

BLACK COUNTRY CIRCUIT

(Registered Charity No.1168391)

TRUSTEES' REPORT AND ACCOUNTS

Year ended 31 August 2022

Contents	Page
Trustees' Report	3 - 12
Independent Examiners' Report	13 - 15
Statement of Financial Activities	16 - 17
Balance Sheet	18
Notes to the Financial Statements	19 - 29

Basis of preparation and legal framework

The financial statements have been prepared to give a 'true and fair' view and have departed from the Charities (Accounts and Reports) Regulations 2008 only to the extent required to provide a 'true and fair' view. This departure has involved following Accounting and Reporting by Charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) issued on 16 July 2014 rather than the Accounting and Reporting by Charities: Statement of Recommended Practice effective from 1 April 2005 which has since been withdrawn.

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

Revd Philip Thomas (until 31 August 2022)

Revd Denise Williams (Superintendent)

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 & Miss Diane Cripps

Ex-Officio - Mr Eric Moore (until 31 August 2022)

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

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 16 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 16 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.

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

Although the Circuit finances are under pressure it was decided that, in view of Revd Philip Thomas's decision to curtail his appointment as at 31 August 2022 the Circuit could not, realistically, go down to two Presbyters so we entered stationing with hope rather than expectation and were fortunate to gain a Probationary Presbyter, Revd Juliet Kisob, who took up her appointment on 1 September 2022. The Circuit would like to place on record its thanks to Revd Thomas for his Ministry over many years.

Mrs Elizabeth Farley, our Ministerial Support Worker, left her position on 31 August and the CLT will now discuss how best to manage the Circuit in the future before deciding whether to replace Mrs Farley.

Churches have faced ongoing issues with their buildings and declining congregations. As part of the Circuit's work to support individual churches a number of sub-committees were set up during lockdown namely: Finance, Worship & Future of Churches, Stationing, Worship and Communications. During the year 'Property' was added to the remit of the Finance sub-committee. Further concerns have recently arisen due to the cost of living crisis and higher expected fuel bills.

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. The Circuit Meeting on 20 September 2021 ratified the decision to close and sell Moorlands Methodist Church. On the advice of property professionals it was decided to sell by auction. To everyone's surprise and delight the sale price vastly exceeded the reserve so our Model Trust Fund and CFB coffers have been truly swelled! As stated last year, there is still ongoing concern about some other churches, as much due to leadership problems and age of congregations as finance. Churches eventually returned the questionnaire that had been sent to them as a result of which churches were split into three groups depending upon their risk factors.

Although some meetings and services continue to be held via Zoom it has been a blessing to be able to get back to more and more face to face meetings and services as such meetings allow better discussion and fellowship. Thanks go to the members of the CLT whose technological knowledge helped the Zoom services and meetings to take place.

The situation with regard to Local Preachers and Worship Leaders in The Black Country Circuit has not changed significantly over the past twelve months. In October 2021 we held a memorial service for no less than seven of our Local Preachers who had passed away since the start of the pandemic. We now have fifteen preachers on our roll, thirteen of whom offer services on a regular basis. Five worship leaders also provide support - but only in their own churches, not across the circuit. Given that thirteen churches offer services every Sunday, it is inevitable that 'local arrangements' are necessary (whereby worship is led by competent congregation members). We also offer 'sector services' on a quarterly basis, where churches join together for corporate worship. These have proved to be successful and have promoted a greater sense of fellowship across the circuit, while reducing the demands on limited preaching resources. We currently have three 'on trials' and hope that two will finally complete their studies and come on to 'full plan' by September 2023.

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 challenges and difficulties. We are rooted in sixteen 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 and has still to return to pre-lockdown levels in many cases.

However, one decisive decision was to use our empty manses, that would have been sold, to house three refugee Ukrainian Families. Although this has involved some expense the Circuit has been well supported with donations from local businesses and individuals.

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 £192,268 (2021 £205,873). 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 but this was much reduced following the decision to sell both manses. As mentioned above, this decision was reversed and two are being used to house refugees but the third, which incurred high legal costs to evict the tenants, isn't suitable for such use. Interest from our CFB

account reduced by almost 83% reflecting the general low level of interest rates in the UK. The grant received from Connexion to support our Pastoral Worker ended in 2021 thus affecting income by £16,000.

Salary costs were slightly lower mainly due to lower travel costs.. The Circuit funds our administrator purely from our own resources.

Property costs were higher than last year (£40,014 compared to £23,680) partly due to expenditure to house the refugee families but also to carry out maintenance on our new minister's manse before she moved in. All manses are kept in a good state of repair and, in 2022/23 consideration will be given to expenditure to make them more energy efficient. The Circuit continues to pay for the property and electrical quinquennial inspections for all churches. When the war in Ukraine is over and the refugee families are able to return home we will revisit our plan to sell three manses and buy a new one that meets current Methodist requirements.

At 31 August 2022, unrestricted reserves, excluding Land and Buildings, stood at £622,840 (2021 £253,523). 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 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 especially how use can be made of the windfall from the sale of Moorlands Methodist Church.

Plans for 2022/23

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 administrator and any ministerial support worker that may be appointed.

As mentioned above, the manses situation will be kept under review.

The future number of churches in the Circuit cannot be predicted at present but, especially in view of the financial situation of some churches; 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, especially in winter months, as will the Circuit's new sub-committee structure as this is felt to be a vital way for lay persons to support Presbyters.

A group has been set up to consider a community linked project to make good use of our reserves. This may include employing one full time and one part time member of staff to assist in developing what we hope will become an exciting venture for the Circuit.

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 planned Circuit Ministerial Support Worker and Circuit Administrator and the new community initiative.

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.

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.

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.

Following the lifting of COVID-19 restrictions over the last connexional year and life starting to return to normal, both Foundation Module and Advanced Module trainings have resumed. These have been conducted both online (using Zoom) and face-to-face. This approach has proved successful and will continue into this connexional year and for the foreseeable future. Our priority for Advanced Module Training has been our leaders of worship (Presbyters, Supernumeraries, Local Preachers and Worship Leaders) to ensure they can continue to in their roles beyond the church's 31st August 2022 deadline. After this date, those who have not undertaken Advanced Module Training cannot be on Plan. We achieved this target. DBS checks have continued to be carried out over the last connexional year, surpassing the number of checks undertaken in previous years. Our Circuit Safeguarding Officer, Ian Belcher, continues to meet regularly with our Church Safeguarding Officers – both informally and at regularly held formal meetings – to ensure that best practice is being followed in our churches and that effective communication about Safeguarding matters continues. Ian's four priorities, as agreed by CLT and the Circuit Meeting, for this connexional year remain:

- to ensure the correct level of training is undertaken by our church members, depending on their role
- to ensure that DBS checks are carried out by our members, appropriate to their role
- to ensure that the principles laid out in the Safer Recruitment Policy are known and adhered to
- to support our Church Safeguarding Officers in their work

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 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

DAVID ASHFIELD

Position Chair

Trustee

Date 15 March 2023

Circuit Meeting Membership

Appendix A

Ministers

Revd Ruth Childs

Revd Philip Thomas (until 31 August 2022)

Revd Denise Williams

Revd Pat Davies (Supernumary)

Revd Carole Holden (Supernumary)

Lay-workers

Mrs Elizabeth Farley (Pastoral Worker until 31 August 2022)

Miss Diane Cripps (Administrator)

Local Preachers and Worship Leader Representatives

Mr Trevor Allen, Mr John Blewitt, Mrs Jean Mason

Circuit Stewards

Mrs Helen Allen, Mr Donald Anderson, Mr David Ashfield, Mr Ian Palfreyman, Mr Christopher Pearce (also Local Preachers Secretary), Ms 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 & Miss Diane Cripps

Circuit Safeguarding Co-ordinator

Mr Ian Belcher

Circuit Officers

Mrs Brenda Moore (Missions) Mr Eric Moore (ex officio)(both until 31 August 2022)

Circuit Representatives to Synod

Mrs Helen Allen, Mr Stephen Allen, Mrs Rosemary Jones, Mr John Blewitt

Circuit Church Representatives

Beeches Road

Mrs Grace Peumalu, Mr Robert Peumalu

Charlemont

Miss Linda Haywood, Mr Paul Reynolds

Hill Top

Mrs Joan Howes

Lea Brook

Mr Malcolm Freeman, Mr John Williams

Methodist Centre

Mrs Jennifer Bibb, Mr Leslie Charters, Mrs Vanessa Hill

New Road

Mrs Christine Allen, Mr Trevor Allen, Mrs Jean Mason, Ms Shirley Shelton

Park

Mrs Pat Foley, Mrs Gaynor Idles

Roseville

Mrs Sylvia Morran, Mrs Kathryn Turner, Mr Ronald Turner, Mrs Sally-Anne Westwood

Ryders Green

Mr Alex Cooksey, Mr Terry Dawson

St Andrews

Mrs June Davies, Miss Margaret Morgan

Tipton Green

Mrs Marjorie Ashfield, Mr John Blewitt, Mrs Rosemary Jones, Mrs Margaret Moore, Miss Susan Sandbrook

Toll End

Mrs Sylvia Harrison, Mrs Pauline Hodgetts, Miss Kim Pollard

Wesley

Mr Stephen Allen, Mr Ian Collett, Mr Malcolm Wills

Wednesbury (Central & Woods)

Mrs Judith Morgan, Mrs Ann Thomson, Mrs Esther Westbury

Name of CircuitBlack Country..... No.....28/12.....

Declarations and Scrutiny

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

Signature of treasurer 

Date.....25/9/22.....

Name and address of treasurer

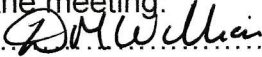
John Miller,

7 Southwood Close, Kingswinford, West Midlands

Post Code. DY6 8JL

Presentation to the Circuit meeting

I confirm that the annual report and accounts for the year ended 31 August 2022 were/will
* be presented to the Circuit meeting held on: 26 September 2022

Signature of the Chair of the meeting:
..... 

Name of the Chair of the meeting: Revd Denise Williams. Date ..25/9/22.....

Independent Examiner's Report to the Trustees of theBlack Country..... Circuit

Charity Number ...1168391.....

Responsibilities and basis of report

I report to the trustees on my examination of the accounts of the Black Country.....
Circuit for the year ended 31 August 2022 set out on pages 16 to 29. As the Circuit's

trustees, you are responsible for the preparation of the accounts in accordance with the requirements of the Charities Act 2011 ('the Act').

I report in respect of my examination of the Circuit's accounts carried out under section 145 of the Act and, in carrying out my examination, I have followed all the applicable Directions given by the Charity Commission under section 145(5)(b) of the Act.

Name of CircuitBlack Country..... No 28/12....

Independent Examiner's Statement

The Circuit's gross income exceeded £250,000 and I am qualified to undertake the examination by being a qualified member of The Institute of Chartered Accountants in England and Wales.

I have completed my examination. I confirm that no material matters have come to my attention in connection with the examination which give me cause to believe that in, any material respect:

- the accounting records were not kept in accordance with section 130 of the Act; or
- the accounts do not accord with the accounting records; or
- the accounts do not comply with the applicable requirements concerning the form and content of accounts set out in the Charities (Accounts and Reports) Regulations 2008 other than any requirement that the accounts give a 'true and fair' view, which is not a matter considered as part of an independent examination
- the trustees' annual report is not consistent with the accounts

I have no concerns and have come across no other matters in connection with the examination to which attention should be drawn in this report in order to enable a proper understanding of the accounts to be reached.

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

Signature of independent examiner

.....*N. Westwood*.....

Name of independent examiner:Neil Westwood.....

Relevant professional qualification of independent examiner:
FCA.....

Name of firm (where appropriate): Neil Westwood & Co...

Address: ... 101 Dixons Green Road, Dudley, West Midlands.....

Post Code: DY2 7DJ.....

Date: *12 May 2023*

* delete or circle as appropriate

Name of Circuit						Circuit No
Black Country						28/12
Statement of Financial Activities (SOFA) for the year ended 31 August 2022						
	Notes to the account s	General Fund (Unrestricted)	Circuit Model Trust (Unrestricted)	Designated Funds (unrestricted)	Restricted Funds	Endowment Funds
		£	£	£	£	£
Income						
1 Donations and legacies						0
2 Income from monetary investments	2	620	1,446			2,066
3 Income from investment properties	5	5,590				5,590
4 Assessments on Churches	3	192,298				192,298
5 Capital Receipts			661,013			661,013
6 Grants received	4	10,000				10,000
7 Other charitable income		1,251				1,251
8 Total income		209,759	662,459	-	-	872,218
Expenditure						
9 Grants and donations	6	961				961
10 Salaries and associated costs	7	165,894				165,894
11 Property maintenance	10	40,014				40,014
12 Connexional assessment & model trust	9		240,405			240,405
13 District Assessment & Levy	8	43,194	2,014			45,208
14 Depreciation						0
15 Office expenses	12	4,190				4,190
16 Other outgoings	11	2,612				2,612
17 Total charitable expenditure		256,865	242,419	0	0	499,284
18 Gains/(losses) on monetary investments		-	1,939			-1,939
19 Gains/(losses) on investment properties						
20 Net income/(expenditure)		-47,106	418,101	0	0	370,995
21 Transfers between funds		10,000	10,000			0
22 Other gains/(losses)						
23 Net movement in funds		-37,106	408,101	0	0	370,995
24 Total funds brought forward		1,462,723	72,315			1,535,038
25 Total funds carried forward		1,425,617	480,416	-	-	1,906,033

Name of Circuit		Balance Sheet as at 31 August 2022										Circuit No		
Black Country												28/12		
													GN	
	Notes to the Accounts	General Fund (Unrestricted)	Circuit Model Trusts (Unrestricted)	Designated Funds (Unrestricted)	Restricted Funds	Endowment Funds	Totals 2021/22	Totals 2020/21						
		£	£	£	£	£	£	£						
Fixed Assets														
Circuit Manses & Equipment	13	855,000					855,000	855,000	R					
Investment properties	13	415,000					415,000	415,000	R					
Investments	15		480,416				480,416	72,315						
Total fixed assets		1,270,000	480,416	0	0	0	1,750,416	1,342,315						
Current Assets														
Debtors	17	13,193					13,193	11,515	S					
Loans by the Circuit							0							
Investments with TMCP							0							
Central Finance Board Deposits	14	152,488					152,488	169,381	T					
Cash at Bank and in hand	14	17,908					17,908	40,127						
Total current assets		183,589	0	0	0	0	183,589	221,023						
Current liabilities														
Creditors (due in under 1 year)	16	27,972					27,972	28,300	U					
Grants payable within 2021-22							0		V					
Total current liabilities		27,972	0	0	0	0	27,972	28,300						
Net current assets/liabilities		155,617	0	0	0	0	155,617	192,723						
Total assets less current liabilities		1,425,617	480,416	0	0	0	1,906,033	1,535,038						
Long term liabilities														
(due after more than one year)														
Grants payable after 2021-22							0		V					
Loans to the Circuit							0							
Net assets		1,425,617	480,416	0	0	0	1,906,033	1,535,038	W					
Funds of the Circuit														
General Fund (Unrestricted)		1,425,617					1,425,617	1,462,723						
Circuit Model Trust Fund (Unrestricted)			480,416				480,416	72,315	W					
Designated Funds (Unrestricted)				0			0							
Total Unrestricted Funds							1,906,033	1,535,038						
Restricted Funds					0		0							
Endowment Funds						0	0							
Total Funds		1,425,617	480,416	0	0	0	1,906,033	1,535,038						
										Signed		J miler		
										Circuit Manager		25/09/22		

1. Accounting policies

i Accounting Standard

The financial statements have been prepared under the Charities Act 2011 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.

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. Income from Monetary Investments

	Unrestrict ed £	CMTF £	£2022		Unrestricted £	CMTF £	£2021
CFB	620		620		250		250
TMCP		1,446	1,446			620	620
Other							
Total	620	1,446	2,066		250	620	870

3. Assessments on Churches

The Circuit comprises of 16 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.

4. Grants receivable

	Unrestrict ed General Fund £	Circuit Model Trust Fund £	2022 £		Unrestricted General Fund £	Circuit Model Trust Fund £	20201£
District Advance Fund	10,000		10,000		10,450		10,450
Connexion					16,000		16,000
Total	10,000		10,000		26,450		26,450

5. Property Rentals

	Unrestricted General Fund £	Circuit Model Trust Fund £	2022 £	Unrestricted General Fund £	Circuit Model Trust Fund £	20201£
2 Woodman Close	406		406	7,681		7,681
1A New Street	5,184		5,184	6,845		6,845
Total	5,590		5,590	14,526		14,526

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

6. Grants and donations

	Unrestricted General Fund £	Circuit Model Trust Fund £	2022 £	Unrestricted General Fund £	Circuit Model Trust Fund £	2021 £
Fund for the support of presbyters and deacons	720		720	720		720
Methodist Church Fund for Property	200		200	210		210
Outreach Project	41		41			
Total	961		961	930		930

7. Salaries and associated costs

Presbyters	Unrestricted General Fund £	Circuit Model Trust Fund £	2022 £	Unrestricted General Fund £	Circuit Model Trust Fund £	2021 £
Stipends and allowances	80,053		80,053	104,649		104,649
National Insurance	7,642		7,642	9,674		9,674
Pension Costs	20,840		20,840	27,464		27,464
Sub total	108,535		108,535	141,787		141,787
Telephone and Travel	7,770		7,770	6,664		6,664
Postage & Stationery	1,052		1,052	5,602		5,602
Miscellaneous	3,813		3,813	676		676
Total	121,170		121,170	154,729		154,729

Lay Workers	Unrestricted General Fund £	Circuit Model Trust Fund £	2022 £	Unrestricted General Fund £	Circuit Model Trust Fund £	2021 £
Salaries and allowances	39,298		39,298	34,587		34,587
National Insurance	2,922		2,922	2,372		2,372
Pension Costs	2,118		2,118	2,075		2,075
Sub total	44,338		44,338			
Telephone and Travel	386		386	239		239
Miscellaneous						
Total	44,724		44,724	39,273		39,273
Grand Total	165,894		165,894	194,002		194,002

Stipends were paid to 3 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.

The manse is 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 3 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.

8. 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 £	2022 £		Unrestricted General Fund £	Circuit Model Trust Fund £	2021 £
District Assessment	43,194		43,194		43,406		43,406
District Levy		2,014	2,014			2,140	2,140
Total	43,194	2,014	45,208		43,406	2,140	45,546

9. Connexional Assessment and Model Trust Levy

	Unrestricted General Fund £	Circuit Model Trust Fund £	2022 £		Unrestricted General Fund £	Circuit Model Trust Fund £	2021 £
Connexional Levy		240,405	240,405		0		0
Total		240,405	240,405		0		0

10. Property costs

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

		£2022	£2021
Insurance, Council tax & utilities		11,167	12,258
General maintenance on manse and other Circuit properties		19,930	11,422
Legal costs sale of Moorlands MC		6,081	
Legal costs repossession of Hill Top Manse		2,836	
Total		40,014	23,680

11. Other outgoings

	Unrestricted General Fund £	Circuit Model Trust Fund £	£2022		Unrestricted General Fund £	Circuit Model Trust Fund £	2021 £
Audit Fee	300		300		300		300
Benevolent Fund	329		329		251		251

	Unrestricted General Fund £	Circuit Model Trust Fund £	£2022		Unrestricted General Fund £	Circuit Model Trust Fund £	2021 £
Apprenticeship levy and payroll fee	1,060		1,060		1212		1212
Gifts	760		760		820		820
Miscellaneous	163		163		958		958
Total	2,612		2,612		3,541		3,541

12. Office Expenses

	Unrestricted General Fund £	Circuit Model Trust Fund £	2022 £		Unrestricted General Fund £	Circuit Model Trust Fund £	2021 £
Website	377		377		233		233
Printing postage and stationery & telephone	1,721		1,721		1,256		1,256
Computer costs	50		50		144		144
Twelve Baskets & other worship materials	583		583		375		375
Office rent	1,300		1,300		1,040		1,040
Miscellaneous	159		159				
Total	4,190		4,190		3,048		3,048

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 under the government's scheme to assist Ukrainian refugees..

14. Central Finance Board (CFB) and Bank Balances

	Unrestricted General Fund £	Circuit Model Trust Fund £	2022 £	Unrestricted General Fund £	Circuit Model Trust Fund £	2021 £
CFB	152,488		152,488	169,381		169,381
HSBC Bank	17,908		17,908	40,127		40,127
Cash						
Total	170,496		170,496	209,508		209,508

15. Trustees for Methodist Church Purposes (TMCP)

	Circuit Model Trust Fund £	Endowments £	2022 £	Circuit Model Trust Fund £	Endowment s£	2021 £
MTF	480,416		480,416	72,315		72,315
Total	480,416		480,416	72,315		72,315

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 2022 will be paid in the year to 31 August 2023.

	Unrestricted General Fund £	Circuit Model Trust Fund £	2022 £	Unrestricted General Fund £	Circuit Model Trust Fund £	£2021
Income in advance						
Assessments in advance	22,225		22,225	28,158		28,158
Creditors and accruals						
Ministers and other expenses	5,533		5,533	30		30
Property costs	214		214	112		112
Total	27,972		27,972	28,300		28,300

17. Debtors

	Unrestricted General Fund £	Circuit Model Trust Fund £	2022 £	Unrestricted General Fund £	Circuit Model Trust Fund £	2021 £
Assessments overdue	2,835		2,835	1,834		1,834
Ministers and other expenses	9,623		9,623	9,111		9,111
Investment Properties	620		620	570		570
Property costs	115		115			
Total	13,193		13,193	11,515		11,515

18. Capital Commitments and Contingent Liabilities

As at 31 August 2022 the Circuit had no capital commitments. No contingent liabilities were identified at 31 August 2022.

19. Summary of Unrestricted Fund movements

	Opening Balance £	Income £	Gains on investments £	Expenditur e £	Transfers £	Closing balance £	Purpose of the fund
General	1,462,723	209,759		256,865	10,000	1,425,617	General purposes
Circuit Model Trust Fund	72,315	662,459	(1,939)	242,419	(10,000)	480,416	General purposes
Total	1,535,038	872,218	(1,939)	499,284		1,906,033	

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 (until 22 June 2022)
New Road
Park
Roseville
Ryders Green
St Andrews
Tipton Green
Toll End
Wesley
Wednesbury Central
Woods

21. Leasing commitments

At 31 August 2022 the Circuit had no leasing commitments.