

# **BLACK COUNTRY CIRCUIT**

(Registered Charity No.1168391)

## **TRUSTEES' REPORT AND ACCOUNTS**

**Year ended 31 August 2018**

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**For the year ended 31 August 2018**

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## **Black Country Circuit**

### **Trustees' Annual Report on Finance and Governance**

#### **For the year ended 31 August 2018**

### **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and Reporting by Charities: Statement of Recommended Practice effective from 1 April 2005 which has since been withdrawn.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 page 7 of this report.

### **Circuit Ministers and Officers**

#### **Active Circuit Ministers:**

Revd Philip Thomas

Revd Patricia Mukorombindo

Revd Trevor Pratt

Revd Denise Williams

#### **Circuit Stewards:**

Mr Donald Anderson, Mr David Ashfield, Mrs Carol Osborne, Mr Christopher Pearce, Mr Derek Percival, Mrs Shirley Shelton, Mr J Graham Smith, Mr Ian Thompson, Mrs Gillian Willdig and Miss Christine York.

Mr John Miller acted as the principal officer overseeing the day to day financial management and accounting for the circuit during the year.

#### **Independent Examiner:**

Neil Westwood FCA, 24 Dawlish Road, Woodsetton, Dudley, West Midlands, DY1 4LU.



## **Black Country Circuit**

### **Trustees' Annual Report on Finance and Governance**

**For the year ended 31 August 2018**

#### **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 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 around twice a year; Circuit Leadership Team meetings throughout the year, and Staff Meetings which meet monthly. 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 fulfill 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**

## **Black Country Circuit**

### **Trustees' Annual Report on Finance and Governance**

#### **For the year ended 31 August 2018**

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 18 to the Accounts

#### **Review of the year**

One of the highlights of the year was the appointment of Mrs Elizabeth Farley as our new Circuit Mission Enabler. She will take up her appointment on 1 September 2018 with the aim of 'being an enabler of outreach and church growth' by equipping local churches for mission; promoting the priority of mission and evangelism and developing Circuit and local church mission strategies. This position is being funded by Connexion, District and our Circuit and is seen as an initial 3 year post.

The Circuit is starting to plan ahead for the next few years and is aware of forthcoming personnel changes including a number of Circuit Stewards who will be stepping down in the next few years. As part of this process Rev Denise Williams will be taking over from Rev Philip Thomas as Superintendent Minister on 1 September 2018.

Churches have faced ongoing issues with their buildings and declining congregations.

It was pleasing to note an increase in the number of local preachers on note or on trial.

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.

## **Black Country Circuit**

### **Trustees' Annual Report on Finance and Governance**

#### **For the year ended 31 August 2018**

Work in and with the local communities remains an important part of our mission. The audit of Circuit churches which took place during the previous year will form a basis for our new Circuit Mission Enabler to work on to help to encourage local churches to try out new ideas to bring the public into our buildings and to establish them as true community facilities. The aim will also be to formulate links with other similar organisations in our area.

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 £199,187 (2017 £199,373). 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. It was a year of slightly lower property costs and, whilst no major repairs were necessary, all manses are kept in a good state of repair. The Circuit decided to fund the cost of asbestos reports on the former Wednesbury Circuit properties which should have been carried out beforehand. The Circuit continues to pay for the property and electrical quinquennial inspections for all churches.

At 31 August 2018, unrestricted reserves, excluding Land and Buildings, stood at £293,439 (2017 £298,253). 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.

The two restricted Marsters bequests of £5,829 were closed and transferred into the Circuit Model Trust Fund.

#### **Plans for 2018/19**



## **Black Country Circuit**

### **Trustees' Annual Report on Finance and Governance**

#### **For the year ended 31 August 2018**

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. A 1% increase in the overall underlying assessment paid by the churches is expected to be required.

### **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.

### **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.

## **Black Country Circuit**

### **Trustees' Annual Report on Finance and Governance**

#### **For the year ended 31 August 2018**

- 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 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.

Mr Ian Belcher took over the position of Circuit Safeguarding Officer from Mrs Rosemary Jones during the year.

### **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,

## Black Country Circuit

### Trustees' Annual Report on Finance and Governance

#### For the year ended 31 August 2018

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

*DM Williams Res*

*C. Osborne*

Name Revd Denise Williams

ENROL OSBORNE

Position Chair

Trustee

Date 7<sup>th</sup> March 2019

## **Black Country Circuit**

### **Trustees' Annual Report on Finance and Governance**

**For the year ended 31 August 2018**

#### **Circuit Meeting Membership**

#### **Appendix A**

##### **Ministers**

Revd Philip Thomas

Revd Patricia Mukorombindo

Revd Trevor Pratt

Revd Denise Williams

##### **Layworkers**

None

##### **Local Preachers and Worship Leader Representatives**

Mr Trevor Allan, Mrs Pat Greenhalgh, Mrs Jean Mason, Mr Alan Moore, Mrs Marilyn Pratt, Mr David Woodman.

##### **Circuit Stewards**

Mr Donald Anderson, Mr David Ashfield, Mrs Carol Osborne, Mr Christopher Pearce, Mr Derek Percival, Mrs Shirley Shelton, Mr J Graham Smith, Mr Ian Thompson, Mrs Gillian Willdig and Miss Christine York.

##### **Circuit Meeting Secretary**

Mrs Karen Belcher

##### **Circuit Treasurer**

Mr John Miller

##### **Circuit Officers**

Mrs Brenda Moore

##### **Circuit Safeguarding Co-ordinator**

Mr Ian Belcher

## **Black Country Circuit**

### **Trustees' Annual Report on Finance and Governance**

**For the year ended 31 August 2018**

#### **Circuit Representatives to Synod**

Mr David Ashfield, Mrs Rosemary Jones, Mr Derek Percival

#### **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 Olive Ellis, Mrs J Howes, Ms Margaret Tromans

##### **Lea Brook**

Mr Joe Norton, Mr Lance Palfreyman (until December 2017), Mr John Williams

##### **Methodist Centre**

Mr Robert Cooper, Mr Alan Gorton, Mr Claude Laight

##### **Moorlands**

To be advised

##### **New Road**

Chris Allen, Ms Andrea Keronne (until December 2017), Mrs Lorraine Morris

##### **Park**

Mrs Gaynor Idles

##### **Roseville**

Mrs Judith Hawkins, Mr Kenneth Hawkins, Mrs Sylvia Morgan



## **Black Country Circuit**

### **Trustees' Annual Report on Finance and Governance**

#### **For the year ended 31 August 2018**

##### **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**

Miss Kim Pollard

##### **Wesley**

Mr Ian Collett, Mrs Beryl Price, Mrs Helen Allen, Ms Anita Warner (until December 2017), Mr Mac Wills

##### **Wednesbury (Central & Woods)**

Mrs Susan Harris, Mr Norman Jones, Mr Leigh Maydew, Miss Valerie Partridge

## **Independent Examiner's Report**

### **to the Trustees of the Black Country Circuit**

I report on the Accounts of the Black Country Circuit for the year ended 31st August 2018 which are set out on pages 14 - 25.

#### **Respective responsibilities of Trustees and Examiner**

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

It is my responsibility to:

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

#### **Basis of Independent Examiner's Report**

My examination was carried out in accordance with the general Directions given by the Charity Commission. An examination includes a review of the accounting records kept by the charity and a comparison of the accounts presented with those records. It also includes consideration of any unusual items or disclosures in the accounts, and seeking explanations from you as Trustees concerning any such matters. The procedures undertaken do not provide all the evidence that would be required in an audit and consequently no opinion is given as to whether the accounts present a "true and fair view" and the report is limited to those matters set out in the statement below.

#### **Independent Examiner's Statement**

When examining a set of financial statements prepared under SORP 2015 (FRS 102) or (FRSSE) and prior to the 2008 Accounting Regulations being amended:

Your attention is drawn to the fact that the charity has prepared the accounts (financial statements) in accordance with Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard for Smaller Entities published on 16 July 2014, the Financial Reporting Standard for Smaller Entities (FRSSE) in preference to the Accounting and Reporting by Charities: Statement of Recommended Practice issued on 1 April 2005 which is referred to in the extant regulations but has since been withdrawn.

I understand that this has been done in order for the accounts to provide a true and fair view in accordance with the Generally Accepted Accounting Practice effective for reporting periods beginning on or after 1 January 2015.

**Independent Examiner's Report**  
**to the Trustees of the Black Country Circuit**

In connection with my examination, no other matter except that referred to in the previous paragraph has come to my attention:

(1) which gives me reasonable cause to believe that in any material respect the requirements:

- to keep accounting records in accordance with Section 130 of the 2011 Act.
- to prepare accounts which accord with the accounting records and comply with the accounting

requirements of the 2011 Act have not been met; or

(2) to which, in my opinion, attention should be drawn in order to enable a proper understanding of the accounts to be reached.

*N. Westwood*

Neil Westwood FCA

Chartered Accountant

Dated *16<sup>th</sup> March* 2019

24 Dawlish Road,  
Woodsetton,  
Dudley,  
West Midlands,  
DY1 4LU

## **Black Country Circuit**

### **Statement of Financial Activities**

**For the year ended 31 August 2018**

<b>Statement of Financial Activities (SOFA) for the year ended 31 August 2018</b>							
	<b>Notes to the accounts</b>	<b>General Fund (Unrestricted)</b>	<b>Circuit Model Trust (Unrestricted)</b>	<b>Designated Funds (unrestricted)</b>	<b>Restricted Funds</b>	<b>Endowment Funds</b>	<b>Total 2017-18</b>
		£	£	£	£	£	£
<b>Income</b>							
1 Donations and legacies							0
2 Income from monetary investments	2	772	1,210				1,982
3 Income from investment properties	5	14,138					14,138
4 Assessments on Churches	3	199,187					199,187
5 Capital Receipts							0
6 Grants received	4	10,000					10,000
7 Other charitable income		218					218
8 Total Income		224,315	1,210	-	-	-	225,525
<b>Expenditure</b>							
9 Grants and donations	6	2,000					2,000
10 Salaries and associated costs	7	158,599					158,599
11 Property maintenance	9	27,118					27,118
12 Connexional assessment & model trust levy			194				194
13 District Assessment & Levy	8	42,284	2,422				44,706
14 Depreciation							0
15 Office expenses		1,198					1,198
16 Other outgoings	10	3,365					3,365
17 Total charitable expenditure		234,564	2,616	0	0	0	237,180
18 Gains/(losses) on monetary investments			1,012				1,012
19 Gains/(losses) on investment properties							
20 Net Income/(expenditure)		-10,249	-394	0	0	0	-10,643
21 Transfers between funds			5,829			5,829	0
22 Other gains/(losses)							
23 Net movement in funds		-10,249	5,435	0	0	-5,829	-10,643
24 Total funds brought forward		1,471,357	96,896			5,829	1,574,082
25 Total funds carried forward		1,461,108	102,331	-	-	-	1,563,439

## **Black Country Circuit**

### **Statement of Financial Activities**

**For the year ended 31 August 2018**

## **Black Country Circuit**

<b>Statement of Financial Activities (SOFA) for the year ended 31 August 2017</b>							
	<b>Notes to the accounts</b>	<b>General Fund (Unrestricted)</b>	<b>Circuit Model Trust (Unrestricted)</b>	<b>Designated Funds (unrestricted)</b>	<b>Restricted Funds</b>	<b>Endowment Funds</b>	<b>Total 2016-17</b>
		£	£	£	£	£	£
<b>Income</b>							
1 Donations and legacies							0
2 Income from monetary investments	3	718	1,249				1,967
3 Income from investment properties	8	14,078					14,078
4 Assessments on Churches	4	199,373					199,373
5 Capital Receipts							0
6 Grants received	5	10,000					10,000
7 Other charitable income		3,548					
8 Total income		227,717	1,249	-	-	-	228,966
<b>Expenditure</b>							
9 Grants and donations	7	4,000					4,000
10 Salaries and associated costs	8	155,303					155,303
11 Property maintenance	10	27,767					27,767
12 Connexional assessment & model trust levy							0
13 District Assessment & Levy	9	41,152	3,067				44,219
14 Depreciation							0
15 Office expenses		1,764					1,764
16 Other outgoings	11	3,495					3,495
17 Total charitable expenditure		233,481	3,067	0	0	0	236,548
18 Gains/(losses) on monetary investments			1,583				1,583
19 Gains/(losses) on investment properties							
20 Net income/(expenditure)		-5,764	-235	0	0	0	-5,999
21 Transfers between funds		10,000	-10,000				0
22 Other gains/(losses)							
23 Net movement in funds		4,236	-10,235	0	0	0	-6,999
24 Total funds brought forward		1,467,121	107,131			5,829	1,580,081
25 Total funds carried forward		1,471,357	96,896	-	-	5,829	1,574,082



# Black Country Circuit

## Balance Sheet

As at 31 August 2018

	Notes to the Accounts	General Fund (Unrestricted) £	Circuit Model Trusts (Unrestricted) £	Designated Funds (Unrestricted) £	Restricted Funds £	Endowment Funds £	Totals 2018 £	Totals 2017 £
<b>Fixed Assets</b>								
Circuit Manses & Equipment	11	855,000					855,000	855,000
Investment properties	11	415,000					415,000	415,000
Investments			102,331				102,331	102,725
<b>Total fixed assets</b>		<b>1,270,000</b>	<b>102,331</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>1,372,331</b>	<b>1,372,725</b>
<b>Current Assets</b>								
Debtors		79					79	
Loans by the Circuit							0	
Investments with TMCP							0	
Central Finance Board Deposits	12	192,933					192,933	171,944
Cash at Bank and in hand	12	41,421					41,421	70,679
<b>Total current assets</b>		<b>234,433</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>234,433</b>	<b>242,623</b>
<b>Current Liabilities</b>								
Creditors (due in under 1 year)		43,325					43,325	41,266
Grants payable within 2018-19							0	
<b>Total current liabilities</b>		<b>43,325</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>43,325</b>	<b>41,266</b>
<b>Net current assets/liabilities</b>		<b>191,108</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>191,108</b>	<b>201,357</b>
<b>Total assets less current liabilities</b>		<b>1,461,108</b>	<b>102,331</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>1,563,439</b>	<b>1,574,082</b>
<b>Long term liabilities (due after more than one year)</b>								
Grants payable after 2018-19							0	
Loans to the Circuit							0	
<b>Net assets</b>		<b>1,461,108</b>	<b>102,331</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>1,563,439</b>	<b>1,574,082</b>
<b>Funds of the Circuit</b>								
General Fund (Unrestricted)		1,461,108					1,461,108	1,471,357
Circuit Model Trust Fund (Unrestricted)			102,331				102,331	96,896
Designated Funds (Unrestricted)				0			0	
<b>Total Unrestricted Funds</b>							<b>1,563,439</b>	<b>1,568,253</b>
Restricted Funds					0		0	
Endowment Funds						0	0	5,829
<b>Total Funds</b>		<b>1,461,108</b>	<b>102,331</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>1,563,439</b>	<b>1,574,082</b>

Signed



J Miller  
Circuit Treasurer

Date 15 February 2019

# **Black Country Circuit**

## **Notes to the Accounts**

### **For the year ended 31 August 2018**

#### **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 2018, 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**

## **Black Country Circuit**

### **Notes to the Accounts**

#### **For the year ended 31 August 2018**

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 £	£2018	Unrestricted £	CMTF £	£2017
CFB	772		772	718		718
TMCP		1210	1210		1,249	1,249
Other						
<b>Total</b>	<b>772</b>	<b>1210</b>	<b>1982</b>	<b>718</b>	<b>1,249</b>	<b>1,967</b>

## **3. 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 the previous year 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.

## **4. Grants receivable**

	Unrestricted General Fund £	Circuit Model Trust Fund £	£2018	Unrestricted General Fund £	Circuit Model Trust Fund £	£2017
District Advance Fund	10,000		10,000	10,000		10,000
<b>Total</b>	<b>10,000</b>		<b>10,000</b>	<b>10,000</b>		<b>10,000</b>



## **Black Country Circuit**

### **Notes to the Accounts**

**For the year ended 31 August 2018**

#### **5. Property Rentals**

	<b>Unrestricted General Fund £</b>	<b>Circuit Model Trust Fund £</b>	<b>£2018</b>	<b>Unrestricted General Fund £</b>	<b>Circuit Model Trust Fund £</b>	<b>£2017</b>
<b>2 Woodman Close</b>	7,293		7,293	7,293		7,293
<b>1A New Street</b>	6,845		6,845	6,785		6,765
<b>Total</b>	<b>14,138</b>		<b>14,138</b>	<b>14,078</b>		<b>14,078</b>

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**

	<b>Unrestricted General Fund £</b>	<b>Circuit Model Trust Fund £</b>	<b>£2018</b>	<b>Unrestricted General Fund £</b>	<b>Circuit Model Trust Fund £</b>	<b>£2017</b>
<b>Fund for the support of presbyters and deacons</b>	750		750	720		720
<b>Methodist Church Fund for Property</b>	250		250	280		280
<b>Wednesbury New Road</b>	1,000		1,000	1,000		1,000
				2,000		2,000
<b>Total</b>	<b>2,000</b>		<b>2,000</b>	<b>4,000</b>		<b>4,000</b>

## **Black Country Circuit**

### **Notes to the Accounts**

#### **For the year ended 31 August 2018**

#### **7. Salaries and associated costs**

	<b>Unrestricted General Fund £</b>	<b>Circuit Model Trust Fund £</b>	<b>£2018</b>	<b>Unrestricted General Fund £</b>	<b>Circuit Model Trust Fund £</b>	<b>£2017</b>
<b>Stipends and allowances</b>	104,269		104,269	94,475		94,475
<b>National Insurance</b>	9,604		9,604	8,634		8,634
<b>Pension Costs</b>	27,514		27,514	24,946		24,946
<b>Lichfield Diocese</b>				10,999		10,999
<b>Sub total</b>	141,387		141,387	139,054		139,054
<b>Telephone and Travel</b>	14,811		14,811	15,475		15,475
<b>Miscellaneous</b>	2,401		2,401	775		775
<b>Total</b>	<b>158,599</b>		<b>158,599</b>	<b>155,304</b>		<b>155,304</b>

Stipends were paid to 4 full time Presbyters.

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,

## **Black Country Circuit**

### **Notes to the Accounts**

#### **For the year ended 31 August 2018**

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.

#### **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.

	<b>Unrestricted General Fund £</b>	<b>Circuit Model Trust Fund £</b>	<b>£2018</b>		<b>Unrestricted General Fund £</b>	<b>Circuit Model Trust Fund £</b>	<b>£2017</b>
<b>District Assessment</b>	42,284		42,284		41,152		41,152
<b>District Levy</b>		2,616	2,616			3,067	3,067
<b>Total</b>	<b>42,284</b>	<b>2,616</b>	<b>44,900</b>		<b>41,152</b>	<b>3,067</b>	<b>44,219</b>

#### **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.

	<b>£2017</b>	<b>£2017</b>
<b>Insurance, Council tax &amp; utilities</b>	12,987	14,176
<b>General maintenance on manses and other Circuit properties</b>	14,131	13,591
<b>Total</b>	<b>27,118</b>	<b>27,767</b>

**Black Country Circuit**

**Notes to the Accounts**

**For the year ended 31 August 2018**

## **Black Country Circuit**

### **Notes to the Accounts**

**For the year ended 31 August 2018**

#### **10. Other outgoings**

	<b>Unrestricted General Fund £</b>	<b>Circuit Model Trust Fund £</b>	<b>£2018</b>	<b>Unrestricted General Fund £</b>	<b>Circuit Model Trust Fund £</b>	<b>£2017</b>
<b>Visiting preachers</b>	2,183		2,183	2,384		2,384
<b>Benevolent Fund</b>	476		476	351		351
<b>Apprenticeship levy</b>	409		409	156		156
<b>Gifts</b>				350		350
<b>Miscellaneous</b>	297		297	253		253
<b>Total</b>	<b>3,365</b>		<b>3,365</b>	<b>3,494</b>		<b>3,494</b>

#### **11. Tangible fixed assets**

	<b>Manse £</b>	<b>Investment properties £</b>	<b>Other fixed assets inc. motor vehicles</b>	<b>Fixtures, fittings and equipment</b>	<b>Total £</b>
<b>Balances brought forward</b>	855,000	415,000	0	0	1,270,000
<b>Depreciation</b>	0	0	0	0	0
<b>Balances carried forward</b>	<b>855,000</b>	<b>415,000</b>	<b>0</b>	<b>0</b>	<b>1,270,000</b>

#### **Net book value**

<b>Brought forward</b>	<b>855,000</b>	<b>415,000</b>	<b>0</b>	<b>0</b>	<b>1,270,000</b>
<b>Carried Forward</b>	<b>855,000</b>	<b>415,000</b>	<b>0</b>	<b>0</b>	<b>1,270,000</b>

## **Black Country Circuit**

### **Notes to the Accounts**

#### **For the year ended 31 August 2018**

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

#### **12. Central Finance Board (CFB) and Bank Balances**

	<b>Unrestricted General Fund £</b>	<b>Circuit Model Trust Fund £</b>	<b>£2018</b>	<b>Unrestricted General Fund £</b>	<b>Circuit Model Trust Fund £</b>	<b>£2017</b>
<b>CFB</b>	192,933		192,933	171,944		171,944
<b>HSBC Bank</b>	41,421		41,421	70,679		70,679
<b>Cash</b>				0		0
<b>Total</b>	<b>234,354</b>		<b>234,354</b>	<b>242,623</b>		<b>242,623</b>

#### **13. Trustees for Methodist Church Purposes (TMCP)**

	<b>Circuit Model Trust Fund £</b>	<b>Endowments £</b>	<b>£2018</b>	<b>Circuit Model Trust Fund £</b>	<b>Endowment s£</b>	<b>£2017</b>
<b>MTF</b>	102,331		102,331	96,896		96,896
<b>Marsters Bequest</b>					2,008	2,008
<b>T Marsters Bequest</b>					3,821	3,821
<b>Total</b>	<b>102,331</b>		<b>102,331</b>	<b>96,896</b>	<b>5,829</b>	<b>102,725</b>

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.

## **Black Country Circuit**

### **Notes to the Accounts**

#### **For the year ended 31 August 2018**

#### **14. Creditors, Accruals and Income in advance**

It is expected that all sums accrued at 31 August 2018 will be paid in the year to 31 August 2019.

	<b>Unrestricted General Fund £</b>	<b>Circuit Model Trust Fund £</b>	<b>£2018</b>	<b>Unrestricted General Fund £</b>	<b>Circuit Model Trust Fund £</b>	<b>£2017</b>
<b>Income in advance</b>						
Assessments in advance	39,855		39,855	40,303		40,303
<b>Creditors and accruals</b>						
Assessments overpaid	1,069		1,069			
Ministers and other expenses	1,447		1,447	475		475
Property costs	136		136	450		450
Office	396		396	38		38
Other	422		422			
<b>Total</b>	<b>43,325</b>		<b>43,325</b>	<b>41,266</b>		<b>41,266</b>

#### **15. Capital Commitments and Contingent Liabilities**

As at 31 August 2018 the Circuit had no capital commitments. No contingent liabilities were identified at 31 August 2018.



## **Black Country Circuit**

### **Notes to the Accounts**

**For the year ended 31 August 2018**

#### **16. Summary of Unrestricted Fund movements**

	Opening Balance £	Income £	Gains on investments £	Expenditur e £	Transfers £	Closing balance £	Purpose of the fund
General	1,471,357	224,315		234,564		1,461,108	General purposes
Circuit Model Trust Fund	96,896	7,039	1,012	2,616		102,331	General purposes
Total	1,568,253	231,354	1,012	237,180		1,563,439	

#### **17. Related Parties**

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

Beaches Road  
Charlmont  
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

#### **18. Leasing commitments**

At 31 August 2018 the Circuit had no leasing commitments.



## For the year ended 31 August 2018

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.

## **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 £	£2018	Unrestricted General Fund £	Circuit Model Trust Fund £	£2017
<b>District Assessment</b>	42,284		42,284	41,152		41,152
<b>District Levy</b>		2,616	2,616		3,067	3,067
<b>Total</b>	<b>42,284</b>	<b>2,616</b>	<b>44,900</b>	<b>41,152</b>	<b>3,067</b>	<b>44,219</b>

## **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.

	£2017	£2017
<b>Insurance, Council tax &amp; utilities</b>	12,987	14,176
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<b>Total</b>	<b>27,118</b>	<b>27,767</b>

**Black Country Circuit**

**Notes to the Accounts**

**For the year ended 31 August 2018**

## **Black Country Circuit**

### **Notes to the Accounts**

**For the year ended 31 August 2018**

#### **10. Other outgoings**

	<b>Unrestricted General Fund £</b>	<b>Circuit Model Trust Fund £</b>	<b>£2018</b>	<b>Unrestricted General Fund £</b>	<b>Circuit Model Trust Fund £</b>	<b>£2017</b>
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## **Black Country Circuit**

### **Notes to the Accounts**

#### **For the year ended 31 August 2018**

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## **Black Country Circuit**

### **Notes to the Accounts**

#### **For the year ended 31 August 2018**

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Other	422		422			
<b>Total</b>	<b>43,325</b>		<b>43,325</b>	<b>41,266</b>		<b>41,266</b>

#### **15. Capital Commitments and Contingent Liabilities**

As at 31 August 2018 the Circuit had no capital commitments. No contingent liabilities were identified at 31 August 2018.

## **Black Country Circuit**

### **Notes to the Accounts**

#### **For the year ended 31 August 2018**

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<b>Total</b>	<b>1,568,253</b>	<b>231,354</b>	<b>1,012</b>	<b>237,180</b>		<b>1,563,439</b>	

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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

#### **18. Leasing commitments**

At 31 August 2018 the Circuit had no leasing commitments.