

**Birmingham District of the
Methodist Church**

**Report of the Trustees and
Audited Financial Statements**

Year Ended 31 August 2022

Birmingham District of the Methodist Church

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for the Year Ended 31 August 2022**

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Birmingham District of the Methodist Church

Reference and Administrative Details for the Year Ended 31 August 2022

Trustees

Deacon A Allport
Rev I Ballard (appointed 7 May 2022)
Rev J Braund (resigned 31 August 2022)
Ms S Clutterbuck
P Dipple
Rev C Hague (resigned 31 August 2022)
Rev N Headley (Chair, appointed 1 September 2022)
Rev I Howarth (resigned 31 August 2022)
Rev N Johnson (resigned 31 August 2022)
Rev D Koffie-Williams (appointed 11 September 2021)
Rev S Levett
Mrs H Lynskey (resigned 31 December 2021)
Rev F Mapamula (resigned 11 September 2021)
C Osborn
T Pethick
Rev K Pickering (resigned 31 August 2022)
Rev A Richards (appointed 1 September 2022)
Deacon M Slowe
Rev A Smith
Ms S A Smith
Rev J B Suray
Rev N S J Suray (resigned 31 August 2022)
Rev J Thornton (appointed 1 September 2022)
Mrs J Tolley (appointed 1 September 2022)
H Watton (appointed 1 September 2022)
Mrs G R Weller
Rev S Willey (appointed 1 September 2022)
Mrs H E Woodall
Mrs G Woolf (resigned 31 August 2022)

Registered Charity number

1134167

Principal address

36 Amesbury Road
Moseley
Birmingham
West Midlands
B13 8LE

Auditors

Haines Watts Birmingham LLP
5-6 Greenfield Crescent
Edgbaston
Birmingham
B15 3BE

Bankers

Trustees for Methodist Church Purposes
Oldham Street
Manchester
M1 1JQ

Central Finance Board of the Methodist Church
9 Bonhill Street
London
EC2A 4PE

Co-operative Bank
PO Box 250
Skelmersdale
WN8 6WT

Birmingham District of the Methodist Church

Report of the Trustees for the Year Ended 31 August 2022

The trustees present their report with the financial statements for the year ended 31 August 2022. The trustees have adopted the provisions of Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102), effective 1 January 2019.

OBJECTIVES AND ACTIVITIES

Birmingham Methodist District

Methodists belong to local churches or ecumenical partnerships, but also feel part of a larger connected community, the Connexion. There are around 4,000 Methodist churches across the country, grouped within circuits. Birmingham Methodist District is one of 30 districts within the Methodist Church in Britain and comprises some 100 churches, grouped in 10 circuits across Birmingham, Worcestershire, Warwickshire, Herefordshire and Staffordshire.

District Policy Statement

The calling of the Methodist Church is to respond to the gospel of God's love in Christ and to live out its discipleship in worship and mission. It does this through worship, learning and caring, service and evangelism. The Birmingham Methodist District seeks to be a network of communities where people are included and grow, being transformed by the love of God and sharing their story of God's grace. In collaboration with others where possible the District is committed to creating safer spaces and working for a just and sustainable world. We have a vision for a growing, evangelistic, justice-seeking and inclusive church without walls. In the power of the Holy Spirit, we seek to grow disciples of Jesus Christ. Growing...
in numbers of new disciples,
in depth of discipleship,
in the transformation of communities and society.

Public Benefit

In setting our objectives and planning our activities, the trustees have given careful consideration to the Charity Commissioners' general guidance on public benefit and, in particular, to its supplementary public benefit guidance on advancing our objectives, in accordance with the Charities Act 2011.

Our charitable activities have been carried out within the framework of our policy statement, namely with the aim of growth, not only within Methodism in Birmingham but also growth in the outworking of our discipleship, by seeking to work for the public benefit of the community around us. Our chaplaincy and other projects demonstrate our aim to show the love of Jesus Christ outside the church walls.

Grant making

The Resourcing Mission Committee meets three times a year to oversee the finance function of the district, to oversee district property and to approve grants to circuits and churches within the district.

Volunteers

Birmingham Methodist District is heavily reliant on volunteers, at church, circuit and district level. Volunteers give their time and skills to further the aims of the district. Much of this work is by serving on committees and by acting as trustees. The district is grateful to all of them for their help and commitment.

Trustees

Reimbursements of expenses paid to trustees are disclosed in the notes to the accounts. Payments to trustees for services that are required by the district are also disclosed in the accounts. The District Council ensures that any such services are in the best interests of the district. Measures are in place to ensure that no conflict of interest arises from any such payment.

REVIEW OF THE YEAR

Rev Ian Howarth retired as Chair at the end of the Methodist year, with a farewell service at Coventry Central Hall in July. Ian had served as District Chair since 2013, and the district had grown significantly during his tenure, in terms of outreach, district projects and district personnel. His collaborative leadership skills, his musical talents and his many other gifts were a blessing to the district.

Charitable Activities

In the year to 31 August 2022 resources have been deployed in the following ways:

Birmingham District of the Methodist Church

Report of the Trustees for the Year Ended 31 August 2022

- providing funding for our Mission Adviser, Adam Sanders. Adam is a key member of the district team. He leads on the district development plan, which seeks to integrate social justice and evangelism. He works closely with the Connexion, developing the district's New Places for New People projects, whilst working closely with the circuits, advising on their Mission Action Plans. He also liaises with the Learning Network to help relevant delivery of training resources.
- providing funding and support for mission projects in the district, including the work of the Lozells Community Project.
- the provision of chaplaincy at the NEC. Rev David Butterworth works as a chaplain at the NEC, supported by his assistant, Paul Chesterman. David offers support to employees and visitors, as well as liaising with board directors, HR consultants and events managers.
- the co-ordination of chaplaincy across the Birmingham District. Rev David Butterworth, also a champion for Church Without Walls, is in regular contact with more than 50 volunteer and paid chaplains at institutions in the Birmingham District, providing information, training opportunities and support.
- the provision of two safeguarding officers who work across the Birmingham District and the Wolverhampton & Shrewsbury District. Kay Redfern was appointed in January 2022, to assist Sue Holder in safeguarding matters and to deliver training.
- support for adult victims of modern slavery through the district project "Adavu". From 1 September 2022, Adavu became a charity in its own right, but during the year to 31 August 2022 it was a project of Birmingham Methodist District, with four members of staff.
- funding towards the provision of chaplaincy at three universities within the area of the Birmingham District, namely University of Aston, University of Birmingham and University of Warwick.
- providing funding and support for the work of Inclusive Gathering Birmingham – a diverse LGBTQIA+ affirming, justice-seeking church for all.
- providing funding and leadership for young people from the district to attend youth events, including "3Gen", the annual Methodist youth rally, held at the NEC.
- seeking to promote equality, diversity and inclusion within society as well as the Church.
- promoting the district's aim to become an "EcoDistrict", whereby every church is encouraged to incorporate 'Caring for Creation' into all their activities.
- acting as managing trustees for Wesley International House, a property owned by Birmingham Methodist District, and supporting Birmingham International Student Homes, the charity which administers the management of two Methodist buildings providing accommodation for international students of different faiths within a safe and supportive environment.

FINANCIAL REVIEW

Financial Position

During the year, the district received total income from all sources amounting to £1,070K (2021 - £1,000K) and disbursed £981K (2021 - £945K), giving a net surplus of income over expenditure of £89K (2021 - £55K). Total reserves at 31 August 2022 were £4,815K (2021 - £4,727K). £3,750K represents Freehold Land & Buildings (2021 - £3,750K). £1,007K (2021 - £911K) are restricted, held within 8 ring-fenced funds. £16K (2021 - £23K) is unrestricted and held within designated funds. Free Reserves represent the balance on the General Fund of £43K (2021 - £43K).

No fund was in deficit at the year end.

The district continues to hold two freehold properties: the district manse at 36 Amesbury Road and Wesley International House (one of two Methodist properties in Birmingham managed by Birmingham International Student Homes, a separate charity). The trustees have agreed the fair value of the district manse as £750,000. Wesley International House is valued at £3,000,000, as agreed by the trustees. The combined amount of £3,750,000 is shown as Tangible Fixed Assets, with a corresponding amount of £3,750,000 held in the Capital Revaluation Reserve.

Going Concern

The trustees of the district have every reason to believe that the district is a going concern. The circuits continue to meet their assessments, and reserves are considered adequate. Reserves policies are reviewed annually. There are no subsidiary undertakings. Methodist membership is in decline across all districts, with a resultant loss of income at church level. However, proceeds from the sale of church buildings are partly used to meet ongoing costs at circuit level, including the circuits' assessment payments to the district.

Investment Policy and Performance

To comply with Methodist Standing Orders, money for long term investment is lodged with TMCP "Trustees for Methodist Church Purposes" or with CFB "Central Finance Board of the Methodist Church". TMCP is the legal owner and custodian trustee of all Methodist Model Trust property, including legacies, endowments and accumulated funds. CFB manages a common deposit fund and a series of pooled investment funds for Methodist entities in Great Britain. Interest rates from deposits with TMCP and CFB reflect deposit rates available elsewhere. The investment policy of Birmingham Methodist District is aligned with those of TMCP and CFB, who take into account the social, environmental and ethical considerations that make investments suitable for the Methodist Church.

Interest received during the year ended 31 August 2022 was £4,709 (2021 - £2,157).

Reserves Policies

"Free Reserves" represent the balance on the General Fund of £43K (2021 - £43K). Total reserves at 31 August 2022 were £4,815K (2021 - £4,727K).

The General Fund derives its income principally from circuit contributions (also known as assessments). The majority of this income is paid over to the central Methodist Church Fund, the balance of circuit contributions being held within the General Fund, to finance the day-to-day running costs of the district. The trustees believe that the balance on the General Fund should be in the region of £20K - 30K, to cover four to six months of district running costs. If the district makes a surplus over budget in any particular year, that surplus is returned to the circuits via a future budget. Taking this into account, we believe that the amount held within the General Fund at 31 August 2022 is in line with our reserves policy.

The Manse Major Repair Fund seeks to build up a reserve, by means of annual transfers from the General Fund, to be used for any significant costs that may arise in the future relating to the district manse.

Income in the District Advance Fund is derived principally from distributions from the Connexional Priority Fund (ie from central Methodist sources) and from levies on trust funds held at circuit level (ie from local Methodist sources). Decisions regarding District Advance Fund spending and its allocation to projects are made by the Resourcing Mission Committee. Reserves held in the District Advance Fund will be sufficient to cover the future grant commitments from that fund. The reserves policy of the District Advance Fund is that at any point in time, the total of the future commitments from the District Advance Fund will not exceed the cash held within that fund. At the same time, the district ensures that future grant commitments almost match the amount held within the District Advance Fund, meaning that there will not be excess reserves held within the District Advance Fund.

For all restricted funds, the reserves policy is to hold grants and donations within dedicated ring-fenced funds, to be used for the specific purposes of those grants and donations.

FUTURE PLANS

After the end of the financial year, the following developments are reported:

Rev Novette Headley was appointed as the new Chair of the District. Novette moved into the district manse during August 2022. A welcome service at Coventry Central Hall was held in September. Novette has been introduced to the circuits, has led worship services and has been involved with district, circuit and connexional meetings, including the stationing of future ministers in the district.

A new district project called Street Banquet was launched in September, led by pioneer minister, Rev Neil Johnson. Also known as Street Ecclesial Community, this project engages with the homelessness sector, providing outreach and chaplaincy.

Inclusive Gathering Birmingham now has a physical presence within the Gay Village in Birmingham. There are weekly gatherings, including the live streaming of worship.

Adavu ceased to be a district project, and from 1 September 2022 is an independent Charitable Incorporated Organisation. Rev Ian Howarth, our former District Chair, continues as a trustee of Adavu CIO, alongside Rev Neil Johnson.

Birmingham District of the Methodist Church

Report of the Trustees for the Year Ended 31 August 2022

The City Centre Fund, formerly administered by Birmingham Circuit, was transferred to Birmingham Methodist District on 1 September 2022. The City Centre Fund represents the proceeds of the head lease of the former Methodist Central Hall in Birmingham. The fund is for work which is understood to be God's mission in Birmingham City Centre. The administration of the City Centre Fund is dealt with by the Resourcing Mission Committee.

Conversations are continuing with Wolverhampton & Shrewsbury District to strengthen collaborative ways of working. Birmingham District has provided funding in 2022-23 for a Community Organiser pilot project. This project is run by Wolverhampton & Shrewsbury District and provides services across both districts.

Charlotte Hambly, our Youth Engagement Officer, led young people from the district at 3Gen, a Methodist-wide youth event in September held at the NEC. Charlotte is planning a youth event called Amplify in March 2023, for young people from the Birmingham District and the Wolverhampton & Shrewsbury District.

A visit from the President and Vice-President of the Methodist Conference is planned for March 2023, which will be marked by an open mic youth event, a district rally and a tea for supernumerary ministers.

STRUCTURE, GOVERNANCE AND MANAGEMENT

Governing Document

The district is governed by the Methodist Church Act 1976 and the Deed of Union 1932.

Organisational structure

Individual Methodist churches are grouped within circuits, which are in turn grouped within districts. All districts, circuits and churches are part of the Methodist "Connexion". (See **Related parties** below.) Overall regulatory authority rests with the Methodist Conference, which meets once a year. The Connexional Office implements decisions made by Conference and is also responsible for the stationing of presbyters and deacons (collectively known as ministers) within circuits. Connexional decisions are passed to the districts for implementation. The District Synod meets twice a year.

Governance

The district operates within a statutory framework of regulation and seeks to ensure that it follows Methodist Standing Orders.

Management

The District Council meets four times a year. The responsibilities of the District Council, as laid down in Methodist Standing Orders, are as follows:

- to formulate and promote policies which will advance the mission of the Church in the circuits and local churches, and in particular to supervise the use of resources of personnel, property and finance and to assist local churches; and circuits having exceptional problems;
- to encourage inter-circuit and ecumenical co-operation;
- to act in an executive capacity remitted to the Council by the Synod;
- to keep within its purview all district concerns not dealt with elsewhere;
- to contribute and respond, as the case may be, to the development of connexional policies as reflected in the work of the Conference and the Methodist Council, and to carry out its other responsibilities with any such development in mind

The District Council oversees the work of the Resourcing Mission Committee, stationing, Safeguarding, authorisations to preside at communion, extensions to local preacher training and other matters as necessary.

Related parties

Methodist entities, whether they be districts, circuits or churches, are obliged to register as individual charities if they meet the requirements of registration laid down by the Charity Commission.

Birmingham Methodist District receives income from the circuits within the Birmingham District. All of the circuits are registered charities. Contributions from circuits, sometimes known as "the circuit assessment", are used to pay contributions to the central Methodist Church Fund and to meet the day-to-day running costs of the district. In the year to 31 August 2022 income from circuit assessments totalled £585,336 (2021 - £592,200). In addition, the district receives from each circuit holding a Circuit Model Trust Fund (CMTF) a levy based on the size of the CMTF at the start of the year. In the year to 31 August 2022, the total levy, credited automatically to the District Advance Fund by TMCP, was £153,338 (2021 - £117,458).

Birmingham District of the Methodist Church

Report of the Trustees for the Year Ended 31 August 2022

Methodist Church in Britain (MCB) is the largest Methodist entity, based at 25 Marylebone Road, London, and is an individual charity. In 2021-22 Birmingham Methodist District paid £511,343 (2021 - £526,753) to the Methodist Church Fund, as a contribution towards the running costs of MCB. The District Advance Fund receives annual grant income from the Connexional Priority Fund, held within the accounts of MCB. In the year to 31 August 2022, £117,141 was received from the Connexional Priority Fund (2021 - £87,920).

Wesley International House is a freehold property held by TMCP as custodian trustees for Birmingham Methodist District. A separate charity called Birmingham International Student Homes (BISH) is responsible for all aspects of upkeep and maintenance of Wesley International House. BISH reports to annually to Birmingham Methodist District Council.

STATEMENT OF TRUSTEES' RESPONSIBILITIES

The trustees are responsible for preparing the Report of the Trustees and the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including Financial Reporting Standard 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland".

The law applicable to charities in England and Wales, the Charities Act 2011, Charity (Accounts and Reports) Regulations 2008 and the provision of the trust deed, 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, including the income and expenditure of the charity for that period. In preparing those financial statements, the trustees are required to:

- select suitable accounting policies and apply them consistently using the accruals method;
- observe the methods and principles in the Charity SORP;
- make judgements and estimates that are reasonable and prudent;
- state whether applicable accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charity will continue to operate;

The trustees are responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the district and which enable the trustees 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 responsible for safeguarding the assets of the district and hence for taking reasonable steps to ensure appropriate controls are in place to provide reasonable assurance against fraud and other irregularities.

Auditors

Haines Watts Birmingham LLP have signified their willingness to continue in office. A resolution to re-appoint Haines Watts Birmingham LLP as auditors will be proposed at the District Council meeting to be held on 29 March 2023.

Approved by order of the District Council on 29 March 2023 and signed on its behalf by:

Rev Novette Headley - Chair

Report of the Independent Auditors to the Trustees of Birmingham District of the Methodist Church

Year ended 31 August 2022

Opinion

We have audited the financial statements of Birmingham District of the Methodist Church (the 'charity') for the year ended 31 August 2022 which comprise the Statement of Financial Activities, the Statement of Financial Position, the Statement of Cash Flows and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland'.

In our opinion the financial statements:

- give a true and fair view of the state of the charity's affairs as at 31 August 2022 and of its incoming resources and application of resources for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice, including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and the Republic of Ireland'; and
- have been prepared in accordance with the requirements of the Charities Act 2011.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditors responsibilities for the audit of the financial statements section of our report. We are independent of the charity in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

In auditing the financial statements, we have concluded that the trustees' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the charitable company's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

Our responsibilities and the responsibilities of the trustees with respect to going concern are described in the relevant sections of this report.

Other information

The trustees are responsible for the other information. The other information comprises the information included in the annual report, other than the financial statements and our Report of the Independent Auditors thereon.

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Opinion on other matters prescribed by the Companies Act 2006

In our opinion, based on the work undertaken in the course of the audit:

- the information given in the Report of the Trustees for the financial year for which the statements are prepared is consistent with the financial statements; and
- the Report of the Trustees has been prepared in accordance with applicable legal requirements.

Report of the Independent Auditors to the Trustees of Birmingham District of the Methodist Church

Year ended 31 August 2022

Matters on which we are required to report by exception

We have nothing to report in respect of the following matters where the Charities Act 2011 requires us to report to you if, in our opinion:

- the information given in the Report of the Trustees is inconsistent in any material respect with the financial statements ; or
- sufficient accounting records have not been kept; or
- the financial statements are not in agreement with the accounting records and returns; or
- we have not received all the information and explanations we require for our audit.

Responsibilities of trustees

As explained more fully in the Statement of Trustees Responsibilities set out on page eight, the trustees are responsible for the preparation of the financial statements which give a true and fair view, and for such internal control as the trustees determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the trustees are responsible for assessing the charity's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the trustees either intend to liquidate the charity or to cease operations, or have no realistic alternative but to do so.

Our responsibilities for the audit of the financial statements

We have been appointed as auditor under section 1443 of the Charities Act 2011 and report in accordance with regulations made under section 154 of that Act.

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue a Report of the Independent Auditors that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below:

We obtained an understanding of the legal and regulatory framework applicable to both the charitable company itself and the sector in which it operates. We identified areas of laws and regulations that could reasonably be expected to have a material effect on the financial statements from our sector experience and through discussion SORP with the trustees and other management. The most significant were identified as the Charities Act 2011 and Charities SORP (FRS102).

We considered the extent of compliance with those laws and regulations as part of our procedures on the related financial statements. Our audit procedures included, but were not limited to:

- making enquires of management as to where they consider there to be a susceptibility to fraud and whether they have any knowledge or suspicion of fraud;
- obtaining an understanding of the internal controls established to mitigate risks related to fraud or non-compliance with laws and regulations;
- assessing the design effectiveness of the controls in place to prevent and detect fraud;
- assessing the risk of management override including identifying and testing journal entries;
- challenging the assumptions and judgements made by management in its significant accounting estimates.

Whilst our audit did not identify any significant matters relating to the detection of irregularities including fraud, and despite the audit being planned and conducted in accordance with ISAs (UK), there remains an unavoidable risk that material misstatements in the financial statements may not be detected owing to inherent limitations of the audit, and that by their very nature, any such instances of fraud or irregularity would likely involve collusion, forgery, intentional misrepresentations, or the override of internal controls.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at www.frc.org.uk/auditorsresponsibilities. This description forms part of our Report of the Independent Auditors.

**Report of the Independent Auditors to the Trustees of
Birmingham District of the Methodist Church**

Year ended 31 August 2022

Use of our report

This report is made solely to the charity's trustees, as a body, in accordance with Part 4 of the Charities (Accounts and Reports) Regulations 2008. Our audit work has been undertaken so that we might state to the charity's trustees those matters we are required to state to them in an auditors' report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the charity and the charity's trustees as a body, for our audit work, for this report, or for the opinions we have formed.

DRAFT

Haines Watts Birmingham LLP
Eligible to act as an auditor in terms of Section 1212 of the Companies Act 2006
5-6 Greenfield Crescent
Edgbaston
Birmingham
B15 3BE

Birmingham District of the Methodist Church

Statement of Financial Activities
for the Year Ended 31 August 2022

	Notes	Unrestricted funds £	Restricted funds £	2022 Total Funds £	2021 Total Funds £
INCOME AND ENDOWMENTS FROM					
Donations and legacies	2	591,655	473,444	1,065,099	997,650
Investment income	3	<u>953</u>	<u>3,756</u>	<u>4,709</u>	<u>2,157</u>
Total		<u>592,608</u>	<u>477,200</u>	<u>1,069,808</u>	<u>999,807</u>
EXPENDITURE ON					
Charitable activities					
Grants and donations	4	750	96,829	97,579	80,672
Contributions to Methodist Church Fund	4	511,343	-	511,343	526,753
Other	6	<u>86,935</u>	<u>285,322</u>	<u>372,257</u>	<u>337,525</u>
Total		<u>599,028</u>	<u>382,151</u>	<u>981,179</u>	<u>944,950</u>
NET INCOME/(EXPENDITURE)		(6,420)	95,049	88,629	54,857
Transfers between funds	13	(534)	534	-	-
Other recognised gains/(losses)					
Gains/(losses) on revaluation of fixed assets		<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net movement in funds		(6,954)	95,583	88,629	54,857
RECONCILIATION OF FUNDS					
Total funds brought forward		<u>3,815,864</u>	<u>910,936</u>	<u>4,726,800</u>	<u>4,671,943</u>
TOTAL FUNDS CARRIED FORWARD		<u><u>3,808,910</u></u>	<u><u>1,006,519</u></u>	<u><u>4,815,429</u></u>	<u><u>4,726,800</u></u>

CONTINUING OPERATIONS

All income and expenditure has arisen from continuing activities.

Birmingham District of the Methodist Church

**Balance Sheet
At 31 August 2022**

	Notes	Unrestricted funds £	Restricted funds £	2022 Total funds £	2021 Total funds £
FIXED ASSETS					
Tangible assets	10	3,750,000	-	3,750,000	3,750,000
CURRENT ASSETS					
Debtors	11	802	13,487	14,289	2,937
Cash at bank		<u>63,908</u>	<u>1,015,213</u>	<u>1,079,121</u>	<u>981,317</u>
		64,710	1,028,700	1,093,410	984,254
CREDITORS					
Amounts falling due within one year	12	<u>(5,800)</u>	<u>(22,181)</u>	<u>(27,981)</u>	<u>(7,454)</u>
NET CURRENT ASSETS		<u>58,910</u>	<u>1,006,519</u>	<u>1,065,429</u>	<u>976,800</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		<u>3,808,910</u>	<u>1,006,519</u>	<u>4,815,429</u>	<u>4,726,800</u>
NET ASSETS		<u><u>3,808,910</u></u>	<u><u>1,006,519</u></u>	<u><u>4,815,429</u></u>	<u><u>4,726,800</u></u>
FUNDS	13				
Unrestricted funds:					
General fund				43,146	42,642
Capital revaluation reserve				3,750,000	3,750,000
Designated fund				-	23,222
Manse major repair fund				<u>15,764</u>	-
				<u>3,808,910</u>	<u>3,815,864</u>
Restricted funds:					
District Advance Fund				828,913	748,246
Chaplaincy Fund				31,575	13,999
Mission Fund				61,649	51,738
Safeguarding Fund				17,452	10,385
Adavu Fund				52,007	41,433
Benevolent Fund				4,185	2,099
Manse Major Repair Fund				-	11,699
Cameroonian Fund				-	3,386
Inclusive Gathering Birmingham Fund				5,998	20,639
Digital Church Fund				-	7,312
Street Ecclesial Community Fund				<u>4,740</u>	-
				<u>1,006,519</u>	<u>910,436</u>
TOTAL FUNDS				<u><u>4,815,429</u></u>	<u><u>4,726,300</u></u>

The financial statements were approved by the Board of Trustees on 29 March 2023 and were signed on its behalf by:

Rev N Headley –Trustee

Mrs H E Woodall – Trustee

The notes form part of these financial statements

Birmingham District of the Methodist Church

Cash Flow Statement
for the Year Ended 31 August 2022

	Notes	2022 £	2021 £
Cash flows from operating activities:			
Cash generated from operations	1	<u>93,095</u>	<u>50,863</u>
Net cash provided by (used in) operating activities		<u>93,095</u>	<u>50,863</u>
Cash flows from investing activities:			
Interest received		<u>4,709</u>	<u>2,157</u>
Net cash provided by investing activities		<u>4,709</u>	<u>2,157</u>
		<hr/>	<hr/>
Change in cash and cash equivalents in the reporting period		97,804	53,020
Cash and cash equivalents at the beginning of the reporting period		<u>981,317</u>	<u>928,297</u>
Cash and cash equivalents at the end of the reporting period		<u>1,079,121</u>	<u>981,317</u>

The notes form part of these financial statements

Notes to the Cash Flow Statement
for the Year Ended 31 August 2022

1. RECONCILIATION OF NET INCOME/(EXPENDITURE) TO NET CASH FLOW FROM OPERATING ACTIVITIES

	2022 £	2021 £
Net income/ (expenditure) for the reporting period (as per the statement of financial activities)	88,629	54,857
Adjustments for:		
Interest received	(4,709)	(2,157)
(Increase)/decrease in debtors	(11,352)	260
Increase/ (decrease) in creditors	<u>20,527</u>	<u>(2,097)</u>
Net cash (used in)/ provided by operating activities	<u>93,095</u>	<u>50,863</u>

1. ACCOUNTING POLICIES

Basis of preparing the financial statements

The financial statements of the charity, which is a public benefit entity under FRS 102, have been prepared in accordance with the Charities SORP (FRS 102) 'Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (effective 1 January 2019)', Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' and the Charities Act 2011. The financial statements have been prepared under the historical cost convention, as modified by the revaluation of certain assets.

Going concern

The trustees assess whether the use of going concern is appropriate i.e. whether there are any material uncertainties related to events or conditions that may cast significant doubt on the ability of the Charity to continue as a going concern. The Trustees make this assessment in respect of a period of one year from the date of authorisation for issue of the financial statements and have concluded that the Charity has adequate resources to continue in operational existence for the foreseeable future and there are no material uncertainties about the Charity's ability to continue as a going concern, thus they continue to adopt the going concern basis of accounting in preparing the financial statements.

Consolidation

Birmingham Methodist District oversees the work of ministers and lay workers in churches and circuits within the district but does not have financial control over those circuits or churches. For this reason, the financial statements of the churches and circuits within the district are not consolidated into these financial statements.

Income

Income is brought into account when it is more likely than not that the economic benefit of the income will accrue to the District. No attempt is made to measure the value of services donated by volunteers, further information is given in the Trustees' report.

Grants receivable

Grants are included in the Statement of Financial Activities on a receivable basis. The balance of income received for specific purposes but not expended during the period is shown in the relevant funds on the balance sheet. Where income is received in advance of entitlement of receipt its recognition is deferred and included in creditors as deferred income. Where entitlement occurs before income is received, the income is accrued.

Donations

Donations are recognised on a receivable basis where there is certainty of receipt and the amount can be reliably measured. If there are conditions attached to the donation and this requires a level of performance before entitlement can be obtained then income is deferred until those conditions are fully met or the fulfilment of those conditions is within the control of the charity and it is probable that they will be fulfilled.

Expenditure

This is recognised when a liability is incurred, or a constructive obligation arises, that results in the payment being unavoidable. Liabilities are recognised as soon as an outflow of economic benefit is considered more likely than not under the legal or constructive obligation committing the District to pay out resources.

Grants are recognised annually only as and when the performance conditions attaching to the award are met, even when the award is for a recurrent grant over more than one year. All grants awarded for payment in future financial years are conditional on the Resourcing Mission Committee being satisfied, on the basis of progress reports from the grantee, that the project's achievements to date justify the payment of further instalments of the grant. Future commitments from the District Advance Fund are shown in the notes to the accounts.

Governance costs

These are the costs associated with the general running of the charity and its strategic management, rather than the costs of its charitable activities and day to day management.

Fixed assets

Fixed assets are initially recognised at cost or fair valuation.

Freehold property is not depreciated.

Taxation

The charity is exempt from tax on its charitable activities.

1. ACCOUNTING POLICIES

Fund accounting

Unrestricted funds can be used in accordance with the charitable objectives at the discretion of the trustees. Restricted funds can only be used for particular restricted purposes within the objects of the charity. Restrictions arise when specified by the donor or when funds are raised for particular restricted purposes. Further explanation of the nature and purpose of each fund is included in the notes to the financial statements.

Pension costs and other post-retirement benefits

The charity operates a defined contribution pension scheme. The assets of the scheme are held separately from those of the charity. The pension cost charge represents contributions paid by the charity to the fund.

VAT

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

Debtors and creditors receivable/payable within one year

Debtors and creditors with no stated interest rate and receivable or payable within one year are recorded at transaction price. Any losses arising from impairment are recognised in expenditure.

2. DONATIONS AND LEGACIES

	2022	2021
	£	£
Circuit contributions	585,336	592,200
Donations	28,839	26,766
Connexional and other grants	146,176	172,569
Circuit Model Trust Fund Levies	153,338	117,458
Connexional Priority Fund distribution	117,141	87,920
Other income	<u>34,269</u>	<u>737</u>
	<u>1,065,099</u>	<u>997,650</u>

3. INVESTMENT INCOME

	2022	2021
	£	£
Deposit account interest	<u>4,709</u>	<u>2,157</u>

4. CHARITABLE ACTIVITIES COSTS

	Grant funding of activities (See note 5)	Totals
	£	£
Grants and donations	97,579	97,579
Contribution to Methodist Church Fund	<u>511,343</u>	<u>511,343</u>
	<u>608,922</u>	<u>608,922</u>

5. GRANTS PAYABLE

	2022	2021
	£	£
Grants and donations	97,579	80,672
Contribution to Methodist Church Fund	<u>511,343</u>	<u>526,753</u>
	<u>608,922</u>	<u>607,425</u>

The total grants paid to institutions during the year was as follows:

	2022	2021
	£	£
Mission projects	92,486	69,991
Methodist Church Fund	511,343	526,753
Property projects	3,000	9,000
Other grants and donations	<u>2,093</u>	<u>1,681</u>
	<u>608,922</u>	<u>607,425</u>

5. GRANTS PAYABLE - continued

During the year, in addition to the above, the District Advance Fund transferred £48,000 to the Adavu Fund, £28,500 to the Safeguarding Fund, £28,000 to the Mission & Youth Fund, £27,000 to the Chaplaincy Fund, £8,000 to the Inclusive Gathering Birmingham Fund, £5,000 to the Street Ecclesial Community Fund and £1,000 to the Digital Church Fund.

6. SUPPORT COSTS

	Management	Governance	Totals
	£	£	£
Other resources expended	<u>367,757</u>	<u>4,500</u>	<u>372,257</u>

Support costs, included in the above, are as follows:

	2022	2021
	£	£
Salaries and associated costs	253,893	253,222
Trustee expenses	1,000	203
Manse costs	20,677	22,514
Training, including retreats	11,403	2,791
Administration, telephone, travel etc.	49,628	44,814
Other expenses	16,268	2,601
Employee expenses	13,403	6,010
Professional fees	1,485	1,350
Auditors' remuneration	<u>4,500</u>	<u>4,020</u>
	<u>372,257</u>	<u>337,525</u>

7. TRUSTEES' REMUNERATION AND BENEFITS

During the year ended 31 August 2022 £2,213 (2021 - £6,500) was paid to Mrs H Lynskey for Finance Administration as authorised by the trustees. From 1 January 2022 Mrs H Lynskey ceased to be a trustee.

Trustees' expenses

There were trustees' expenses of £1,000 paid for the year ended 31 August 2022 (2021 - £203).

8. STAFF COSTS

	2022	2021
	£	£
Wages and salaries	216,146	220,622
Social security costs	21,373	15,392
Other pension costs	<u>16,374</u>	<u>17,208</u>
	<u>253,893</u>	<u>253,222</u>

The average monthly number of employees during the period, calculated on the basis of full time equivalents, was 7.7 (2021 – 8.0).

No employee received remuneration at a rate of £60,000 or more per year.

Key management personnel

Key management personnel consists of the District Chair, whose salary is paid from central Methodist Funds. Key management personnel remuneration for the year totalled £42,740 (2021 - £42,150).

9. COMPARATIVES FOR THE STATEMENT OF FINANCIAL ACTIVITIES
- YEAR ENDED 31 AUGUST 2021

	Unrestricted funds £	Restricted funds £	Total funds 2021 £
INCOME AND ENDOWMENTS FROM			
Donations and legacies	592,589	405,061	997,650
Investment income	<u>190</u>	<u>1,967</u>	<u>2,157</u>
Total	592,779	407,028	999,807
EXPENDITURE ON			
Charitable activities			
Grants and donations	100	80,572	80,672
Contribution to Methodist Church Fund	526,753	-	526,753
Other	<u>57,324</u>	<u>280,201</u>	<u>337,525</u>
Total	584,177	360,773	944,950
NET INCOME/(EXPENDITURE)	8,602	46,255	54,857
Transfers between funds	(4,000)	4,000	-
Other recognised gains/(losses)			
Gains/(losses) on revaluation of fixed assets	-	-	-
Net movement in funds	4,602	50,255	54,857
RECONCILIATION OF FUNDS			
Total funds brought forward	<u>3,811,262</u>	<u>860,681</u>	<u>4,671,943</u>
TOTAL FUNDS CARRIED FORWARD	<u><u>3,815,864</u></u>	<u><u>910,936</u></u>	<u><u>4,726,800</u></u>

10. TANGIBLE FIXED ASSETS

	Freehold property £
COST OR VALUATION	
At 1 September 2021	<u>3,750,000</u>
At 31 August 2022	<u>3,750,000</u>
NET BOOK VALUE	
At 31 August 2022	<u><u>3,750,000</u></u>
At 31 August 2021	<u><u>3,750,000</u></u>

Tangible fixed assets were valued by the trustees on the basis of their open market value. The resulting surplus has been carried to a capital reserve which is not available for distribution.

The freehold properties comprise the Manse, valued at £750,000, and Wesley International House, valued at £3,000,000. In the opinion of the trustees the current open market valuation of the properties is not materially different from the amounts at which they are included in the accounts.

Birmingham District of the Methodist Church

**Notes to the Financial Statements - continued
for the Year Ended 31 August 2022**

10. TANGIBLE FIXED ASSETS – continued

Whilst Wesley International House is owned by the Trustees for Methodist Church Purposes on trust for Birmingham Methodist District, the property is managed by Birmingham International Student Homes, a separate charity (registered charity number 1095730). Birmingham Methodist District authorises Birmingham International Student Homes to be responsible for all aspects of the upkeep and maintenance of Wesley International House except final ownership.

11. DEBTORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2022	2021
	£	£
Prepayments and accrued income	<u>14,289</u>	<u>2,937</u>

12. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2022	2021
	£	£
Accruals and deferred income	<u>27,981</u>	<u>7,454</u>

13. MOVEMENT IN FUNDS

	At 1.9.21	Net movement in funds	Transfers between funds	At 31.8.22
	£	£	£	£
Unrestricted funds				
General fund	42,642	1,487	(983)	43,146
Capital revaluation reserve	3,750,000	-	-	3,750,000
Designated fund	23,222	(7,972)	(15,250)	-
Manse major repair fund	-	65	15,699	15,764
	<u>3,815,864</u>	<u>(6,420)</u>	<u>(534)</u>	<u>3,808,910</u>
Restricted funds				
District Advance Fund	748,246	243,967	(163,300)	828,913
Chaplaincy Fund	13,999	(36,424)	54,000	31,575
Mission and Youth Fund	51,738	(18,089)	28,000	61,649
Safeguarding Fund	10,385	(21,433)	28,500	17,452
Adavu Fund	41,433	(37,426)	48,000	52,007
Benevolent Fund	2,099	(914)	3,000	4,185
Manse Major Repair Fund	11,699	-	(11,699)	-
Cameroonian Fund	3,386	(3,345)	(41)	-
Inclusive Gathering Birmingham Fund	20,639	(22,641)	8,000	5,998
Digital Church Fund	7,312	(8,386)	1,074	-
Street Ecclesial Community Fund	-	(260)	5,000	4,740
	<u>910,936</u>	<u>95,049</u>	<u>534</u>	<u>1,006,519</u>
TOTAL FUNDS	<u>4,726,800</u>	<u>88,629</u>	<u>-</u>	<u>4,815,429</u>

Birmingham District of the Methodist Church

Notes to the Financial Statements - continued
for the Year Ended 31 August 2022

13. MOVEMENT IN FUNDS - continued

Net movement in funds, included in the above are as follows:

	Incoming resources £	Resources expended £	Gains and losses £	Movement in funds £
Unrestricted funds				
General fund	592,543	(591,056)	-	1,487
Designated fund	-	(7,972)	-	(7,972)
Capital revaluation reserve	-	-	-	-
Manse major repair fund	65	-	-	65
	<u>592,608</u>	<u>(599,028)</u>	-	<u>(6,420)</u>
Restricted funds				
District Advance Fund	340,471	(96,504)	-	243,967
Chaplaincy Fund	18,754	(55,178)	-	(36,424)
Mission and Youth Fund	25,989	(44,078)	-	(18,089)
Safeguarding Fund	20,676	(42,109)	-	(21,433)
Adavu Fund	53,404	(90,830)	-	(37,426)
Benevolent fund	-	(914)	-	(914)
Manse major repair fund	-	-	-	-
Cameroonian fund	-	(3,345)	-	(3,345)
Inclusive Gathering Birmingham fund	17,906	(40,547)	-	(22,641)
Digital Church fund	-	(8,386)	-	(8,386)
Street Ecclesial Community fund	-	(260)	-	(260)
	<u>477,200</u>	<u>(382,151)</u>	-	<u>95,049</u>
TOTAL FUNDS	<u>1,069,808</u>	<u>(981,179)</u>	-	<u>88,629</u>

13. MOVEMENT IN FUNDS - continued

General fund

The purpose of the fund is for use at the discretion of the trustees in the furtherance of the general objectives of the district, for day-to-day running costs.

Designated fund

The designated fund was established in 2016 for specific costs over the period to 31 August 2022. The fund was closed at that date and the balance was transferred to the general fund.

Manse major repair fund

Amounts are transferred annually from the general fund, towards future major repairs on the district manse. This fund was reclassified from restricted to designated during the year.

District advance fund

This fund provides grants to churches and circuits within the district. These grants, along with amounts transferred from DAF into other district funds, for work at district level, are authorised by the Resourcing Mission Committee.

Chaplaincy fund

This fund supports chaplaincy at the NEC, together with the co-ordination of Chaplains working within the district.

Mission and Youth Fund

This fund supports the work of the mission adviser and the youth engagement officer.

Safeguarding fund

This fund supports the work of two safeguarding officers, whose combined costs is shared with Wolverhampton & Shrewsbury District.

Adavu fund

Adavu ceased to be a district project on 1 September 2022, on which date the remaining funds were transferred to the new independent charity, Adavu CIO. In the year under review, Adavu supported survivors of modern slavery and its grant funding was from Methodism and external funders, including Lloyds Bank Foundation.

Benevolent fund

This fund is for use at the Chair's discretion, to reimburse costs incurred in cases of hardship and need.

Inclusive Gathering Birmingham fund

This fund supports the work of IGB, a LGBTQIA+ affirming, justice-seeking church for all.

Street Ecclesial Community fund

This fund is for the work of Street Banquet, engaging with the homelessness sector, providing outreach and chaplaincy.

14. CONTINGENT LIABILITIES

As at 31 August 2022 future grant commitments from the District Advance Fund were as follows:

Year to	£
31 August 2023	324,353
31 August 2024	238,059
31 August 2025	165,900
31 August 2026	63,743
31 August 2027	28,040
	<hr/>
	<u>820,095</u>

Future grant commitments from the District Advance Fund are shown above.

All such future payments are conditional upon the Resourcing Mission Committee being satisfied, on the basis of progress reports from the grantee, that the project's achievements to date justify the payment of further instalments of the grant.

Estimated employer debt on withdrawal of former employee pensions under the Growth Plan 3 scheme is £3,550 at the latest valuation date, being 30 September 2021.

15. RELATED PARTY DISCLOSURES

Transactions with other Methodist entities and associated charities are disclosed in the Report of the Trustees.

Birmingham District of the Methodist Church

Detailed Statement of Financial Activities
for the Year Ended 31 August 2022

	2022 £	2021 £
INCOME AND ENDOWMENTS		
Donations and legacies		
Circuit contributions	585,336	592,200
Donations	28,839	26,766
Connexional and other grants	146,176	172,569
Circuit Model Trust Fund Levies	153,338	117,458
Connexional Priority Fund distribution	117,141	87,920
Other income	<u>34,269</u>	<u>737</u>
	1,065,099	997,650
Investment income		
Deposit account interest	<u>4,709</u>	<u>2,157</u>
Total incoming resources	1,069,808	999,807
EXPENDITURE		
Charitable activities		
Grants and donations	608,922	607,425
Support costs		
Salaries and associated costs	253,893	253,222
Trustee expenses	1,000	203
Manse costs	20,677	22,514
Training, including retreats	11,403	2,791
Administration, telephone, travel etc.	49,628	44,814
Other expenses	16,268	2,601
Employee expenses	13,403	6,010
Professional fees	<u>1,485</u>	<u>1,350</u>
	367,757	333,505
Governance costs		
Auditors' remuneration	<u>4,500</u>	<u>4,020</u>
Total resources expended	981,179	944,950
	<hr/>	<hr/>
Net income/(expenditure)	<u>88,629</u>	<u>54,857</u>