independent examiner



Relevant Professional qualification of independent examiner

ACCA

Name of firm (where appropriate)

Address

24 Dalziel Drive
Whittington,
Worcester
WR5 2QY

Date

14/06/2022

* Please delete or circle as appropriate