

BLACK COUNTRY CIRCUIT

(Registered Charity No.1168391)

TRUSTEES' REPORT AND ACCOUNTS

Year ended 31 August 2020

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Black Country Circuit

Report of the Trustee

For the year ended 31 August 2020

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and Reporting by Charities: Statement of Recommended Practice effective from 1 April 2005 which has since been withdrawn.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 Philip Thomas

Revd Patricia Mukorombindo (until 31 august 2020)

Revd Trevor Pratt

Revd Denise Williams

Circuit Stewards:

Mrs Helen Allen (from 1 September 2019), Mr Donald Anderson, Mr David Ashfield, Mr Ian Palfreyman (from 1 September 2019), Mr Christopher Pearce, Mr Derek Percival (until 31 August 2020), 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

Black Country Circuit

Report of the Trustee

For the year ended 31 August 2020

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 Trustee

For the year ended 31 August 2020

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

Rev Patricia Mukorombindo left the Circuit at the end of August 2020 to take up a new position in Hinckley. We are very grateful to her for her ministry in the Black Country Circuit and wish her well in her new position. Rev Ruth Childs will be joining 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, Rev Denise Williams, finishes her current appointment next September but has indicated that she would like to continue in our Circuit for a further 5 years. This will be decided by the forthcoming Circuit Meeting. Rev Trevor Pratt will retire next August and the Circuit Leadership Team has recommended that the Circuit does not enter the stationing procedure at this time 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.

Black Country Circuit

Report of the Trustee

For the year ended 31 August 2020

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.

Miss Diane Cripps, our part time Circuit Administrator, has settled well into her role and has been able to work from home whilst the Circuit Office is closed.

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. Despite this, Hallam Street Methodist Church could not meet its financial obligations to the Circuit and there is ongoing concern about some other churches, as much due to leadership problems and age of congregations as finance.

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 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!

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 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.

Black Country Circuit

Report of the Trustee

For the year ended 31 August 2020

Financial Review

Circuit income is drawn primarily from the assessments paid by the circuit churches and, during the year, net assessments were £203,229 (2019 £202,089). 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.

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.

Property costs were 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.

At 31 August 2020, unrestricted reserves, excluding Land and Buildings, stood at £270,869 (2019 £287,932). The Circuit is entering 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.

Plans for 2020/21

Circuit financial plans for the coming year have been prepared on the basis that there remains 4 full time ordained staff with anticipated cost of living stipend increases but with an increased, subsidised cost, of our new Circuit Mission Enabler and our administrator. A 1% increase in the overall underlying assessment paid by the churches is expected to be required. As stated above, the Circuit is not entering stationing in 2020 with a view to reducing staffing to 3 full time ordained staff at least in the short 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.

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.

Black Country Circuit

Report of the Trustee

For the year ended 31 August 2020

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 Mission Enabler 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.

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.

Black Country Circuit

Report of the Trustee

For the year ended 31 August 2020

- 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 the churches.

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.

Ian Belcher, our Circuit Safeguarding Officer, has held a number of training sessions during the year and, whilst there are still some volunteers who need to attend a training session, the Circuit appears to be ahead of many other Circuits in this regard.

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

Black Country Circuit

Report of the Trustee

For the year ended 31 August 2020

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.

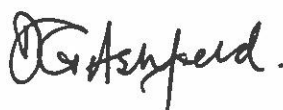
DECLARATION

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



Trustee

Position Chair

Date: 20 March 2021

Black Country Circuit

Report of the Trustee

For the year ended 31 August 2020

Circuit Meeting Membership

Ministers

Revd Philip Thomas

Revd Patricia Mukorombindo (until 31 August 2020)

Revd Trevor Pratt

Revd Denise Williams

Layworkers

Mrs Elizabeth Farley,

Miss Diane Cripps

Local Preachers and Worship Leader Representatives

Mr Trevor Allan, Mrs Jean Mason, Mr Alan Moore, Mr David Woodman (until 14 April 2020).

Circuit Stewards

Mrs Helen Allen (from 1 September 2019), Mr Donald Anderson, Mr David Ashfield, Mr Ian Palfreyman (from 1 September 2019), Mr Christopher Pearce, Mr Derek Percival (until 31 August 2020), Mrs Shirley Shelton, Mr Ian Thompson.

Circuit Meeting Secretary

Miss Diane Cripps

Circuit Treasurer

Mr John Miller

Circuit Officers (Property)

Mr Donald Anderson, Mr Alex Cooksey, Mr Trevor Cox & Miss Diane Cripps.

Circuit Safeguarding Co-ordinator

Mr Ian Belcher

Circuit Offices (Ex officio)

Mr Eric Moore

Black Country Circuit

Report of the Trustee

For the year ended 31 August 2020

Circuit Representatives to Synod

Mrs Helen Allen, Mr Stephen Allen, Mrs Rosemary Jones

Circuit Church Representatives

Beeches Road

Mr Eric Moore, Mr Tony Williams, Mr Ian Belcher,

Charlemont

Ms Karen Bennett, Miss L Haywood, Ms Joy Jerrison, Mr Simon Jerrison.

Hallam Street

Ms Josie Attwood, Ms Pat Hodgetts, Miss M Wakeman

Hill Top

Mrs Joan Howes, Ms Margaret Tromans

Lea Brook

Mr Joe Norton, Mr John Williams

Methodist Centre

Mr Robert Cooper, Mr Alan Gorton, Mr Claude Laight

Moorlands

Mrs Carol Osborne, Mrs Gillian Willdig

New Road

Chris Allen, Mrs Jean Mason, Mrs Lorraine Morris

Park

Mrs Gaynor Idles

Roseville

Mrs Judith Hawkins, Mr Kenneth Hawkins, Mrs Sylvia Morgan

Black Country Circuit

Report of the Trustee

For the year ended 31 August 2020

Ryders Green

Ms Joan Butler, Mr Alex Cooksey, Mr T Dawson

St Andrews

Mr Donald Anderson, Mrs June Davies, Miss Margaret Morgan

Tipton Green

Mrs Marjorie Ashfield, Mr Peter Davies, Mrs Rosemary Jones, Mrs Margaret Moore, Miss Susan Sandbrook

Toll End

Mrs Pauline Hodgetts, Miss Kim Pollard,

Wesley

Mr Ian Collett, Mrs Beryl Price, Mrs Helen Allen, Mr Mac Wills

Wednesbury (Central & Woods)

Mrs Susan Harris, Mr Norman Jones, Miss Valerie Partridge

Black Country Circuit

Declarations and Scrutiny

For the year ended 31 August 2020

I Confirm that these accruals-based accounts for the year to 31 August 2020 have been prepared from the records of the Circuit and that they include all funds under the control of the Circuit meeting.

J Miller

Date 20 March 2021

John Miller
7 Southwood Close
Kingswinford
West Midlands
DY6 8JL

Presentation to the Circuit meeting

I confirm that the annual report and accounts for the year ended 31 August 2020 were presented to the circuit meeting held on

DM Williams

Crabtree

Rev Denise Williams

Date 20 March 2021

Independent Examiners Report to the

Trustees of the Black Country Circuit

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 2019 set out on pages 15 to 28. 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.

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 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 gives 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.

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.



Neil Westwood FCA

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

20 March 2021

Black Country Circuit

Statement of Financial Activities

For the year ended 31 August 2020

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

	Notes to the accounts	General Fund (Unrestricted) £	Circuit Model Trust (Unrestricted) £	Designated Funds (unrestricted) £	Restricted Funds £	Endowment Funds £	Total 2019-20 £
Income							
Donations and legacies							0
Income from monetary investments	2	1,450	961				2,411
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	961	-	-	-	256,934
Expenditure							
Grants and donations	6	1,130					1,130
Salaries and associated costs	7	195,001					195,001
Property maintenance	9	24,403					24,403
Connexional assessment & model trust levy	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		270,514	2,463	0	0	0	272,977
Gains/(losses) on monetary investments			1,020				-1,020
Gains/(losses) on investment properties							
Net income/(expenditure)		-14,541	-2,522	0	0	0	-17,063
Transfers between funds		10,000	10,000				0
Other gains/(losses)							
Net movement in funds		-4,541	-12,522	0	0	0	-17,063
Total funds brought forward		1,466,761	91,171				1,557,932
Total funds carried forward		1,462,220	78,649	-	-	-	1,540,869

Black Country Circuit

Statement of Financial Activities

For the year ended 31 August 2020

Statement of Financial Activities (SOFA) for the year ended 31 August 2019

	Notes to the accounts	General Fund (Unrestricted) £	Circuit Model Trust (Unrestricted) £	Designated Funds (unrestricted) £	Restricted Funds £	Endowment Funds £	Total 2018-19 £
Income							
Donations and legacies							0
Income from monetary investments	2	1,342	1,319				2,661
Income from investment properties	5	13,778					13,778
Assessments on Churches	3	202,089					202,089
Capital Receipts							0
Grants received	4	37,000					37,000
Other charitable income		417					
Total income		254,626	1,319	-	-	-	255,945
Expenditure							
Grants and donations	6	1,932					1,932
Salaries and associated costs	7	181,357					181,357
Property maintenance	9	27,020					27,020
Connexional assessment & model trust li	8		2,821				2,821
District Assessment & Levy	8	43,447					43,447
Depreciation							0
Office expenses	11	1,906					1,906
Other outgoings	12	3,311					3,311
Total charitable expenditure		258,973	2,821	0	0	0	261,794
Gains/(losses) on monetary investments			342				342
Gains/(losses) on investment properties							
Net income/(expenditure)		-4,347	-1,160	0	0	0	-5,507
Transfers between funds		10,000 -	10,000				0
Other gains/(losses)							
Net movement in funds		5,653	-11,160	0	0	0	-5,507
Total funds brought forward		1,461,108	102,331				1,563,439
Total funds carried forward		1,466,761	91,171	-	-	-	1,557,932

Black Country Circuit

Balance Sheet

As at 31 August 2020

	Notes to the Accounts	General Fund (Unrestricted)	Circuit Model Trusts (Unrestricted)	Designated Funds (Unrestricted)	Restricted Funds	Endowment Funds	Totals 2019/20	Totals 2018/19
		£	£	£	£	£	£	£
Fixed Assets								
Circuit Manses & Equipment	12	855,000				✓	855,000	855,000
Investment properties	13	415,000				✓	415,000	415,000
Investments	14		78,650			✓	78,650	91,171
Total fixed assets		1,270,000	78,650	0	0	0	1,348,650	1,361,171
Current Assets								
Debtors	16	2,154				✓	2,154	437
Loans by the Circuit							0	
Investments with TMCP						✓	0	
Central Finance Board Deposits	13	191,537				✓	191,537	193,742
Cash at Bank and in hand	13	40,676				✓	40,676	44,297
Total current assets		234,367	0	0	0	0	234,367	238,476
Current liabilities								
Creditors (due in under 1 year)	15	42,148				✓	42,148	41,715
Grants payable within 2018-19							0	
Total current liabilities		42,148	0	0	0	0	42,148	41,715
Net current assets/liabilities		192,219	0	0	0	0	192,219	196,761
Total assets less current liabilities		1,462,219	78,650	0	0	0	1,540,869	1,557,932
Long term liabilities (due after more than one year)								
Grants payable after 2018-19							0	
Loans to the Circuit							0	
Net assets		1,462,219	78,650	0	0	0	1,540,869	1,557,932
Funds of the Circuit								
General Fund (Unrestricted)		1,462,219					1,462,219	1,466,761
Circuit Model Trust Fund (Unrestricted)			78,650				78,650	91,171
Designated Funds (Unrestricted)				0			0	
Total Unrestricted Funds						✓	1,540,869	1,557,932
Restricted Funds					0		0	
Endowment Funds						0	0	
Total Funds		1,462,219	78,650	0	0	0	1,540,869	1,557,932

Signed



J Miller
Circuit Treasurer

Date 20 March 2021

Black Country Circuit

Notes to the Accounts

For the year ended 31 August 2020

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.

Black Country Circuit

Notes to the Accounts

For the year ended 31 August 2020

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 £	£2020		Unrestricted £	CMTF £	2019 £
CFB	1,450		1,450		1,342		1,342
TMCP		961	961			1,319	1,319
Other							
Total	1,450	961	2,411		1,342	1,319	2,661

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.

4. Grants receivable

	Unrestrict ed General Fund £	Circuit Model Trust Fund £	2020 £		Unrestricted General Fund £	Circuit Model Trust Fund £	2019 £
District Advance Fund	20,000		20,000		20,000		20,000
Connexion	17,000		17,000		17,000		17,000
Total	37,000		37,000		37,000		37,000

Black Country Circuit

Notes to the Accounts

For the year ended 31 August 2020

5. Property Rentals

	Unrestricted General Fund £	Circuit Model Trust Fund £	2020 £		Unrestricted General Fund £	Circuit Model Trust Fund £	2019 £
2 Woodman Close	7,389		7,389		6,933		6,933
1A New Street	6,845		6,845		6,845		6,845
Total	14,234		14,234		13,778		13,778

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.

6. Grants and donations

	Unrestricted General Fund £	Circuit Model Trust Fund £	2020 £		Unrestricted General Fund £	Circuit Model Trust Fund £	2019 £
Fund for the support of presbyters and deacons	720		720		720		720
Methodist Church Fund for Property	210		210		212		212
Flood Relief Donation	200		200				
Wednesbury					1,000		1,000
Total	1,130		1,130		1,932		1,932

Black Country Circuit

Notes to the Accounts

For the year ended 31 August 2020

7. Salaries and associated costs

Presbyters	Unrestricted General Fund £	Circuit Model Trust Fund £	2020 £		Unrestricted General Fund £	Circuit Model Trust Fund £	2019 £
Stipends and allowances	102,123		102,123		98,769		98,769
National Insurance	9,386		9,386		9,022		9,022
Pension Costs	26801		26,801		26,066		26,066
Sub total	138,310		138,310		133,857		133,857
Telephone and Travel	10,665		10,665		14,386		15,475
Postage & Stationery	3,533		3,533		14,386		15,475
Miscellaneous	2,899		2,899		1,630		1,630
Total	155,407		155,407		149,873		149,873

Lay Workers	Unrestricted General Fund £	Circuit Model Trust Fund £	2020 £		Unrestricted General Fund £	Circuit Model Trust Fund £	2019 £
Salaries and allowances	34,586		34,586		27,120		27,120
National Insurance	2,388		2,388		2,468		2,468
Pension Costs	2,032		2,032		1,300		1,300
Sub total	39,006		39,006		30,888		30,888
Telephone and Travel	588		588		581		581
Miscellaneous					15		15

Black Country Circuit

Notes to the Accounts

For the year ended 31 August 2020

Lay Workers	Unrestricted General Fund £	Circuit Model Trust Fund £	2020 £		Unrestricted General Fund £	Circuit Model Trust Fund £	2019 £
Total	39,594		39,594		31,484		31,484
Grand Total	195,001		195,001		181,357		181,357

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.

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.

Black Country Circuit

Notes to the Accounts

For the year ended 31 August 2020

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 £	2020 £		Unrestricted General Fund £	Circuit Model Trust Fund £	2019 £
District Assessment	43,655		43,655		43,447		43,447
District Levy		2,463	2,463			2,821	2,821
Total	43,655	2,463	46,118		43,447	2,821	46,268

9. 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.

		£2020	£2019
Insurance, Council tax & utilities		13,299	13,710
General maintenance on manses and other Circuit properties		11,104	13,310
Total		24,403	27,020

Black Country Circuit

Notes to the Accounts

For the year ended 31 August 2020

10. Other outgoings

	Unrestricted General Fund £	Circuit Model Trust Fund £	£2020		Unrestricted General Fund £	Circuit Model Trust Fund £	2019 £
Visiting preachers					785		785
Benevolent Fund	327		327		388		388
Apprenticeship levy and payroll fee	1,122		1,122		1,236		1,236
Gifts	522		522		66		66
Miscellaneous	429		429		836		836
Total	2,400		2,400		3,311		3,311

11. Office Expenses

	Unrestricted General Fund £	Circuit Model Trust Fund £	2020 £		Unrestricted General Fund £	Circuit Model Trust Fund £	2019 £
Website	215		215		191		191
Printing postage and stationery & telephone	2,242		2,242		1,373		1,373
Computer costs					282		282
Furniture					60		60
Twelve Baskets	428		428				
Office rent	1,040		1,040				
Total	3,925		3,925		1,906		1,906

Black Country Circuit

Notes to the Accounts

For the year ended 31 August 2020

12. Tangible fixed assets

	Mansees £	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 mansees currently let on 6 monthly renewable short term leases.

13. Central Finance Board (CFB) and Bank Balances

	Unrestricted General Fund £	Circuit Model Trust Fund £	2020 £		Unrestricted General Fund £	Circuit Model Trust Fund £	2019 £
CFB	191,537		191,537		193,742		193,742
HSBC Bank	40,676		40,676		44,297		44,297
Cash	0		0		0		0
Total	232,213		232,213		238,039		238,039

Black Country Circuit

Notes to the Accounts

For the year ended 31 August 2020

14. Trustees for Methodist Church Purposes (TMCP)

	Circuit Model Trust Fund £	Endowments £	2020 £		Circuit Model Trust Fund £	Endowments £	2019 £
MTF	78,650		78,650		91,171		91,171
Total	78,650		78,650		91,171		91,171

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.

15. Creditors, Accruals and Income in advance

It is expected that all sums accrued at 31 August 2019 will be paid in the year to 31 August 2020.

	Unrestricted General Fund £	Circuit Model Trust Fund £	2020 £		Unrestricted General Fund £	Circuit Model Trust Fund £	2019 £
Income in advance							
Assessments in advance	38,764		38,764		40,418		40,418
Creditors and accruals							
Assessments overpaid							
Ministers and other expenses	1,256		1,256		1,152		1,152
Property costs	2,128		2,128		40		40
Office					105		105
Other							
Total	42,148		42,148		41,715		41,715

Black Country Circuit

Notes to the Accounts

For the year ended 31 August 2020

16. Debtors

	Unrestricted General Fund £	Circuit Model Trust Fund £	2020 £		Unrestricted General Fund £	Circuit Model Trust Fund £	2019 £
Assessments overdue	1,834		1,834				
Ministers and other expenses	320		320		411		411
Property costs					26		26
Total	2,154		2154		437		437

17. Capital Commitments and Contingent Liabilities

As at 31 August 2020 the Circuit had no capital commitments. No contingent liabilities were identified at 31 August 2020.

18. Summary of Unrestricted Fund movements

	Opening Balance £	Income £	Gains on Investments £	Expenditur e £	Transfers £	Closing balance £	Purpose of the fund
General	1,466,761	255,973		(270,515)	10,000	1,462,219	General purposes
Circuit Model Trust Fund	91,171	961	(1,020)	(2,462)	(10,000)	78,650	General purposes
Total	1,557,932	255,945	(1,020)	(272,977)		1,540,869	

Black Country Circuit

Notes to the Accounts

For the year ended 31 August 2020

19. 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

20. Leasing commitments

At 31 August 2020 the Circuit had no leasing commitments.