



THE METHODIST CHURCH

REPORT AND ACCOUNTS (ACCRUALS BASIS)

for the year ended 31 August 2021

South Essex

Circuit

Registered Charity - Registration number

1134269

Beds, Essex, Herts

District No / Circuit No 34/01

Ministers

Rev Dr M Cole (Retired 31st August 2021)

Rev Y Jaiyesimi

Rev D Bagwell

Rev S Cyuma

Rev F Al-Hassan

Circuit Stewards

Mrs L Amber,

Mrs H Ashworth, Mrs Stubbs

Mr J Scott

Mrs C Raven

Circuit Treasurer

Miss W A Crayden

South Essex Circuit
TRUSTEES' ANNUAL REPORT

FOR THE YEAR ENDED 31 AUGUST 2021

Introduction

This is the Trustees' Annual Report for the Methodist Church of South Essex Circuit covering the north part of the Thames Estuary from Basildon in the east to Grays in the west taking in Billericay in the northern part of the circuit.

The Methodist church South Essex Circuit is responsible for the ministerial oversight and pastoral care of ten churches in the circuit; the support of a ministry team of three presbyter Ministers, one full time lay employee and one part time lay employee and the maintenance of four circuit manses.

Aims and organisation

The South Essex Circuit is part of the Methodist Church and is committed to sharing the good news of Jesus Christ in word and action.

The Circuit's role is to ensure the effective use of its resources to further the four dimensions of 'Our Calling' as Methodists.

Worship – to increase awareness of God's presence and to celebrate God's love;

Service – to be good neighbours to people in need and to challenge injustice;

Evangelism – to make more followers of Jesus;

Learning and Caring – to help people to learn and grow in faith through mutual support and care.

The Circuit caring policy is to:

Encourage everyone in our churches to care for one another, and maintain an established pastoral system where church members work in conjunction with staff.

Make it a requirement for an annual review of Safeguarding Policies and ensure necessary DBS checks are made and training attended.

Encourage churches to work alongside other agencies, as well as ecumenically to seek to alleviate social needs locally identified.

Be sensitive to people of other faiths and to face the challenge of being open to dialogue with them (emphasising what we have in common, rather than solely focussing on those issues on which we differ).

Family Ministry

Encourage and equip volunteers and leaders to build each church into a community for all generations.

Encourage and nurture relationships between God, church and families.

Nurture relationships across age groups within church.

Facilitate links between the church, families, the wider community and other organisations through outreach and church-based events including worship.

Hospitality

Encourage local churches to extend Christ-like hospitality and practice an active and generous love.

Invite, welcome, receive and care for those who are 'strangers', so they may find a spiritual home and the richness of Christ in our churches.

Express God's invitation to others.

Pray, plan, prepare and work toward helping others to receive Christ.

Inclusivity

Encourage and facilitate a sense of belonging together as one in the Body of Christ.

Acknowledge the uniqueness of individuals and foster inclusivity.

Encourage mutual concern, goodwill and respect for others regardless of ethnicity, gender, sexual orientation, marital status, age, disability or opinion.

Acknowledge Christians hold different views on issues including faith and life-style, and encourage all exchanges of opinion to be within a framework of mutual respect, prayerfulness, grace and honesty.

Challenge discrimination and injustice.

Working Together

Encourage openness to change and a willingness to receive the talents of others.

Encourage people within church to work together as effectively as possible.

To be conscious and considerate of the well-being needs of those who serve/work in our churches: volunteers, lay workers, ordained ministers.

Business and Resources Policy (People)

The Circuit policy is to:

Maintain effective oversight of churches through the grouped responsibilities of staff and the location of manse.

Develop and support its ministerial staff and lay workers, who meet regularly for mutual support, encouragement and conversation about Circuit and church issues.

Train and authorise local preachers and worship leaders, who, together with ordained ministers, have the primary role in leading the worshipping life of the churches.

Seek appropriate people to join the Leadership Team as Circuit Stewards, offer induction and encouragement to take an interest in particular aspects of Circuit work.

Business and Resources Policy (Buildings)

The Circuit will:

Maintain and improve, where appropriate, those manses for which it is responsible.

Continue the independent quinquennial inspections of all Circuit property, supported by annual physical inspections by the relevant stewards, and will maintain a list of relevant maintenance and professional agencies.

Require churches to comply with the Safeguarding and Equality legislation and Connexional policy.

Require churches comply with current buildings Health and Safety legislation and undertake Annual Risk Assessments.

Seek to support and give advice on the improvement and maintenance of church premises.

Seek to support and provide resources towards energy efficiency, health and safety, accessibility and property improvements for outreach.

Business and Resources Policy (Finance)

The Circuit policy is to:

Encourage each church to maximise the use of regular, tax-efficient giving.

Consider and approve an annual budget, together with two forecast years.

Consider and review future Circuit finance.

Consider and approve the annual church contributions, in the knowledge that giving is one response we can make to God's constant love.

Business and Resources Policy (Business)

The Circuit policy is to:

Plan and discharge its responsibilities in an efficient and effective manner.

Encourage churches to plan and discharge their responsibilities efficiently and effectively.

Review of the year

The Circuit has provided support to all ten churches to comply with the above policy by encouraging training, financing scheme to encourage outreach and maintaining church buildings

In February a reserves policy is drawn up for discussion in the circuit leadership team for the next connexional year and approved at the February Circuit Meeting. This gives us a vision of what we plan to do in the next year. In addition we also prepare a budget. We are happy to report for 2020/21 that there were no major differences between actual and budgeted figures.

Income trends

Circuit income is primarily drawn from the assessment paid by the circuit churches. Due to lockdown the Circuit decided to only collect 3/4 of the assessment due.

Interest from accounts held with recognised Banks and Central Finance Board.

We have investments valued at £410,515 which generated dividends. This investment is re-valued each year and the movement is included in the financial statements. £70,000 worth of investment were sold during the year to finance the purchases of a new manse

The rental income relates to the rental of Meadow Rise Billericay a redundant manse.

Expenditure trends

Stipend expenditure has increased each financial year in line with conference approved increases.

17.47% of expenditure is the Circuit contribution to the District and Connexion, of which a significant part is used to fund the work of the wider Methodist Church.

The other expenditure in the General fund is in respect of living expenses of the ordained employees and reimbursement of various expenses incurred in carrying out their duties.

Fund balances

The current assets of the circuit equal £140,679 and represents a general reserve to cover six months of expenditure and the balance is allocated to specified reserves which are detailed later in this report.

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 combined with an increase in the assessment paid to the district such that I have not requested an increase in the assessment from the circuit churches.

South Essex Circuit
Trustee's Annual Report on Finance and Governance

Basis of preparation and legal framework

The financial statements have been prepared in accordance with the 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 FRS 102)

Full Name of Charity: SOUTH ESSEX METHODIST CHURCH CIRCUIT

Registration Charity Number: 1134269.

Date of registration 11th February 2010

Main communication address (Circuit office) Langdon Hills Methodist Church, High Road, Langdon Hills, Basildon, Essex.

The members of the South Essex Methodist Circuit meeting are the Charity Trustees, membership being made up of circuit office holders, ministers and representatives appointed by the local churches.

Fully membership is shown as Appendix A to this report.

Circuit Ministers and officers

Active Circuit Ministers	Rev F Al-Hassan Rev D Bagwell Rev Y Jalyesimi, Rev S Cymua
Circuit Lay Workers	Mrs C Owens
Circuit Stewards	Mrs S Stubbs, Mrs L Amber, Mrs H Ashworth, Mr J Scott, Mrs C Raven

Administrator: Mrs D Clarke

Miss W A Crayden acted as the principal officer overseeing the day to day financial management and accounting for the circuit during the year.

Independent examiner Mayor Cuttle & Co, Suite 7B Aquarium 101 Lower Anchor Street, Chelmsford, CM2 0AU

Investment Bankers Central Finance Board of the Methodist Church
Trustees for Methodist Church purposes
Santander Bank PLC

South Essex Circuit

Aims and organisation

Charity objective is to act as a Resource provider within the area around South Essex for the Methodist Church;

The purposes of the Methodist Church are and shall be deemed to have been since the Date of Union the advancement of:

- a) The Christian faith in accordance with the doctrinal standards and discipline of The Methodist Church;
- b) Any charitable purpose for the time being of any Connexional, District, Circuit, local or other organisation of The Methodist Church;
- c) Any charitable purpose for the time being of any society or institution subsidiary or ancillary to The Methodist Church;
- d) Any purpose for the time being of any charity being a charity subsidiary or ancillary to The Methodist Church

The organisation and resourcing of regular public acts of worship open to members of the church and non members alike.

The teaching of Christianity through sermons, courses and small groups.

The resourcing of pastoral work including visiting the sick and bereaved.

Taking religious assemblies in local schools.

Promotion of Christianity through the staging of events and services.

Provision of chaplaincy services to the local university and other institutions.

Public Benefit

We confirm the trustees have had regard to the Charity Commission's guidance on public benefit.

Structure, Governance and Management

The governing document for the circuit is the Deed of Union (1932) and Methodist Church Act (1976)

Detailed governance arrangements are outlined within the Constitutional Practice and Discipline of the Methodist Church by order of the annual conference (CPD).

Day to day management of the circuit is undertaken by the Circuit Leadership team along with the Local Preachers meeting, the Circuit Finance and Property Committee and the Circuit Policy Committee.

Trustee Training

A range of guidance produced by Methodist Connexion to support the effective running of the circuit, specifically the leaflet 'The Role of a Trustee in The Methodist Church' is given to all new Circuit meeting members as induction to their role as trustees.

Related Parties

The Circuit is part of the Beds, Essex and Herts District and is also accountable to the Methodist Conference.

The following Methodist Churches are linked to the circuit Billericay, Grays, Herongate, St Andrews, Hornndon on the Hill, Langdon Hills, Linford, Stanford Le Hope, St Paul's, Trinity, Wickford Christ Church.

South Essex Circuit

Risk Management

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

There is a regular annual review process undertaken and recorded.

Income and Expenditure is being monitored in total and is compared with the approved annual budget on a half yearly basis to detect trends as part of the risk management process to avoid unforeseen calls on

Safeguarding

Every person has a value and dignity which comes directly from the creation of male and female in God's own image and likeness. Christians see this potential as fulfilled by God's re-creation of us in Christ. Among other things this implies a duty to value all people as bearing the image of God and therefore to protect them from harm.

Methodist Connexional practice outlines commitment to the following principles:

- the care and nurture of, and respectful pastoral ministry with, all children, young people and adults
- the safeguarding and protection of all children, young people and adults when they are vulnerable
- the establishing of safe, caring communities which provide a loving environment where there is informed vigilance as to the dangers of abuse.
- We will carefully select and train all those with any responsibility within the Church, in line with Safer Recruitment principles, including the use of criminal records disclosures and registration with the relevant vetting and barring schemes.
- We will respond without delay to every complaint made which suggests that an adult, child or young person may have been harmed, cooperating with the police and local authority in any investigation.
- We will seek to work with anyone who has suffered abuse, developing with them an appropriate ministry of informed pastoral care.
- We will seek to challenge any abuse of power, especially by anyone in a position of trust.
- We will seek to offer pastoral care and support, including supervision and referral to the proper authorities, to any member of our church community known to have offended against a child, young person or vulnerable adult.
- In all these principles we will follow legislation, guidance and recognised good practice

The South Essex Circuit commits itself to ensuring the implementation of Connexional Safeguarding Policy; government legislation, guidance and safe practice in the circuit and in the churches.

The South Essex Circuit commits itself to the provision of support, advice and training for lay and ordained people that will ensure people are clear and confident about their roles and responsibilities in safeguarding and promoting the welfare of children and adults who may be vulnerable.

Reserves Policy

The Reserves Policy for the Circuit is to hold a minimum sum equivalent to six months' average expenditure. This should be sufficient to meet any unforeseen item of major expenditure on manses and / or to be able to continue, in the short term, funding planned activities in the event of any inability to raise the full Circuit Assessment from churches. In addition the circuit also holds reserves in respect of Manse Maintenance, Training and Learning, Equipment and mission outreach, worker with young people, ministerial removal, improving church premises.

These are as follows

Manse Capital Expenditure £237,774

Training and Learning £5,000

Equipment and Mission £5,000

Mission Funds £25,000

Improving Church Premises £57,000

Pastoral Support £5,000

Ministerial Removal Fund £12,000

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								
1 Donations and legacies								0
2 Income from monetary investments		7,878						7,878
3 Income from investment properties	5	10,491						10,491
4 Assessments on Churches		158,431						158,431
5 Capital Receipts								0
6 Grants received								0
7 Other charitable income								
8 Total income		176,800	-	-	-	-		176,800
Expenditure								
9 Grants and donations		300						-300
10 Salaries and associated costs	6	118,199						118,198
11 Property maintenance	8	31,836						31,836
12 Connexional assessment & model trust levy	9	77,592						77,592
13 District Assessment & Levy								0
14 Depreciation								0
15 Office expenses	11	4,901						4,901
16 Other outgoings	12	24,851						24,851
17 Total charitable expenditure		257,078	0	0	0	0		257,078
18 Gains/(losses) on monetary investments			73,400					73,400
19 Gains/(losses) on investment properties		55,000						-55,000
20 Net income/(expenditure)		-135,278	73,400	0	0	0		-61,878
21 Transfers between funds		70,000	70,000					0
22 Other gains/(losses)		-65,278	3,400	0	0	0		-61,878
23 Net movement in funds		2,461,647	407,115					2,868,762
24 Total funds brought forward		2,386,369	410,515	-	-	-		2,806,884
25 Total funds carried forward								

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								
1 Donations and legacies								0
2 Income from monetary investments		9,815						9,815
3 Income from investment properties	5	15,473						15,473
4 Assessments on Churches		162,501						162,501
5 Capital Receipts		700,000						700,000
6 Grants received								0
7 Other charitable income								
8 Total Income		887,589	-	-	-	-		887,589
Expenditure								
9 Grants and donations		750						750
10 Salaries and associated costs	6	118,695						118,695
11 Property maintenance	8	40,529						40,529
12 Connexional assessment & model trust levy	9	115,897						115,897
13 District Assessment & Levy								0
14 Depreciation								0
15 Office expenses	11	4,559						4,559
16 Other outgoings	12	550,684						550,684
17 Total charitable expenditure		831,114	0	0	0	0		831,114
18 Gains/(losses) on monetary investments			7,309					-7,309
19 Gains/(losses) on investment properties		584,325						584,325
20 Net Income/(expenditure)		640,800	-7,309	0	0	0		633,491
21 Transfers between funds								0
22 Other gains/(losses)								
23 Net movement in funds		640,800	-7,309	0	0	0		633,491
24 Total funds brought forward		1,820,847	414,424					2,235,271
25 Total funds carried forward		2,461,647	407,115	-	-	-		2,868,762

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 2021	Totals 2020
		£	£	£	£	£	£	£
Fixed Assets								
Circuit Manages & Equipment	14	2,325,000					2,325,000	1,820,000
Investment properties	14	425,000					425,000	425,000
Investments			410,515				410,515	407,115
Total fixed assets		2,750,000	410,515	0	0	0	3,160,515	2,652,115
Current Assets								
Debtors	16	9,023					9,023	9,137
Loans by the Circuit							0	0
Investments with TMCP	17	73,843					73,843	133,634
Central Finance Board Deposits	17	30,359					30,359	65,631
Cash at Bank and in hand	17	27,354					27,354	55,623
Total current assets		140,679	0	0	0	0	140,679	264,025
Current liabilities								
Creditors (due in under 1 year)	18	44,310					44,310	47,378
Grants payable within 2018-19							0	0
Total current liabilities		44,310	0	0	0	0	44,310	47,378
Net current assets/liabilities		96,369	0	0	0	0	96,369	216,647
Total assets less current liabilities		2,846,369	410,515	0	0	0	3,256,884	2,868,762
Short term liabilities (due less than one year)								
Grants payable after 2021-22							0	0
Loans to the Circuit	14.2	450,000					450,000	450,000
Net assets		2,396,369	410,515	0	0	0	2,806,884	2,868,762
Funds of the Circuit								
General Fund (Unrestricted)	20	2,396,369					2,396,369	2,461,647
Circuit Model Trust Fund (Unrestricted)	20		410,515				410,515	407,115
Designated Funds (Unrestricted)				0			0	0
Total Unrestricted Funds							2,806,884	2,868,762
Restricted Funds					0		0	0
Endowment Funds						0	0	0
Total Funds	21	2,396,369	410,515	0	0	0	2,806,884	2,868,762

Notes to the Accounts

1. Basis of accounting and accounting policies

i Accounting standard

The financial statements have been prepared in accordance with the 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 FRS 102)

ii Public benefit entry

The Methodist Church South Essex 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 (including properties) are shown at their market value at the end of each year. The accruals basis has been used and trustees present accounts that show a true and fair view of the Circuit's financial position and activities.

iv Content

The financial information presented 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 FRS102 SORP 2015

These accounts are compliant with FRS102 and with FRS102 SORP. The accounts have been prepared in accordance with applicable charity law in England, this being the Charities Act 2011 and SI 2008/629 (Charities accounting and Reporting Regulations) and, pending the making of replacement Regulations specific to SORP 2015 in accordance with Reg.8 (4) (d) of SI 2008/629, the Charity trustees have departed from the requirements of Reg.8 (5) by following SORP (FRS102) instead of SORP 2005 to extent necessary to give a true and fair view in the Circumstance.

VI Going Concern

Based on the monetary assets and human resources available at 31st August 2021, the trustees believe that the Circuit is a going concern.

Vii Consolidation

The Circuit has denominational regulatory oversight in respect of work of the Churches within the Circuit but has no legal or operational control of these churches and their governing bodies except in extreme circumstance. For this reason, The financial statements of Churches within the Circuit are not consolidated into these financial statements.

Viii Income recognition

Income is brought into accounts when there is entitlement and the amount is reliably measurable once it is more likely than not that the economic benefit of the income will be forthcoming. Individual amounts categorised as Other Income in the SOFA will be shown separately if they are considered material.

The Circuit acts as an agent in two matters:-

- The Collection from churches and payments over of their contributions to various funds controlled and administered by the Methodist Church- "Connexional Funds"
- The Administration (application, collection and disbursement) of grants requested by Churches within the Circuit from. But not limited to, the District and Connexion.

In all these matters the transactions are not reflected in the SOFA because they are income of either the Connexion or Churches as appropriate. Instead the transactions are disclosed in the notes to the Accounts as required by SORP (FRS 102) module 19, 12.

In accordance with the Charities SORP (FRS102), the time of volunteers is not recognised. Further information on this matter is provided in the Trustees' Annual Report. If goods are donated, a value will be shown in the SOFA or Notes where the value is considered material.

ix 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.

X Grants

Grants made by the Circuit from its own funds are recognised in full at the time of agreement to make the 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 to be accrued is recurrent over more than one year the balance payable in future years, discounted to net present value where the difference is material is treated as a provision being released in future years in accordance with the originally agreed terms. In the cases where the grant has been charged to one fund but for ease of payment has been transferred to another fund any future payment provision is applied to the fund from which the grant will ultimately be paid.

XI VAT

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

Xii Tangible Fixed Assets

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

The freehold residential properties are shown in the accounts at the revalued amount or cost if purchased within last two years. The properties were revalued at 1st September 2020, and represented the properties' market value resulting from a professional valuation undertaken by Smith Lachter. No depreciation is being provided because the trustees consider the current residual value of the properties in their present condition to be not less than the historical cost and, in the absence of any impairment, any depreciation provision for the buildings component of the properties would be immaterial. The Circuit has made use of the deemed cost option on transitioning to FRS102 as outlined above.

Xiii Investment Property

From time to time the Circuit may hold residential property (formerly manse) which is surplus to its normal staffing requirements. Where this is the case and it is anticipated that the property is unlikely to be used as a manse within a period of two years, the property is classified as investment property (whether let or not) and any lets are at market rates unless there is a compelling reason not to do so in furtherance of the Circuit's charitable objectives.

Xiv Receivables and payables: Bank and Cash (basic Financial Instruments)

Debtors are stated at the amounts owed to the Circuit or prepaid. Creditors are initially recognised at settlement amount after any trade discounts, where normal credit terms apply. Or the amount advanced to the Circuit. Subsequently creditors that are current liabilities are measured at the cash or other consideration expected to be paid. The liquid funds of bank balances and deposit fund balances are shown at their reasonable values.

Xv Methodist Connexional Funds

The Methodist Church Connexion raises assessments against each Circuit and these are paid quarterly to their Districts. The Circuits raise assessments against Churches in the Circuit. The District remits quarterly to the Methodist Church Fund most of the sum it receives from Circuits. A small sum is retained by the District to meet its own costs. The Circuit may act as an agent for ad hoc collections for various funds controlled and administered by the Methodist Church.

Xvi Funds

The Trustees have adopted a policy for all unrestricted reserves which is attached as a separate document.

Xvii Minsters' manse costs

The Circuit is required to provide accommodation for each minister and pastor in the Circuit and their families and this is seen as a benefit to the Church. Minister and pastors are expected to occupy the manse provided for them. The Circuit bears the cost of the repairs, maintenance, buildings insurance, council tax and water charges. These figures are not separately disclosed as benefits-in-kind for ministers or pastors as HMRC does not seek to tax these receipts in the hand of them.

2. Glossary of Terms

CFB: Central Finance Board of the Methodist Church manages a Common Deposit Fund and a series of pooled investment funds for the Methodist Church in Great Britain and provides investment advice to these entities.

Church: a group of members from fewer than 10 to more than 100.

Circuit: a group of Methodist Church near each other, typically between 10 and 20

Circuit Meeting: The trustees of the Circuit. Most of whom are appointed local churches and others by virtue of a role they undertake for the Circuit and/or their local churches.

CLT (Circuit Leadership Team): A Group (comprising mostly; but not exclusively) of Circuit trustees responsible for the day to day administration and policy formulation of the Circuit. Generally the CLT comprises the Presbyters (Ministers) and pastors stationed within the Circuit, the Circuit Stewards and the Circuit Treasurer.

CMTF : Circuit Model Trust Fund

Connexion: The designated and/or Restricted Funds held and administered by the connexion in the furtherance of its charitable and mission objectives

District : a group of contiguous circuits, usually 15 and 30

DAF: District Advance Fund

FRS: Financial reporting standard

HMRC: Her Majesty's Revenue and Customs

Lay Employees: Personal employed by the Circuit on generally accepted commercial employment terms.

MMPS; Methodist Ministers Pension Scheme

PASLEMC: Pensions and Assurance Scheme for Lay Employees of the Methodist Church.

Pension Trust: The pension Trust, the organisation through which the Circuit arranges a pension's scheme for its lay employee.

Presbyters (including superintendent) Probationer or ordained Methodist Ministers who have pastoral and administrative responsibility for the Churches within the Circuit.

SOFA: Statement of Financial Activities

SORP: Statement of recommended practice

TMCP: Trustees for Methodist Church Purposes, the legal owner and Custodian Trustees of all Methodist Model Trust Property, including legacies, endowments and accumulated Funds.

5 Income from Investment Property

The trustees had determined that the properties listed below were unlikely to be returned to use as a manse in the foreseeable future and have therefore classified the same as an Investment Properties. Letting Income is shown gross of fees and repairs

	General Fund	CMTF Designate	Total
	£	£	£
Meadow Rise	<u>10,491</u>		<u>10,491</u>
	10,491		10,491

5. Assessments on Churches

The Circuit comprises 10 Churches and each is assessed for a contribution to meet the overall net costs of the Circuit. In making its Assessment budgeted income from investment income including property letting, and conformed external grants are taken into account. The Circuit aims to cover all its net core costs from the assessment.

The assessment on Churches is determined annually and is based upon the purchase of shares being equal to £250.00 for each share. The Churches voluntary these shares but are requested to consider the Circuit requirements and their own churches finances. The assessment is paid on a quarterly basis in advance and is treated as creditors in the Balance Sheet.

Due to the Coronavirus crisis this year the decision was taken by the Circuit Leadership team that the fourth instalment of the assessment would not be collected to ease the financial burden on the local churches.

Assessments received are shown below:- (done)

	General £	CMTF £	Total £
BILLERICAY	64,500		64,500
GRAYS	14,393		14,393
HERONGATE	4,500		4,500
HORNDON-ON-THE-HILL	5,250		5,250
LANGDON HILLS	11,438		11,438
LINFORD	5,250		5,250
ST. PAUL'S	19,500		19,500
STANFORD-LE-HOPE	15,000		15,000
TRINITY	18,600		18,800
WICKFORD	0		0
	158,431		158,431

6. Stipends, Salaries and associated costs

Stipends

Stipends were paid to 3 Presbyters (2019/20 – 3) as follows

	General £	CMTF £	Total
Stipends	80,597		80,597
National Insurance	7,507		7,507
Pension Fund Contribution	20,598		20,598
Travel	2,010		2,010

The Circuit employs lay staff involved in administration work, The costs of these staff are shown below:

Administration Staff

	General £	CMTF £	Total £
Stipends	6,269		6,269
National Insurance	220		220
Bureau charges	997		997
Stipends & Salaries Total	118,198		118,198

Pensions

The funds held constitute: General Funds held for any purpose of the Circuit which are Unrestricted. The Circuit Model Trust Fund has wide purposes defined in Standing Orders and is categorised as unrestricted. Restricted funds which are

held for a narrower purpose. There are no Endowment funds. Details of each material fund are disclosed in the final note to these accounts. Any funds may be represented by more than just cash.

Pension

All presbyters are members of the Methodist Ministers Pension Scheme (MMPS). This is a defined benefit scheme. The Supreme Court held in 2014 stated that Methodist Ministers (which term includes presbyters) 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.

Lay employees are contractually employees and have the option of joining a pension scheme which the circuit has arranged with Nest Pensions. This is a defined benefit scheme and the circuit contributes as employer to the scheme.

The Connexional accounts for both pensions' schemes show the figure in the annual Methodist Church in Great Britain accounts. The MMPS is in deficit but a plan for removal of this deficit has been proposed and is being implemented.

7. Costs of Superintendents, Presbyters and Trustees

The Superintendent of the Circuit, the Presbyters and the remaining members of the CLT are considered as Key Management Personal. The Superintendent chairs meeting of the CLT and Circuit Meetings. The members of the Circuit meeting are the trustees of the Circuit. The stipends, employers 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 property. The value of the Council Tax and water charges paid by the Circuit is not disclosed here as HMRC does not regard this as a benefit in kind in the hands of the minister.

Payments to Trustees

The Circuit policy is to reimburse members of the CLT and other trustees for expenditure properly incurred in carrying out their duties, including where appropriate travelling expenses, or where they have been requested to undertake certain activities for the Circuit. The Superintendent Minister and other presbyters undertake the primary executive roles within the Circuit. None of the trustees is an employee of the Circuit nor was in receipt of any payment for work undertaken on behalf of the Circuit other than reimbursements of appropriate expenses.

8. Property Expenses

The Circuit is Managing Trustees for three manses and one investment property which is let on an assured shorthold tenancy. With the exception of the let property

the circuit is responsible for the payment of Council Tax, water rates. In addition the Circuit is responsible for insurance and maintenance on all properties.

During the year under review one manse was purchased and another was put up for sale.

Expenditure on properties is as follows:

	General	CMTF	Total
	£	£	£
Council tax	8,167		8,167
Quinquennial Fees	4,070		4,070
Water Supply	915		915
Insurance	3,773		3,773
Maintenance	11,063		11,063
Management Fees	, 480		480
Telephone	<u>3,368</u>		<u>3,368</u>
Property Total	<u>31,836</u>		<u>31,836</u>
Manses	31,056		31,056
Investment Properties	<u>780</u>		<u>,780</u>
Property Total	31,836		31,836

9. Connexional assessments and levy

The Connexional Assessment is calculated relative to the proportion of Church Members, and staffing (Presbyters and Mission staff only) of all the Circuits in the Beds, Essex & Herts District 50% of the overall cost is calculated using the relative membership proportions and 50% using relative staffing proportions.

10. District Assessment and Levy

The District Assessment is calculated relative to the proportion of Church Members, and staffing (Presbyters and Mission staff only) of all the Circuits in the Beds, Essex & Herts District 50% of the overall cost is calculated using the relative membership proportions and 50% using relative staffing proportions.

The levy is calculated on a sliding scale percentage of the Circuit's CMTF Accounts balance as at 31st August for the previous accounting period.

11. Office and Administration Cost

	General	CMTF	Total
	£	£	£
Rent	2,835		2,835
Hire of Photocopier	<u>2,066</u>		<u>2,066</u>
	<u>4,901</u>		<u>4,901</u>

12. Other Outgoings

General	CMTF	Total
	£	£
Supernumerary	200	200
Accountancy Fees	1,998	1,998
Independent Examiner	624	624
Postage and Stationery	1,171	1,171
Minister Removal	5,727	5,727
Training	120	120
Computer	1,650	1,650
Legal Fees	9,608	9,608
Advertising	50	50
Loan Interest	3,491	3,491
General Expenses	<u>212</u>	<u>212</u>
	24,851	24,851

13. Investment Management

During the year Circuit paid TMCP, the custodians of the Circuit's Investments (Circuit Model Trust Fund and Restricted Funds) management charges based on 0.2% of the value of the individual funds at the beginning of the year. The amount was £1082 (2019-20 £843).

14. Manses and Other Properties

There are three Manses located in Basildon, Billericay, Stanford Le Hope. The Investment property is located in Billericay These properties were revalued at 31 August 2020 by Smith Lachter.

During the year one property was acquired in Basildon-

61 Vowler Road £560,000.

The manse at 1 Emanuel Road is up for sale and an offer has been made on it.

There is no Office equipment or Assets as these are charged to the General Fund when purchased.

14.1 Cost or Valuation

	Investment Properties £	Manses £	Total £
Balance Brought Forward	425,000	1,820,000	2,245,000
Additions		560,000	560,000
Revaluations	<u> </u>	<u>(55000)</u>	<u>(55000)</u>
	425,000	2,325,000	2,750,000

Schedules of Manse and Investment Property

(based upon valuation by smith Lachter limited and cost of properties purchased during the year.)

14.2 Property	Type	Valuation £
1 Emanuel Road, Basildon	Manse	445,000
93 Mountnessing Rd- Billericay	Manse	800,000
86 Meadow Rise- Billericay	Investment	425,000
61 Vowler Road	Manse	560,000
198 Southend Road	Manse	<u>520,000</u>
		2,750,000

To finance the purchase of 61 Vowler Road an amount of £49,608 was taken from reserves and a bridging loan has been taken out for £450,000 which will be repaid once the sale of 1 Emanuel Road is completed.

Interest on the bridging loan was accrued for at 31st August 2021 this totalled £3,491.

15. Investment Assets and Trustees for Methodist Church Purposes (TMCP)

The funds that support the Circuit Model Trust Fund and the Circuit's other funds (as listed below) are held by TMCP in the Trustees Interest Fund on which interest is credited to the accounts each month. These are regarded as medium-term investments.

TMCP is the legal owner and custodian trustee of all Methodist model trust property, including legacies, endowments and accumulated funds. Trust property is held for and on behalf of local managing agents who are responsible for the day to day management of trust property. TMCP ensures that, through providing guidance and acting under their direction, the managing Trustees comply with charity law and Methodist law and policy as determined by the Methodist Conference.

16 Debtors and Prepayments

All sums shown as Debtors at 1 September 2020 were received during the year 2020-21. All sums paid in advance at 1 September 2020 were for activities that have been held during 2020/21. It is expected that payments in advance at 31 August 2021 will be expensed during 2021-22.

	General	CMTF	Total	2020
	£		£	£
Debtors and Prepayments				
Stipends Paid	9,023		9,023	9,137

17. - Central Finance Board (CFB) and Bank Balances

Monetary balances held at the Central Finance Board of the Methodist Church and at Santander are all available on demand without loss of interest. Deposits with the CFB are specifically designated to the appropriate funds.

	General Fund	CMTF	2020
	£	£	£
Central Finance Board	30,359		65,631
TMCP Trustees Interest Account	73,943		133,634
Santander	<u>27,354</u>		<u>55,623</u>
	131,656		254,888

18. Creditors, Accruals and Income in Advance

It is expected that all sums accrued at 31 August 2021 will be paid during the year to 31 August 2022.

Creditors and Accruals

	General	CMTF	Total	2020
	£	£	£	£
Assessments	37,662		37,662	44,888
Loan Interest	3,491		3,491	-
Connectional Donations	667		667	-
Examiners Fees	600		600	600
Rental of Office	1,890		1,890	1890
	44,310		44,310	47,378

19. Unrestricted Funds

19.1 General Fund

The purpose of this fund is for use at the discretion of the trustees in the furtherance of the general objectives of the Circuit and which have not been designated for other purposes. Some 91% of this fund is held as a freehold property, being manses for ministers and investment property. Details of the grants and donations made from the General Fund during the year can be found in note 9.

19.2 Circuit Model Trust Fund

The purpose of this fund is for use at the discretion of the trustees in furtherance of the general objectives of the Circuit. Its main source of income is legacies and formulaically determined contributions from the sale of manses and church buildings in the Circuit. Although this is technically an Unrestricted Fund under the control of the Circuit Meeting, prior approval is still required from the District to utilise these funds. Methodist Standing Orders 930, 931 and 917 (2) are applicable.

20. Summary of Fund Movements

Fund	Balance at 1/9/2020	Income	Expenditure	31.8.2021
	£	£	£	
General	2,461,647	176,000	241,278	2,396,369

	Balance at 1/9/2020	Sold	Increase	Balance at 31/8/2021
	£	£	£	£
CMTF				
Investments	407,115	(70,000)	73,400	410,515
Total CMTF	407,115	(70,000)	73,400	410,515

21. Analysis of net assets between Funds

	General Fund	CMTF	Designated	Restricted	Total	2020
	£	£	£	£	£	£
Tangible fixed assets	2,750,000				2,750,000	2,245,000
Investments		410,515			410,515	407,115
Current Assets	140,679				140,679	264,025
Current liabilities	(44,310)				(44,310)	(47,378)
Loans	(450,000)				(450,000)	0
	2,396,369	410,515	-	-	2,806,884	2,868,762

22. Related Parties

None of the Circuit trustees made donations direct to the Circuit during the year or in the preceding year. All of the Circuit trustees are members of one or another Church within the Circuit and may be trustees of their Churches.

Related parties including the Methodist Conference, the BE & H District and Churches within the Circuit, other Methodist Districts in Great Britain, CFB and TMCP.

23 Volunteer Contribution

Every Entity (Connexion, District, Circuit and Church) within the Methodist Church in GB is heavily reliant on volunteers who contribute their skills, time and money in the furtherance of the work of the Church. In the Circuit the principal contribution is by serving on committees of the Circuit that deal with the mission, manse, finance, policy, grants, training and safeguarding. We are grateful to all of them for their help and commitment. No attempt has been made by this Circuit to value the non-monetary contributions to the Circuit in monetary terms.

24 Capital commitments and contingent liabilities

The Circuit has a loan from Chapel Aid to bridge the time interval between purchasing and selling two manses this is £450,000 and the interest rate is 3.90% this will be repaid before the 31st August 2022.

A provision has been made for interest from the 13th July 2021 to 31st August 2021 based upon the daily rate of interest charged. This equals £3,491.

25 Lease commitments

The Circuit has no contracts or obligations.

26 Independent Examiner

The fees payable to the independent Examiner in the sum of £600 (2020 £600) have been provided for in these accounts.

The examiner has provided no additional services during the year.

Ministers	Rev. Felicity Al-Hassan
	Rev. D Bagwell
	Rev. O Jalyesimi
	Rev. S Cyuma
Supernumerary Ministers	Rev. K Allen
	Rev. C McDonald
Circuit Stewards	Mrs S Stubbs
	Mrs L Amber
	Mrs H Ashworth
	Mr J Scott
	Mrs C Raven
Circuit Treasurer	Miss W Crayden
Circuit Meeting Secretary	Mrs D Clarke
Local Preachers Secretary	Miss T Sanger
MHA Representative	Mrs D Clarke
Manse Property Stewards	Circuit Stewards
Billerica Western Rd/QP and Herongate	
Treasurer	Mrs L Harris
Representative	Mr K Cowell
Grays	
Treasurer	Mr O Maxlino
Senior Steward	Mrs E Mintah
Horndon-on-the-Hill	
Treasurer	Mr C Key
Representative	Mr G Hodgson
Langdon Hills	
Treasurer	Miss W Crayden
Senior Steward	Ms T Sanger
Representative 1	Mrs J Hylton-Thompson
Representative 2	Ms D Gilbert
Representative 3	Ms G Sutton
Llifford	
Treasurer	Mr G Hodgson
Steward	Mrs C Raven

St. Paul's	
Treasurer	Mrs T Burton
Steward	Mr J Scott
Representative 1	Mrs S Scott
Representative 2	Mrs S Watkins
Stanford-le-Hope	
Treasurer	Mr G Hodgson
Senlor Steward	Mrs G Wilcox
Trinity	
Senlor Steward	Mr R Shankland
Representative 1	Mrs B Everett
Representative 2	Mrs C Nice
Property	Mr S Nice
Wickford	
Treasurer	Mr C Wyper
Representative 1	Mrs I Bradley

Name of Circuit South Essex..... No...34/11.....

Declarations and Scrutiny

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.

Signature of treasurer [Signature]..... Date 24/2/2022.....

Name and address of treasurer ...H.G. VOWLER ROAD, LANSDOWN HILLS.....

...BASILDON, ESSEX..... Post Code SS16 6AA

Presentation to the Circuit meeting

I confirm that the annual report and accounts for the year ended 31 August 2021 were/will be* presented to the Circuit meeting held on 24th February 2022.

Signature of the Chair of the meeting [Signature].....

Name of the Chair of the meeting Felicity Al-Hassan..... Date 24 February 2022



CHARITY COMMISSION
FOR ENGLAND AND WALES

Independent examiner's report on the accounts

Section A

Independent Examiner's Report

Report to the trustees/
members of

The Methodist Church - South Essex Circuit 34/01

On accounts for the year
ended

31 August 2021

Charity no
(if any)

1134269

Set out on pages

1 - 31

(remember to include the page numbers of additional sheets)

I report to the trustees on my examination of the accounts of the above charity ("the Trust") for the year ended 31/8/2021.

Responsibilities and
basis of report

As the charity'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 Trust's accounts carried out under section 145 of the 2011 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 charity's gross income did not exceed £250,000 and I am qualified to undertake the examination by being a qualified member Chartered Association of Certified Accountants

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 Charities Act; or
- the accounts did not accord with the accounting records; or
- the accounts did 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.

Signed:

Date:

23/3/22

Name:

JOANNE BRATE

Relevant professional
qualification(s) or body
(if any):

FCCA

(if any):

Address:

Mayor Cuttle & Co.
Chartered Accountants
Suite 7b Aquarium 101 Lower Anchor Street CM2 0AU

Section B

Disclosure

Only complete if the examiner needs to highlight material matters of concern (see CC32, Independent examination of charity accounts: directions and guidance for examiners).

Give here brief details of any items that the examiner wishes to disclose.

