

BLACK COUNTRY CIRCUIT

(Registered Charity No.1168391)

TRUSTEES' REPORT AND ACCOUNTS

Year ended 31 August 2021

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Black Country Circuit

Report of the Trustees

For the year ended 31 August 2021

Basis of preparation and legal framework

The financial statements have been prepared in accordance with Accounting and Reporting by Charities: Statement of Recommended Practice (SORP) applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (effective from 1 January 2015) – (Charities SORP (FRS102)).

Full Name of Charity: **BLACK COUNTRY CIRCUIT**

Registration Charity Number: **1168391**

Date of registration **22 JULY 2016**

Main communication address: Circuit Office, The Wesley Centre, Spring Head, Wednesbury, WS10 9AD.

The members of the Black Country 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 on pages 9-11 of this report.

Circuit Ministers and Officers

Active Circuit Ministers:

Revd Ruth Childs (from 1 September 2020)

Revd Philip Thomas

Revd Trevor Pratt (until 31 August 2021)

Revd Denise Williams

Circuit Stewards:

Mrs Helen Allen, Mr Donald Anderson, Mr David Ashfield, Mr Ian Palfreyman, Mr Christopher Pearce, Mrs Shirley Shelton, Mr Ian Thomson.

Circuit Officers:

Treasurer - Mr John Miller

Safeguarding - Mr Ian Belcher

Property Team - Mr Donald Anderson, Mr Alex Cooksey, Mr Trevor Cox (until 31 August 2021) & Miss Diane Cripps

Ex-Officio - Mr Eric Moore

Black Country Circuit

Report of the Trustees

For the year ended 31 August 2021

Independent Examiner:

Neil Westwood & Co, Chartered Accountants, 101 Dixons Green Road, Dudley, West Midlands, DY2 7DJ.

Investment Bankers:

Central Finance Board of the Methodist Church

Trustees For Methodist Church Purposes

HSBC Bank plc

Aims and Organisation

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 Circuit produces a quarterly preaching plan to ensure that regular acts of worship take place at each of the 17 Methodist Churches in its geographical area. The Black Country Circuit is constituted to offer acts of worship in its church communities and to further the mission of the Church in Tipton, West Bromwich & Wednesbury. With our primary internal function being that of Christian worship, we organise acts of worship in each of the 17 Circuit churches every Sunday (in most cases). Our internal structure is based on a Circuit Meeting which meets twice a year; a Local Preachers' meeting which meets four times a year; Circuit Leadership Team meetings throughout the year, and Staff Meetings which normally meet fortnightly but, due to the Covid-19 situation, are meeting weekly. We endeavour to make our meetings more than just 'talking shops'; they are the place where important decisions are made and within them, we plan our strategies and fulfil our role as Charity Trustees.

Black Country Circuit

Report of the Trustees

For the year ended 31 August 2021

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.

Trustee Training

A range of guidance is 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

See Note 19 to the Accounts

Review of the year

Revd Ruth Childs joined us from the Vale of Stour Circuit on 1 September 2020. The Black Country Circuit considers itself fortunate not only to secure the services of an experienced Presbyter but to keep its full strength of four Presbyters in the current climate.

Our Superintendent Minister, Revd Denise Williams, finishes her current appointment in September and, with the agreement of the Circuit Meeting, was reappointed for a further 5 years. Revd Trevor Pratt retired in August and the Circuit is very grateful for his ministry over the years. The Circuit Leadership Team had not planned to enter the stationing procedure as there is so much uncertainty about the future of some of our churches and, therefore, the finances of the Circuit, due to the Covid-19 pandemic. However, Revd Philip Thomas has asked to curtail his appointment on 31 July 2022 and, as this has been agreed by the Circuit Meeting, the decision not to enter stationing has been reversed.

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Report of the Trustees

For the year ended 31 August 2021

Mrs Elizabeth Farley, our Circuit Mission Enabler, has had her work curtailed by Covid-19. It was decided not to furlough her so part of her work has been adjusted to make her the Circuit Covid-19 co-ordinator to sign off each church's Covid-19 risk assessment prior to the churches reopening. However, due to the reduction in full time ministerial staff her role has been changed and, from 1 September 2021 she will become our Ministerial Support Worker.

Churches have faced ongoing issues with their buildings and declining congregations. As part of the Circuit's work to support individual churches 5 sub-committees were set up during lockdown namely: Finance, Future of Churches, Stationing, Worship and Communications. During the year the Worship and Future of Churches groups merged.

Hallam Street Methodist Church has ceased to meet as a Sunday congregation but is meeting midweek. The congregations at Wednesbury Central and Woods are in a trial period of meeting together with the aim of a formal amalgamation within the next few months. It has been decided to close Moorlands Methodist Church with the decision due to be ratified at the Circuit Meeting on 20 September 2021. There is still ongoing concern about some other churches, as much due to leadership problems and age of congregations as finance and the Circuit Leadership Team has written to all churches asking them to seriously consider their futures and reply before the end of September 2021 so that their replies can be considered in planning for the future needs of the Circuit.

During the year the Circuit Leadership Team met more frequently than normal to enable decisions to be made about the problems caused by lockdown. These meetings (as well as some Circuit services) were held by Zoom which helped greatly to get round the problem of social distancing. Thanks go to the members of the CLT whose technological knowledge helped the services and meetings to take place. Some churches held Zoom services whilst others supported their congregations by preparing shorter, 'hardcopy' services that were emailed posted to church members. This led to a substantial increase in printing, postage and stationery costs. However, on the positive side, travel costs were much reduced!

It is regrettable to say that seven local preachers died during the year but good news in that one local preacher would be fully accredited in September 2021.

It was a joy when Covid restrictions began to be eased and churches could meet again in person and other meetings could also be held in person although Zoom meetings will still have their place in the future, particularly on winter evenings.

Our work is informed by, inspired by and celebrated in our primary activity – worship. From our worship flows our three other main activities within local, national and global communities; learning & caring, service and evangelism. All of our churches seek to embrace the breadth of 'Our Calling' whilst also recognising the

Black Country Circuit

Report of the Trustees

For the year ended 31 August 2021

challenges and difficulties. We are rooted in seventeen different local communities but our vision is much wider as we seek to serve the wider church and world in our work.

Work in and with the local communities remains an important part of our mission although it has been interrupted by lockdown.

When considering achievements and performance it is right to pay tribute to the many people throughout the circuit who in their daily lives respond to the call of Jesus “follow me” by offering pastoral care and / or practical help and to the team of Local Preachers who enable services to take place Sunday by Sunday. We operate an open door policy and welcome all to our church communities and wider work irrespective of race, gender, ethnicity, sexuality or any kind of disability, and take seriously the challenge to love God, self and neighbour.

Financial Review

Circuit income is drawn primarily from the assessments paid by the circuit churches and, during the year, net assessments were £205,873 (2020 £203,229). Some individual churches paid more or less than previously, in line with the policy to better reflect the ability of churches to pay. Rental income was received during the year from the letting of two former manses. Interest from our CFB account reduced by almost 83% reflecting the general low level of interest rates in the UK. The grant received to assist in the amalgamation with Wednesbury Circuit ended in 2020 thus affecting income by £10,000.

Salary costs were, as expected, higher than last year, primarily due to the employment of our lay workers. However, the Circuit applied for, and received, grants from District and Connexion towards the cost of our Circuit Mission Enabler whilst making a contribution to her costs from our own resources. The Circuit funds our administrator purely from our own resources. Due to the change in Connexional grants the Circuit will have to fund substantially more of her salary.

Property costs were very slightly reduced with most expenditure being carried out on the investment properties; all manses are kept in a good state of repair. The Circuit continues to pay for the property and electrical quinquennial inspections for all churches. The Circuit has decided to sell the two manses that are let and has given notice to the tenants to vacate the properties. The sale funds, together with the sale funds of Revd Thomas's property when he leaves the Circuit, will be used to purchase a new manse that fits better with the current (and ever changing) Methodist requirements.

At 31 August 2021, unrestricted reserves, excluding Land and Buildings, stood at £265,038 (2020 £283,290 as restated). The Circuit is still in a period of uncertainty around income and expenditure levels, with a small number of churches struggling, together with changes in staffing over the next few years, the costs of which

Black Country Circuit

Report of the Trustees

For the year ended 31 August 2021

are difficult to predict. The strength of our reserves will enable the Circuit to face the uncertain times with a degree of confidence but, in any event, the Circuit Leadership Team will continue to closely monitor the size and use of the resources available to the Circuit.

Plans for 2021/22

Circuit financial plans for the coming year have been prepared on the basis that there remains 3 full time ordained staff with anticipated cost of living stipend increases but with an increased, subsidised cost, of our new ministerial support worker and our administrator. Once the replies from churches regarding their future have been received the Finance & Property sub group will consider the future finances of the Circuit against a revised budget As stated above, the Circuit is entering stationing in 2021 with a view to keeping staffing to 3 full time ordained staff at least in the medium term.

Following a review of the Circuit manses we plan to sell manses that no longer meet current requirements with the likelihood of buying a new manse in due course. This will reduce our property 'portfolio' from 6 to 4 properties during 2021/2 with a further reduction to 3 in 2022/3.

The future number of churches in the Circuit cannot be predicted at present but, especially in view of the number of services to be covered in the Plan coupled with the number of presbyters in post and the reduction in lay preachers, there is a likelihood that some will close.

Zoom meetings are likely to continue, at least in the short term, as will the Circuit's new sub-committee structure as this is felt to be a vital way for lay persons to support Presbyters.

Reserves Policy General

It is the Trustees' policy to maintain a balance of unrestricted and undesignated funds equivalent to around six months average unrestricted expenditure, to cover unexpected requirements which may occur from time to time. Due to the uncertain future of some of our churches our reserves are currently above six months expenditure to support our future expenditure plans without having to impose substantial increases in annual assessments. Our reserves will diminish over the next few years as we subsidise the position of our Circuit Ministerial Support Worker and Circuit Administrator.

The policy of only slowly reducing reserves has been vindicated in the current financial situation as some churches are facing serious financial problems but the Circuit itself is in a strong position to support the work of the Methodist Church in the Black Country.

As the year ended, we became aware that there may be an enforced levy taken from church, circuit and district reserves to help to cover an apparent shortfall in the Ministers' Pension Scheme. The Circuit

Black Country Circuit

Report of the Trustees

For the year ended 31 August 2021

Leadership Team has not recommended making a voluntary payment towards the shortfall as it believes that a more fundamental review of the pension scheme is required including changing the basis from final salary to money purchase - at least for new members, if not all members. The CLT also has misgivings about the actual amount of potential shortfall as the actuarial review took place during a depressed time for financial markets caused by the Covid pandemic.

Risk Management

The major risks associated with the Circuit have been identified by the Circuit Leadership Team. A regular review process is in place and is recorded.

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.

Black Country Circuit

Report of the Trustees

For the year ended 31 August 2021

The Black Country Circuit commits itself to ensuring the implementation of the Connexional Safeguarding Policy, government legislation, guidance and safe practice in the circuit and in our churches, including carrying out enhanced DBS checks as required.

The Black Country 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. We adhere to the church's Safer Recruitment Policy.

Although he has been unable to conduct any trainings over the last Connexional year, due to COVID-19, Ian Belcher, our Circuit Safeguarding Officer, has continued to carry out DBS checks. Trainings will resume November 2021. Ian has also stayed in touch with our Church Safeguarding Officers, and has held regular safeguarding meetings, to ensure information is passed on and best practice is being followed in our churches, especially as they return from lockdown.

Statement of Trustees' Responsibilities

The Trustees are responsible for preparing the Trustees' Annual Report and 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 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 of the charity for that period. In preparing these statements, the trustees are required to:

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in the Charities SORP 2015 (FRS102);
- make judgements and estimates that are reasonable and prudent;
- state whether applicable accounting standards have been followed,

subject to any material departures disclosed and explained in the financial statements; - prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charity will continue in operation.

The trustees are responsible for keeping proper accounting records that disclose with reasonable accuracy at any time the financial position of the charity and enable them to ensure that the Financial Statements comply with the Charities Act 2011, the Charity (Accounts and Reports) Regulations 2008 and the provisions

Black Country Circuit

Report of the Trustees

For the year ended 31 August 2021

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.

DECLARATION

The Charity's Trustees declare that they have approved the Trustees' Report above. Signed on behalf of the Charity's Trustees

Signatures

Name Revd Denise Williams

Position Chair

Trustee

Date 20 September 2021

Black Country Circuit

Report of the Trustees

For the year ended 31 August 2021

Circuit Meeting Membership

Ministers

Revd Ruth Childs (from 1 September 2020)

Revd Philip Thomas

Revd Trevor Pratt (until 31 August 2021)

Revd Denise Williams

Revd Pat Davies (Supernumary)

Revd Carole Holden (Supernumary)

Lay-workers

Mrs Elizabeth Farley (Ministerial Support)

Miss Diane Cripps (Administrator)

Local Preachers and Worship Leader Representatives

Mr Trevor Allan, Mr John Blewitt, Mrs Jean Mason, Mr Alan Moore (until 3 December 2020)

Circuit Stewards

Mrs Helen Allen, Mr Donald Anderson, Mr David Ashfield, Mr Ian Palfreyman, Mr Christopher Pearce (also Local Preachers Secretary), Mrs Shirley Shelton, Mr Ian Thomson

Circuit Meeting Secretary

Miss Diane Cripps

Circuit Treasurer

Mr John Miller

Circuit Officers (Property)

Mr Donald Anderson, Mr Alex Cooksey, Mr Trevor Cox (until 31 August 2021) & Miss Diane Cripps

Circuit Safeguarding Co-ordinator

Mr Ian Belcher

Black Country Circuit

Report of the Trustees

For the year ended 31 August 2021

Circuit Officers

Mrs Brenda Moore (Missions) Mr Eric Moore (ex officio)

Circuit Representatives to Synod

Mrs Helen Allen, Mr Stephen Allen, Mrs Rosemary Jones

Circuit Church Representatives

Beeches Road

Mrs Karen Belcher, Mr Eric Moore,

Charlemont

Ms Karen Bennett, Ms Pat Greenalgh, Miss L Haywood,

Hallam Street

Miss M Wakeman

Hill Top

Mrs Joan Howes

Lea Brook

Mr Malcolm Freeman, Mr John Williams

Methodist Centre

Mr Robert Cooper

New Road

Chris Allen, Mrs Lorraine Morris

Park

Mrs Pat Foley, Mrs Gaynor Idles

Roseville

Mrs Sylvia Morgan, Mr Ron Turner

Black Country Circuit

Report of the Trustees

For the year ended 31 August 2021

Ryders Green

Mr Alex Cooksey, Mr Terry Dawson

St Andrews

Mrs June Davies, Miss Margaret Morgan

Tipton Green

Mrs Marjorie Ashfield, Mrs Rosemary Jones, Mrs Margaret Moore, Miss Susan Sandbrook

Toll End

Mrs Pauline Hodgetts

Wesley

Mr Steve Allen, Mrs Beryl Price,

Wednesbury (Central & Woods)

Mr Norman Jones

Black Country Circuit

Declarations and Scrutiny

For the year ended 31 August 2021

I confirm that these accruals-based accounts for the year to 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.

J Miller
7 Southwood Close
Kingswinford
West Midlands
DY6 8JL

Date 20 September 2021

Presentation to the Circuit meeting

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

Rev Denise Williams

Date 20 September 2021

Black Country Circuit

Independent Examiners Report to the

Trustees of the Black Country Circuit

I report on the Accounts of the Black Country Circuit for the year ended 31st August 2021 which are set out on pages 16 - 30.

Respective responsibilities of Trustees and Examiner

The Charity's Trustees are responsible for the preparation of the accounts. The Charity's Trustees consider that an audit is not required for this year under Section 144(2) of the Charities Act 2011 (the 2011 Act) and that an independent examination is needed.

It is my responsibility to:

- examine the accounts under section 145 of the 2011 Act;
- to follow the procedures laid down in the general Directions given by the Charity Commission under Section 145(5)(b) of the 2011 Act; and
- to state whether particular matters have come to my attention.

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 or disclosures in the accounts, and seeking explanations from you as Trustees concerning any 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".

Independent Examiner's Statement

I have completed my examination. I confirm that no material matters have come to my attention:

(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 2011 Act.
- to prepare accounts which accord with the accounting records and comply with the accounting requirements of the 2011 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.

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

N A Westwood FCA
Neil Westwood & Co, Chartered Accountants
101 Dixons Green Road
Dudley, West Midlands, DY2 7DJ

23 June 2022

Black Country Circuit

Statement of Financial Activities

For the year ended 31 August 2021

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

	Notes to the accounts	General Fund (Unrestricted) £	Circuit Model Trust (Unrestricted) £	Designated Funds (unrestricted) £	Restricted Funds £	Endowment Funds £	Total 2020-21 £
Income							
Donations and legacies							0
Income from monetary investments	3	250	620				870
Income from investment properties	6	14,526					14,526
Assessments on Churches	4	205,873					205,873
Capital Receipts							0
Grants received	5	26,450					26,450
Other charitable income		203					203
Total income		247,302	620	-	-	-	247,922
Expenditure							
Grants and donations	7	930					930
Salaries and associated costs	8	194,002					194,002
Property maintenance	10	23,680					23,680
Connexional assessment & model trust l	9		2,140				2,140
District Assessment & Levy	9	43,406					43,406
Depreciation							0
Office expenses	12	3,048					3,048
Other outgoings	11	3,541					3,541
Total charitable expenditure		268,607	2,140	0	0	0	270,747
Gains/(losses) on monetary investments			4,573				4,573
Gains/(losses) on investment properties							
Net income/(expenditure)		-21,305	3,053	0	0	0	-18,252
Transfers between funds		10,000	- 10,000				0
Other gains/(losses)							
Net movement in funds		-11,305	-6,947	0	0	0	-18,252
Total funds brought forward		1,474,028	79,262				1,553,290
Total funds carried forward		1,462,723	72,315	-	-	-	1,535,038

Black Country Circuit

Statement of Financial Activities

For the year ended 31 August 2021

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

	Notes to	General Fund	Circuit Model Trust	Designated Funds	Restricted Funds	Endowment Funds	Total
	the accounts	(Unrestricted)	(Unrestricted)	(unrestricted)	Funds	Funds	2019-20
		£	£	£	£	£	£
Income							
Donations and legacies							0
Income from monetary investments	2	1,450	997				2,447
Income from investment properties	5	14,234					14,234
Assessments on Churches	3	203,229					203,229
Capital Receipts							0
Grants received	4	37,000					37,000
Other charitable income		60					
Total income		255,973	997	-	-	-	256,970
Expenditure							
Grants and donations	6	1,130					1,130
Salaries and associated costs	7	183,193					183,193
Property maintenance	9	24,403					24,403
Connexional assessment & model trust l	8		2,463				2,463
District Assessment & Levy	8	43,655					43,655
Depreciation							0
Office expenses	11	3,925					3,925
Other outgoings	10	2,400					2,400
Total charitable expenditure		258,706	2,463	0	0	0	261,169
Gains/(losses) on monetary investments		-	443				-443
Gains/(losses) on investment properties							
Net income/(expenditure)		-2,733	-1,909	0	0	0	-4,642
Transfers between funds		10,000	-	10,000			0
Other gains/(losses)							
Net movement in funds		7,267	-11,909	0	0	0	-4,642
Total funds brought forward		1,466,761	91,171				1,557,932
Total funds carried forward		1,474,028	79,262	-	-	-	1,553,290

Black Country Circuit

Balance Sheet

As at 31 August 2021

	Notes to the Accounts	General Fund (Unrestricted)	Circuit Model Trusts (Unrestricted)	Designated Funds (Unrestricted)	Restricted Funds	Endowment Funds	Totals 2020/21	Totals 2019/20
		£	£	£	£	£	£	£
Fixed Assets								
Circuit Manses & Equipment	13	855,000				✓	855,000	855,000
Investment properties	13	415,000				✓	415,000	415,000
Investments	15		72,315			✓	72,315	79,262
Total fixed assets		1,270,000	72,315	0	0	0	1,342,315	1,349,262
Current Assets								
Debtors	17	11,515				✓	11,515	13,963
Loans by the Circuit							0	
Investments with TMCP							0	
Central Finance Board Deposits	14	169,381				✓	169,381	191,537
Cash at Bank and in hand	14	40,127				✓	40,127	40,676
Total current assets		221,023	0	0	0	0	221,023	246,176
Current liabilities								
Creditors (due in under 1 year)	16	28,300				✓	28,300	42,148
Grants payable within 2018-19							0	
Total current liabilities		28,300	0	0	0	0	28,300	42,148
Net current assets/liabilities		192,723	0	0	0	0	192,723	204,028
Total assets less current liabilities		1,462,723	72,315	0	0	0	1,535,038	1,553,290
Long term liabilities (due after more than one year)								
Grants payable after 2018-19							0	
Loans to the Circuit							0	
							0	
Net assets		1,462,723	72,315	0	0	0	1,535,038	1,553,290
Funds of the Circuit								
General Fund (Unrestricted)		1,462,723					1,462,723	1,474,028
Circuit Model Trust Fund (Unrestricted)			72,315				72,315	79,262
Designated Funds (Unrestricted)				0			0	
Total Unrestricted Funds						✓	1,535,038	1,553,290
Restricted Funds					0		0	
Endowment Funds						0	0	
Total Funds		1,462,723	72,315	0	0	0	1,535,038	1,553,290

Signed

J Miller
Circuit Treasurer

Date 20 September 2021

Black Country Circuit

Notes to the Accounts

For the year ended 31 August 2021

1. Accounting policies

i Accounting Standard

The financial statements have been prepared in accordance with *Accounting and Reporting by Charities: Statement of Recommended Practice (SORP)* applicable to charities preparing their accounts in accordance with the Financial Reporting Standards applicable in the UK and Republic of Ireland (FRS102) (effective from 1 January 2015) – (Charities SORP (FRS102)).

ii Public Benefit Entity

The Black Country Circuit meets the definition of a public benefit entity under FRS 102. Assets and liabilities are initially recognised at historical cost or transaction value unless otherwise stated in the relevant accounting policy note(s) below.

iii 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. The accruals basis has been used and the Trustees present accounts that show a true and fair view of the Circuit's financial position and activities.

iv Content

The financial information is relevant, reliable, comparable and complete. Where estimates are used, these are based on experience, research and judgement. The accounts are expressed in £ Sterling, rounded to the nearest pound.

v Going concern

Based on the monetary assets and human resources available at 31 August 2019, the Trustees believe that the Circuit is a going concern.

vi 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 Churches within the Circuit are not consolidated into these financial statements.

vii 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 that they will receive the resources; and the monetary value can be measured with sufficient reliability.

viii Expenditure

This is recognised when a liability is incurred, or a constructive obligation arises, where the amount is reliably measurable and it is considered more likely than not that there will be an outflow of economic benefit.

ix Grants

Grants made by the Circuit from its own funds are recognised in full at the time of agreement to make a grant without performance conditions or as and when the Circuit accepts that there is a legal or operational obligation to make the payment if it is subject to performance conditions. 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.

x VAT

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

Black Country Circuit

Notes to the Accounts

For the year ended 31 August 2021

xi 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 £1000. The freehold property is shown in the accounts at 2015 values following a revaluation of the properties by an independent valuer. No depreciation is provided on the buildings because the trustees consider the current residual value of the property in its present condition to be not less than its current value, and in the absence of any evidence of impairment, any depreciation provision would not be material

2. Restatement of 2019-20 figures

A restatement of figures for 'Salaries & Associated costs' and the Model Trust Fund are required together with a restatement of the year end balances.

Expenditure	2019-20 as previously stated £	Prior year adjustment £	2019-20 as restated £
Salaries & Associated Costs	195,001		
Stipend August 2020 paid in advance		-11,808	
			183,193

Debtors	2019-20 as previously stated £	Prior year adjustment £	2019-20 as restated £
Stipends and associated costs	2,154	11,808	13,962

Income	2019-20 as previously stated £	Prior year adjustment £	2019-20 as restated £
Income from monetary investments	961	36	997
Gains/(losses) on monetary investments	-1020	577	443

Black Country Circuit

Notes to the Accounts

For the year ended 31 August 2021

Balance Sheet	2019-20 as previously stated £	Prior year adjustment £	2019-20 as restated £
	1,540,869		
Debtors		11,808	
Income from monetary investments		613	
			1,553,290

3. Income from Monetary Investments

	Unrestricted £	CMTF £	£2021		Unrestricted £	CMTF £	2020 £
CFB	250		250		1,450		1,450
TMCP		620	620			1574	1574
Other							
Total	250	620	870		1,450	1574	3024

4. Assessments on Churches

The Circuit comprises of 17 churches and each is assessed for a contribution to meet the overall net costs of the Circuit. During 2017 the Circuit adopted a new method of raising its assessments in order to ensure that each church's contribution is assessed on a fairer basis than that used in the past. The method takes account, to some degree, of membership, attendance, income and reserves but the increases are then reconsidered to ensure that no one church bears the brunt of a large increase (or decrease) in their assessment. Churches who are able to pay a little more than required help to offset the burden on struggling churches.

Black Country Circuit

Notes to the Accounts

For the year ended 31 August 2021

5. Grants receivable

	Unrestricted General Fund £	Circuit Model Trust Fund £	2021 £		Unrestricted General Fund £	Circuit Model Trust Fund £	2020 £
District Advance Fund	10,450		10,450		20,000		20,000
Connexion	16,000		16,000		17,000		17,000
Total	26,450		26,450		37,000		37,000

6. Property Rentals

	Unrestricted General Fund £	Circuit Model Trust Fund £	2021 £		Unrestricted General Fund £	Circuit Model Trust Fund £	2020 £
2 Woodman Close	7,681		7,681		7,389		7,389
1A New Street	6,845		6,845		6,845		6,845
Total	14,526		14,526		14,234		14,234

Income from letting each of the properties (which are manses that are currently surplus to Circuit requirements) is shown net of repair costs and letting agents fees.

Black Country Circuit

Notes to the Accounts

For the year ended 31 August 2021

7. Grants and donations

	Unrestricted General Fund £	Circuit Model Trust Fund £	2021 £		Unrestricted General Fund £	Circuit Model Trust Fund £	2020 £
Fund for the support of presbyters and deacons	720		720		720		720
Methodist Church Fund for Property	210		210		210		210
Flood Relief Donation					200		200
Wednesbury							
Total	930		930		1,130		1,130

8. Salaries and associated costs

Presbyters	Unrestricted General Fund £	Circuit Model Trust Fund £	2021 £		Unrestricted General Fund £	Circuit Model Trust Fund £	2020 £
Stipends and allowances	104,649		104,649		90,315		90,315
National Insurance	9,674		9,674		9,386		9,386
Pension Costs	27,464		27,464		26,801		26,801
Sub total	141,787		141,787		126,502		126,502
Telephone and Travel	6,664		6,664		10,665		10,665
Postage & Stationery	5,602		5,602		3,533		3,533
Miscellaneous	676		676		2,899		2,899
Total	154,729		154,729		143,599		143,599

Black Country Circuit

Notes to the Accounts

For the year ended 31 August 2021

Lay Workers	Unrestricted General Fund £	Circuit Model Trust Fund £	2021 £		Unrestricted General Fund £	Circuit Model Trust Fund £	2020 £
Salaries and allowances	34,587		34,587		34,586		34,586
National Insurance	2,372		2,372		2,388		2,388
Pension Costs	2,075		2,075		2,032		2,032
Sub total					39,006		39,006
Telephone and Travel	239		239		588		588
Miscellaneous							
Total	39,273		39,273		39,594		39,594
Grand Total	194,002		194,002		183,193		183,193

Stipends were paid to 4 full time Presbyters. Salaries were paid to one full time and one part time lay worker.

No employees received employee benefits of 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.

Pensions

Most ordained Presbyters are members of the Methodist Ministers' Pension Scheme, which is a defined benefit scheme. The Supreme Court held in 2014 that Methodist ministers are not employees of the Church. For simplicity, however, when dealing with National Insurance Contributions and pension contributions, the terms 'employer' and 'employee' are used as they would be in an employing body.

On the other hand, any lay employees of the Circuit would be contractual employees and would have the option of joining a pension scheme which the Circuit would arrange with The Pension Trust.

Costs of Superintendent, Presbyters and Trustees

The Superintendent of the Circuit, the other Presbyters and the remaining members of the Circuit Leadership Team (CLT) are considered as Key Management Personnel. The Superintendent chairs meetings of the CLT and Circuit Meetings. The members of the Circuit Meeting are the trustees of the Circuit. The stipends, employer's NIC and employer's pension contributions and other expenses of the Presbyters of the Circuit are paid by the Circuit.

Black Country Circuit

Notes to the Accounts

For the year ended 31 August 2021

The manses are provided by the Circuit and the Circuit maintains the properties. The value of Council Tax and water charges is not disclosed here as HMRC does not regard this as a benefit-in-kind in the hands of the minister.

Payments to Trustees

Apart from the 4 Presbyters no member of the Circuit Meeting was in receipt of any payment for work undertaken on behalf of the Circuit, although certain travelling and administration costs were reimbursed in particular cases.

9. District Assessment and levy

In common with other circuits in the District, the Circuit pays an annual assessment to the Wolverhampton & Shrewsbury District of the Methodist Church, which is based on the number of Methodist Presbyters and Lay Workers within each circuit. The Levy is calculated on a sliding scale percentage of the balance of the Circuit's CMT at 31 August in the previous accounting year.

	Unrestricted General Fund £	Circuit Model Trust Fund £	2021 £		Unrestricted General Fund £	Circuit Model Trust Fund £	2020 £
District Assessment	43,406		43,406		43,655		43,655
District Levy		2,140	2,140			2,463	2,463
Total	43,406	2,140	45,546		43,655	2,463	46,118

10. Property costs

The Circuit is Managing Trustee for 6 properties. All are manses or former manses with two former manses being let out on 6 month renewable shorthold leases.

		£2021	£2020
Insurance, Council tax & utilities		12,258	13,299
General maintenance on manses and other Circuit properties		11,422	11,104
Total		23,680	24,403

Black Country Circuit

Notes to the Accounts

For the year ended 31 August 2021

11. Other outgoings

	Unrestricted General Fund £	Circuit Model Trust Fund £	£2021		Unrestricted General Fund £	Circuit Model Trust Fund £	2020 £
Audit Fee	300		300				
Benevolent Fund	251		251		327		327
Apprenticeship levy and payroll fee	1212		1212		1,122		1,122
Gifts	820		820		522		522
Miscellaneous	958		958		429		429
Total	3,541		3,541		2,400		2,400

12. Office Expenses

	Unrestricted General Fund £	Circuit Model Trust Fund £	2021 £		Unrestricted General Fund £	Circuit Model Trust Fund £	2020 £
Website	233		233		215		215
Printing postage and stationery & telephone	1256		1256		2,242		2,242
Computer costs	144		144				
Twelve Baskets	375		375		428		428
Office rent	1040		1040		1,040		1,040
Total	3,048		3,048		3,925		3,925

Black Country Circuit

Notes to the Accounts

For the year ended 31 August 2021

13. Tangible fixed assets

	Manses £	Investment properties £	Other fixed assets inc. motto vehicles	Fixtures, fittings and equipment	Total £
Balances brought forward	855,000	415,000	0	0	1,270,000
Depreciation	0	0	0	0	0
Balances carried forward	855,000	415,000	0	0	1,270,000

Net book value

Brought forward	855,000	415,000	0	0	1,270,000
Carried Forward	855,000	415,000	0	0	1,270,000

Investment properties consist of two former manses currently let on 6 monthly renewable short term leases.

14. Central Finance Board (CFB) and Bank Balances

	Unrestricted General Fund £	Circuit Model Trust Fund £	2021 £		Unrestricted General Fund £	Circuit Model Trust Fund £	2020 £
CFB	169,381		169,381		191,537		191,537
HSBC Bank	40,127		40,127		40,676		40,676
Cash					0		0
Total	209,508		209,508		232,213		232,213

Black Country Circuit

Notes to the Accounts

For the year ended 31 August 2021

15. Trustees for Methodist Church Purposes (TMCP)

	Circuit Model Trust Fund £	Endowments £	2020 £		Circuit Model Trust Fund £	Endowments £	2020 £
MTF	72,315		72,315		79,262		79,262
Total	72,315		72,315		79, 262		79, 262

The funds that support the Circuit Model Trust Fund are held by TMCP in the Trustees Interest Fund on which interest is credited each month. TMCP is the legal owner and custodian trustee of all Methodist model trust property including legacies, endowments and accumulated funds.

16. Creditors, Accruals and Income in advance

It is expected that all sums accrued at 31 August 2020 will be paid in the year to 31 August 2021.

	Unrestricted General Fund £	Circuit Model Trust Fund £	2021 £		Unrestricted General Fund £	Circuit Model Trust Fund £	£2020
Income in advance							
Assessments in advance	28,158		28,158		38,764		38,764
Creditors and accruals							
Ministers and other expenses	30		30		1,256		1,256
Property costs	112		112		2,128		2,128
Total	28,300		28,300		42,148		42,148

Black Country Circuit

Notes to the Accounts

For the year ended 31 August 2021

17. Debtors

	Unrestricted General Fund £	Circuit Model Trust Fund £	2021 £		Unrestricted General Fund £	Circuit Model Trust Fund £	2020 £
Assessments overdue	1,834		1,834		1,834		1,834
Ministers and other expenses	9,111		9,111		320		320
Investment Properties	570		570				
Property costs							
Total	11,515		11,515		2,154		2154

18. Capital Commitments and Contingent Liabilities

As at 31 August 2021 the Circuit had no capital commitments. No contingent liabilities were identified at 31 August 2021.

19. Summary of Unrestricted Fund movements

	Opening Balance £	Income £	Gains on investments £	Expenditur e £	Transfers £	Closing balance £	Purpose of the fund
General	1,474,028	247,477		268,782	10,000	1,462,723	General purposes
Circuit Model Trust Fund	79,262	620	4,573	2,140	(10,000)	72,315	General purposes
Total	1,553,290					1,535,038	

Black Country Circuit

Notes to the Accounts

For the year ended 31 August 2021

20. Related Parties

Related Parties include The Methodist Connexion, the Wolverhampton & Shrewsbury District, Churches within the Circuit (listed below), CFB and TMCP.

Beaches Road
Charlemont
Hallam Street
Hill Top
Lea Brook
Methodist Centre
Moorlands
New Road
Park
Roseville
Ryders Green
St Andrews
Tipton Green
Toll End
Wesley
Wednesbury Central
Woods

21. Leasing commitments

At 31 August 2021 the Circuit had no leasing commitments.