



**Circuit
Accruals Accounts
2021-2022**

**THE METHODIST CHURCH
REPORT AND ACCOUNTS
(ACCRUALS BASIS)
for the year ended 31 August 2022**

South Worcestershire Methodist

Circuit

Registered Charity - Registration number

1164581

District No / Circuit No 05/16

Ministers

Rev Christopher Collins - Superintendent

Rev Nigel Coke-Woods - Acting Superintendent from Feb '22

Rev Gary Molver

Rev Katherine Pickering

Rev Helen Caine

Circuit Stewards

Mr Jeremy Curtis

Mr Heath Watton

Mrs Cynthia Merriman

Mrs Christine Parker

Dr David Jones

Mrs Margaret Saunders

Circuit Treasurer

Ms Sandie Smith

South Worcestershire Methodist Circuit
TRUSTEES' ANNUAL REPORT

FOR THE YEAR ENDED 31 AUGUST 2022

Introduction

South Worcestershire Methodist Circuit is a small but vibrant circuit with churches based around the city of Worcester and the towns of Droitwich, Evesham and Malvern. It contains both rural and urban areas and all in between.

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.

We continue to recover from the COVID-19 pandemic, with most churches finding that the lack of lettings during the previous year having a negative effect on their reserves. Congregations are growing again and are increased by those members unable to attend physical church being able to worship online from home.

We celebrated the arrival of a new Superintendent in September. Unfortunately, due to circumstances beyond our control, he has been unable to work since January 2022. One of the other ministers has taken on the role of Acting Superintendent and the other staff have taken on additional work to cover other aspects of his role. In addition to the Superintendent the Circuit has supported 3 full-time and 1 half-time presbyter to exercise pastoral oversight of the 9 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 had been curtailed in line with government guidance during the main lockdown and subsequent restrictions, churches are seeing a return of community groups to their premises.

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. Unfortunately, the new Ecumenical Lay Worker (partly URC funded) in the Evesham, Broadway, Willersey part of the circuit left in June 2022. 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

19.0% 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.

Other costs are calculated taking into account past expenditure with an expectation of future inflation.

Fund balances

As at 31 August 2022 the net current assets of the Circuit were £206,932 giving approximately 7.79 months cover for expenditure.

Plans for 2022/23

We said goodbye to our half-time minister in August 2022, and are pleased to welcome our new Deacon based in Worcester City Centre from September 2022.

The circuit awaits news over the Superintendent minister as their absence is causing some concern. However circuit life continues and the plans for Outreach and Mission that were started in the previous year are to be revisited and developed. In line with other churches across the country, it is hoped that Warm Church will take place in several of our church buildings.

As some churches are finding it difficult to meet their financial commitments, the budget approved by the Circuit Meeting in Spring 2022 is to be revisited, and it is hoped that a system of allocating circuit assessments which is seen to be more equitable will be developed in the early part of the year.

Sadly, the circuit is also discussing the closure of another church, Broadway, due to a small congregation and issues with the building. The circuit is looking at how outreach might take place in this area of the circuit.

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 2022 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: The Circuit Office, Amphlett House, 114 Worcester Road, Droitwich, WR9 8AW

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 Christopher Collins
Rev Nigel Coke-Woods
Rev Gary Molver
Rev Katherine Pickering
Rev Helen Caine

Circuit Lay Workers Miss Anne Rich
Mrs Sarah Jessop

Circuit Stewards

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

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

Including, but not exclusively:

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, Lansdowne Crescent, Somers Park Avenue, Upper Welland, Evesham, Broadway

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.

Restricted Reserves.

The amount shown in the 2021/2022 accounts of £53,723 is restricted to the expenditure relating to an Evesham/Broadway/Willersey lay worker. As Broadway and Willersey either have or will cease to meet the restricted funds will be held for Evesham only.

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

	Notes to the accounts	Unrestricted funds	CMTF (Unrestricted)	Restricted Funds	Endowment Funds	Total 2020-21	Total 2020-2021
		£	£	£	£	£	£
Income and Endowments from:							
1 Donations and legacies						-	12,113
2 Charitable activities						-	-
2a Assessments or share		310,452				310,452	309,444
2b Other						-	-
3 Other trading activities						-	-
3a - Lettings						-	
3b - Miscellaneous						-	
4 Investments	4	780	296			1,076	501
5 Other	5	32,236				32,236	25,659
6 Total		343,468	296	-	-	343,764	347,717
Expenditure on:							
7 Stipends, salaries, NIC & Pension costs	6	209,354		3,202		212,556	208,861
8 District Assessment		54,672				54,672	55,032
9 Methodist Church Fund						-	-
10 Telephone & travel		4,970				4,970	4,894
11 Insurance, utilities, etc		14,832				14,832	12,423
12 Maintenance on manses		6,790				6,790	19,627
13 Expenditure on other Circuit property		7,440				7,440	5,153
14 Depreciation						-	-
15 Outreach and Mission		5,000				5,000	5,000
16 Other Expenditure		6,770	184			6,954	8,960
17 Grants and Donations		33,024				33,024	400
18 Contributions to District Advance Fund			1,613			1,613	1,652
19 Total		342,852	1,797	3,202.00	-	347,851	322,002
20 Net income/(expenditure)		616	- 1,501	- 3,202	-	- 4,087	25,714
21 Transfers between funds							
		616	- 1,501	- 3,202	-	- 4,087	25,714
Other recognised gains / (losses):							
22 Gains/(Losses) on revaluation of fixed assets						-	-
23 Gains/(Losses) on investment assets						-	-
24 Actuarial gains /(losses) on defined benefit pension schemes						-	-
25 Net movement in funds		616	- 1,501	- 3,202	-	- 4,087	25,714
Reconciliation of funds:							
26 Total funds brought forward		2,003,036	64,506	56,925		2,124,467	2,098,753
27 Total funds carried forward		2,003,652	63,005	53,723	-	2,120,380	2,124,467

Balance Sheet as at 31 August 2022

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		7,379			7,379	8,133
Other						
Trustees for Methodist Church Purposes deposits			63,006		63,006	64,506
Central Finance Board Deposits		136,575		41,376	177,950	180,460
Cash at Bank and in hand		6,810			6,810	20,462
Total current assets		150,763	63,006	41,376	255,144	273,561

Creditors and Accruals (due in under 1 yr)

		47,869			47,869	62,198
Net current assets (liabilities)		102,894	63,006	41,376	207,275	211,363

Total assets less current liabilities

		2,015,999	63,006	41,376	2,120,380	2,124,467
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Loans and creditors due after 1 year

Provisions for liabilities and charges						
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Net assets		2,015,999	63,006	41,376	2,120,380	2,124,467
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Funds of the Circuit

Unrestricted funds		2,015,999			2,003,652	2,003,036
Circuit Model Trust Fund (Unrestricted)			63,006		63,005	64,506
Restricted funds				41,376	53,723	56,925
Endowment funds					-	-
Total Funds		2,015,999	63,006	41,376	2,120,380	2,124,467

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	2022	2021
	£	Trust Fund	£	Total	Total
				£	£
Central Finance Board				-	
Rental income				-	
Other	105			105	104
Total	105	-	-	105	104

5. Other Income	Unrestricted	Circuit Model	Restricted	2022	2021
	£	Trust Fund	£	Total	Total
				£	£
Contribution from churches				35,318	18,235
towards lay employees	35,318				
Transfer of reserves from				11,664	-
closed churches	11,664				
Misc. income for other				803	499
resources	803				
Layworker Fund	-			-	6,925
Total	47,785	-	-	47,785	25,659

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

7. Paid employees		This year	Last year
Staff Costs paid during the			
year were:			
Gross wages, salaries and	£	133,272	162,351
benefits in kind			
Employer's National	£	10,947	12,180
Insurance costs			
Pension costs	£	31,260	34,330
Total staff costs	£	175,479	208,861
Average number of staff			
employed during the year			
were:		7	8

8. 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	£	

10. Restricted Reserves

The amount shown in the 2021/2022 accounts of £53,723 is restricted to the expenditure relating to an Evesham/Broadway/Willersey lay worker. As Broadway and Willersey either have or will cease to meet the restricted funds will be held for Evesham only.

South Worcestershire Methodist Circuit
DECLARATIONS

Treasurer

I confirm that these accrual based accounts for the year ended 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

Name of Treasurer

Address

Presentation to the Circuit Meeting for approval.

I confirm that the annual report and accounts for the year ended 31 Aug 2022 were, or will be* presented to the Circuit Meeting at its meeting on

07-Mar-23

and were approved.

Signature of the Chair of the meeting

Name of the Chair of the meeting

Date

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

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 2022 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

Name of firm (where appropriate)

Address

24 Dalziel Drive
Whittington,
Worcester
WR5 2QY

Date

** Please delete or circle as appropriate*