

Charity Number: 1130195

KNUTSFORD METHODIST CHURCH

Report and financial statements

For the year ended 31st August 2021

Knutsford Methodist Church
Reference and administrative information
for the year ended 31st August 2021

Charity no. 1130195

Registered office and operational address Princess St., Knutsford, Cheshire WA16 6BY

Trustees Those who served during the year and up to the date of this report were:

Steve Atkinson	Secretary
Jenny Bailey	
Chris Barratt	
Revd Alan Bradley	Chair (from 1 September 2020)
Stuart Crawford	(from February 2021)
Peter Freeman	Staff
Elizabeth Hall	Circuit representative
Caroline Hebblethwaite	Staff (from November 2021; until November 21)
Suzy Keen	
Nigel Langham	
Revd Scott Manning	(from October 2020; until November 2021)
Peter Maxwell	(until February 2021)
Bryan Peak	Treasurer
Dorothy Richards	
Peter Richards	
Chris Robertson	
Gill Royle	
Vicky Royle	
Alan Simpson	(from May 2021)
Revd Neal Stanton	
Simon Tavernor	(from February 2021)
Joanne Taylor	
David Tomkins	
Jackie Tomkins	(from May 2021)
Amanda Vickers	Staff
Joanne Wallwork	Staff
Elizabeth Waters	
Henry Waters	
Will Waters	(from October 2020)
Brenda Wilkinson	(until May 2021)

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Personnel

Revd Alan Bradley	Minister and Superintendent of the Alderley Edge and Knutsford Circuit (from 1 September 2020)
Revd Scott Manning	Associate Minister, Knutsford Methodist Church and Minister of Mobberley Methodist Church (until November 2021)
Revd Neal Stanton	Authorised Minister, Knutsford Methodist Church and Pioneer Pastor, Zac's Kingdom Community
Peter Freeman	Children & Families Worker
Caroline Hebblethwaite	Pastoral Worker (from November 2021)
Amanda Vickers	Administrator and Assistant Treasurer
Joanne Wallwork	Zac's Kingdom Community Administrator
Brad Goddon-Smith	Youth and Community Worker (until September 2021)
Rosie Goddon-Smith	Youth and Community Worker (until September 2021)
Sid Walker	Caretaker
Peter Webb	Caretaker

Bankers

Royal Bank of Scotland plc, Drummond House, 1 Redheughs Avenue,
Edinburgh EH12 9JN

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

Independent Examiner

Catherine Hall FCCA DChA, Slade & Cooper Limited,
Beehive Mill, Jersey Street, Manchester, M4 6JG

Website

www.kmc.org.uk

Knutsford Methodist Church
Trustees' Annual Report
for the year ended 31st August 2021

The trustees present their report and the unaudited financial statements for the year ended 31st August 2021.

Reference and administrative information set out previously form part of this report. The financial statements comply with current statutory requirements, the charity's constitution, and the Statement of Recommended Practice – Accounting and Reporting by Charities: SORP applicable to charities preparing their accounts in accordance with FRS 102.

Knutsford Methodist Church (**KMC**) operates within the overall purposes of the **Methodist Church**, which are essentially the advancement of the Christian faith and associated charitable purposes. These are described more fully on the Methodist Church website.

The Trustees have defined the ongoing **Mission** of KMC as to worship God, share the love of Jesus and experience the power of the Holy Spirit at work. We seek:

- **in our worship to give praise and thanksgiving to God in a form that is relevant today.**
- **in our relationships to show that all people are valued.**
- **in our witness to be relevant in what we say, sensitive to how and when we share but bold in our presentation of the gospel.**
- **in our service to respond to human need and spiritual hunger.**
- **in our personal development to pray, study the word of God and grow through knowledge and service in His love.**

The current **Vision** of KMC is **to be Christians who passionately share the love of God.**

This was developed as a “2020s Vision”, focused into 6 areas:

Reaching out, Equipping, Nurturing, Encouraging a world view, Worship, Supporting another Church

Refreshing the vision was deferred whilst the Trustees' focus has been on the challenges posed by Covid-19 but, as we emerge from lockdown, we now have a special opportunity to reflect on the life of the church and renew our vision.

Governance and leadership

KMC is an unincorporated charity, registered on 17th June 2009 in England and Wales.

Its constitution derives from the Methodist Church Act 1976 and statutes determined by the Methodist Conference published in the Constitutional Practice and Discipline (CPD) of the Methodist Church. It is part of the Alderley Edge & Knutsford Circuit (the Circuit) of 7 churches and communities within the Manchester and Stockport District.

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KMC's Council has authority over the whole area of the ministry of the church. Members of the Church Council are the Managing Trustees of the charity but have no beneficial interest in the charity.

Appointment to Council is primarily by election by the members of the church at the annual General Church Meeting. Certain other members are ex-officio and there are also representatives of the church stewards and of the Circuit. The Circuit is responsible *inter alia* for ministers' stipends and housing, funding these by raising assessments on its churches. Some KMC trustees are also trustees of the Circuit, either ex officio or by election. Any conflicts of interest are properly declared.

A range of guidance is produced by the Methodist Church centrally to support trustees in their understanding of the role, particularly on first appointment.

Council met on 6 occasions during the year, all online.

Day to day control of KMC is exercised by the Minister, supported by the staff team. He is also Superintendent of the Circuit.

Revd Alan Bradley took up his appointment as our Minister on 1st September 2020, faced with the unprecedented challenge in his first year of the church being mainly in lockdown, due to the Covid-19 pandemic. The Trustees have been very grateful for his clear and sensitive leadership during this period and now look forward to working under his guidance in a less restrictive operating environment.

Revd Neal Stanton, an Authorised Minister and Pioneer Pastor, continues to be focused on building Zac's Kingdom Community in Northwich (Zac's), an initiative of KMC in 2018.

In the Circuit are 2 further full-time ordained ministers, Revd Scott Manning and Revd Sue Swires. Their primary responsibilities lie elsewhere but Scott in particular has had a meaningful role at KMC, both leading services and pastorally. At the end of the church year, we were saddened to hear that Scott had requested permission to resign as a Minister in the Methodist Church. The Circuit has benefitted greatly from Scott's ministry, he and his family will be sorely missed and he goes with our blessings to a new post with an independent church.

With Revd Sue Swires due to retire in 2022, KMC and the Circuit face a significant challenge in rebuilding the ordained ministry team and the re-structuring necessary in the interim. This is being actively addressed.

Apart from the ordained ministers, KMC is also blessed by the ministry of appointed local preachers, together with the Circuit Worship team.

Also working with the Minister are the elected Church Stewards, representing the lay members of the church. Stewards are split between those in a Leadership team covering the

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overall direction and management of the church and others focused on the resourcing of worship services and events.

Members of staff are authorised by CPD to be members of the Council. They do not take part in any discussion on the terms of their employment and, as with all Council members, receive no remuneration by virtue of their role as trustee. Administrative staff are employed directly by KMC whilst other staff (defined as 'lay workers') are employed by the Circuit but with their costs funded by KMC.

The staff team was supplemented at the start of the year with Brad and Rosie Goddon-Smith, who joined us on a short term contract as Youth and Community workers. They have now returned to Cliff College and will be sorely missed by our youth and young adults.

Achievements and performance

Covid-19: Continuing impact

Our hopes that the lockdown and restrictions would be eased early in the year were not realised. Limited re-opening of the building was possible in autumn but soon had to be reversed.

Impact of the continuing closure:

- We could not hold worship services in person or provide outreach facilities such as the Friendship Café and Jolly Tots.
- We were unable to offer rooms for hire to community organisations or provide a quiet space for prayer and reflection.
- House groups could not meet in members' homes, restricting the mutual pastoral care offered in that way.
- Reduction in the church's income, particularly from the inability to let out rooms and the lack of service offertories.

Our responses:

- We have had to learn new ways of "being church", embarking on greater use of social media for pastoral care and prayer, continuing to develop our online worship experience and reshaping our services, including a new weekly mid-day Communion service. We have extended the use of Zoom for fellowship, teaching and various meetings and committees of the church.
- We have found new ways of showing acts of kindness and solidarity with those who have been socially isolating and developed a stronger system of pastoral care through the "buddy system", with 120 of the older and more vulnerable church members allocated to a group of 21 volunteers. We acknowledge the work of Gill

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Foster, acting as a co-ordination point in this and pastoral work generally, during the gap in the employment of a pastoral worker.

- We made an appeal to members to address the financial impact of the Covid lockdown through donations.
- We have started a new church year with restrictions essentially removed, although continuing to take a cautious view, given that many of our members are elderly. The overwhelming feedback from members has been that, despite the challenges, grief and losses over the year, God has been with us and that they have grown in their faith.

Illustrations of our activities and their impact are shown below. The trustees confirm they have complied with the “public benefit requirement” as defined in section 4 of the Charities Act 2011.

Reaching Out *to meet both the practical and the spiritual needs of our community*

Our central town location makes KMC an ideal venue for many local organisations and we are delighted that our facilities are again being used. These include offering free refreshments, prayer support and a listening ministry, including but not limited to the busy monthly Makers Markets. Letting of rooms to external organisations has resumed, with the church resuming its role as an important meeting and networking hub for the community.

We are rebuilding the structure of pastoral support to the elderly, housebound, those in full time care and others in our community, including those in local care homes.

The challenge of dementia within the community is significant and growing. Our Friendship Café, for those with dementia and their carers, established 3 years ago, has resumed. This is a much appreciated social outreach, manned by KMC volunteers.

Although a ‘wealthy’ area, there are pockets of deprivation, including real food poverty. KMC has played its part in recent years in addressing these needs, with members continuing to support the charity Hope Central through the lockdown by the collection and delivery of food donations. Also significant is members’ longstanding and faithful support of the work of the Welcome Charity, both financially and through volunteering. The charity was set up alongside the existing Welcome Methodist Church established in 1996. Initially this was an independent church but it was recently absorbed within KMC. We are now re-evaluating our responsibilities for ministering to the many social needs in the area of Knutsford it has served.

We have been delighted to re-start Jolly Tots, a weekly group for parents and guardians with pre-school children, providing a forum for developing new relationships and enhancing existing ones.

Equipping *ourselves and others to serve God*

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KMC has a vibrant and far-reaching vision to share the gospel with the children and young people of Knutsford and the surrounding area.

We enjoy excellent relationships with our local schools, including a regular programme of Bible stories in primary schools through drama called 'Open the Book' (delivered by online material during the lockdown). We have also been able to offer again a "Harvest Experience", attended by 180 local schoolchildren and will resume the full programme of visits as the year progresses.

We hope also to resume running 'Care for the Family' courses, supporting parents build a strong and secure relationship with their children, as it is clear these were well received and are again in demand.

During the year we agreed to start the process of becoming an EcoChurch, a disciplined process moving towards a more environmentally sensitive way of living. A newly formed Social Responsibility Group will progress this further, encouraging members to broaden and deepen their re-cycling routines.

Nurturing *one another through the use of fellowship groups*

We currently have 12 house groups with a total membership of 120, representing a significant proportion of the church membership. In addition there is a growing number of groups within the Zac's Community. We actively encourage those new to the church to join a group.

For many their house group is at the heart of what it means to belong to KMC, finding there a source of learning, growth and mutual pastoral care. Most leaders were able to sustain their group through the lockdown by meeting online and their group has been an anchor for many members.

Other groups re-commencing include Monday Club (meeting monthly, open to ladies) and Men's breakfast (an informal setting for members and their guests to meet and discuss a 'thought for the day').

Encouraging a world view *of our mission*

KMC supports other organisations and charities addressing social and faith issues, both in the UK and overseas, which align with our own objectives, including financial support through specific collections.

The restriction on holding services in the church building for much of the year severely constrained our ability to facilitate and encourage financial support of external charities in this way. Those that were supported included:

- Action for Children (helping disadvantaged children across the UK)
- Christian Aid (aiming to end poverty and injustice worldwide)

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- Hope Central (relief of food poverty and other practical support in NE Cheshire)
- JMA & Methodist Church World Mission (supporting individuals and projects around the world)

Members of KMC have their own long-standing commitments to various local, national and international charities and the church seeks to support them in this work. An example is Hope Through Action (South Africa), undertaking valuable work in the Western Cape of South Africa, providing sports and educational facilities to vulnerable children and young people. Over the last ten years, this charity has invested nearly £7m in building three sports centres and two schools. Half of the trustees of this charity are KMC members.

Worship *developing our worship and teaching to reflect how people in today's society learn and communicate*

Pre-pandemic our approach was to offer a range of services, varying in style and format to make them widely accessible and relevant to the world in which we live today. The lockdown necessitated a more focused programme delivered online. Our analysis showed this was viewed by not less than the number previously attending services in person and with the potential to reach a much wider audience. A key ongoing debate is the extent to which we can offer an online worship experience, to reach that wider audience and for the benefit of those unable to access services in person. Livestreaming of services is now being planned but has significant resourcing implications, in both equipment and manpower.

We are now re-building our structure of services in person, the core being a combined Sunday morning service seeking to bring all ages together. Attendance is slowly recovering, although it is clear a residual anxiety remains about meeting together. We have also re-started Cameo, a monthly worship followed by afternoon tea, aimed at senior citizens and those who find it difficult to attend a morning service and this has been well attended.

Following on from providing online teaching and worship material for children, we are now recreating the programme of activities in church under the banner KIDZONE through the strong leadership of our Children and Families' worker. This runs alongside taking the church into schools where possible.

In a difficult year, we continued an active, mainly online youth ministry through the inspiring work of Brad & Rosie. With their departure a group of dedicated volunteers will sustain relationships and run the programme.

Bereavement care is a vital part of our ministry and much appreciated is an annual bereavement service for those who lost loved ones.

Our current membership is 273, although we are part way through a comprehensive review of our data records to ensure these remain valid and up to date. During the last year we sadly lost 6 members who died. In addition to those who are formal members, there are many others who attend our services and events and are seen by us as friends of KMC. Equally they see KMC as "their church".

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Supporting another Church

Zac's Kingdom Community

Essentially a church plant by KMC in the nearby town of Northwich, this is a pioneering project crossing Methodist Circuit and District boundaries.

The vision is to establish a creative, modern **Kingdom Community**, seeking to reach and serve those who do not know Jesus, in ways which will be relevant and appropriate to them.

The goal is that this becomes a thriving, innovative, relevant and self-sustaining community.

Grants were secured, primarily from the Methodist Church centrally, to fund operating costs for the first 3 years. Revd Neal Stanton, an experienced Pioneer Pastor, was appointed in 2018 to lead the project, supported initially by a team from KMC and under his energetic leadership the first 3 years have seen rapid and exciting progress.

After developing innovative online worship experiences during the lockdown, including a daily live broadcast, the Community has been able to resume services in person, in a variety of venues. Home groups and courses provide discipleship opportunities to members, whilst an impressive range of outreach activities has been sustained and developed through the pandemic. Of particular note have been Boxes of Hope, delivering to and connecting with local families in need, working with Cheshire Food Hub and Fareshare and also partnering with experienced mentors to support people looking to run their own small business.

Premises are leased in a prominent high street location, providing offices, meeting space and a drop-in wellbeing cafe.

Neal strongly believes in international mission informing local church and, building on his personal contacts, has developed relationships between Zac's and mission partners in Uganda, notably FACT (Future after child trauma). Tangible results in Uganda have included the building of new toilet facilities and water supplies and support of teachers in developing education skills and practices. Also significant has been the transformational influence on members taking part in the Uganda trips.

With it clearly dependent on external grant funding beyond the initial 3 years, the project faced a significant financial challenge with the freezing by the Methodist Church centrally of applications for new funding, brought on by the impact of Covid. An alternative funding strategy was prepared, through the 2 Circuits and Districts involved and this is progressing well. Giving from the Zac's community members is also growing and set to grow further.

The financial position of Zac's is secure in the current year (Year 4 of the project) and potentially through the following year.

Implicit in a venture such as this is the taking of risks with new programmes and activities and being prepared to fail, within the goal of seeking to reach as many people as possible with God's love and message of hope. Clear evidence is emerging of lives transformed.

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Planting a new community also involves some financial risk to KMC but equally it offers opportunities for our members to serve God in new and exciting ways. KMC trustees have confirmed their financial commitment to the project both in the current and following year.

This is a significant and exciting expansion of the ministry and mission of KMC, which remains one church but now on two sites.

Financial Review

The financial statements which follow this Report comply with current statutory requirements, the charity's constitution, and the Statement of Recommended Practice – Accounting and Reporting by Charities: SORP applicable to charities preparing their accounts in accordance with FRS 102.

Our consolidated financial results for the year covered 3 separate areas of activity:

Zac's Kingdom Community

This was Year 3 of the project, the final year we were scheduled to receive funding from the Methodist Church centrally. In the knowledge of this, extensive discussions took place within the 2 Districts and 2 Circuits sponsoring the initiative, resulting in new and increased commitments, some of which came through in Year 3 to help build a more robust platform for the future. Giving by members was also steadily building. As a result we generated a surplus of £15k against the budgeted deficit of £25k. Operating expenditure, which was contained well within budget, included a share of new investment in youth workers.

Carried forward into the current year was £67k and, although budgeting a sizeable operating deficit of £34k to reduce funds to £33k, we are confident that we have sufficient funds to cover costs this year and possibly also the following year. KMC has committed its own support for both years.

All funds held are restricted to this project.

The Welcome

During the year KMC inherited funds previously held separately in the name of The Welcome Church. Financial activity during the year remained modest, comprising a £5k donation from the Circuit to be passed through to the Welcome Charity, together with donations and regular giving from a group of committed individuals. With a surplus of £4k, funds held at the year-end grew to £25k, all of which is earmarked for ministry and outreach activity in the area of Knutsford previously served by the Welcome Church.

Our strategy is being built for the proper utilisation of these funds.

Core Knutsford operations

We started the year with funds of £118k, close to our reserve policy maximum but faced a budgeted operating deficit of £57k, the combination of a Covid related reduction in our normal income and a short term investment in youth workers.

In the knowledge that such a deficit would take us very close to our minimum level of reserves, we launched an appeal to members, which generated an encouraging £49k including Gift Aid. Additionally we received an unexpected and generous donation of £17k.

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These converted the forecast deficit to a surplus of £15k, lifting our reserves at the year-end to £136k, approaching the equivalent of 7 months budgeted expenditure and above our policy maximum.

The response to the appeal helped offset the continuing shortfall in rental income and collections at services due to the lockdown.

However the appeal was always intended to be in 2 parts , the second with a target of a 15% increase in the regular giving of members, the foundation of our financial structure. Planning for this further appeal has yet to take place, although we have included an element of additional giving in the current year's budget. We have to emphasise there are rather more uncertainties in our forward forecasts than usual, including the cost of certain external property repairs and a call by the Church centrally to make an additional contribution to offset pension fund deficits. The current year's budget is of an operating deficit of £35k, despite assuming some uplift in regular giving.

At the moment we are forecasting holding £105k, the equivalent of 5 months of unrestricted reserves, at the end of August 2022 but this may have to be revised significantly as we progress through the year.

The trustees confirm we are a going concern. There are some material uncertainties, in the area of giving income and also the future financing of Zac's, but options are available to us, as we continue to maintain a closing watching brief over our finances.

Reserves policy

The capacity of the trustees to either reduce expenditure or find new sources of income is, in the short term, very limited. Whilst expenditure is managed to agreed budgets, unexpected falls in income, primarily the voluntary giving of members, can and do occur. Reserves are required therefore to provide an appropriate margin of safety and provide security of employment. They are also required to meet the challenge of maintaining and renewing a 150-year-old building.

The trustees' policy is to maintain as a minimum the equivalent of 3 months' budgeted operating expenditure (approximately £60k) in unrestricted liquid reserves. However we do not wish to keep reserves in excess of 6 months (circa £120k), other than in the short term, and will invest further in our mission and ministry programmes to utilise surplus funds.

Surplus cash is invested with the Central Board of Finance of the Methodist Church.

Grants received for Zac's House are restricted and do not form part of our reserves' calculations.

Funds inherited from the former Welcome Church are treated as designated, earmarked for our work in the area historically covered by that church. They are not included within reserve policy calculations.

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Risk management

Church Council has approved a range of policies, reviewed regularly, including Safeguarding (working with children and vulnerable adults), Health & Safety and Data Protection & Privacy.

In particular the trustees take their responsibility for safeguarding young people and vulnerable adults very seriously and have a Safeguarding Officer in post who attends all Council meetings.

KMC complies with the General Data Protection Regulations, adopting the standard Data Protection and Privacy policies developed by the Methodist Church.

Insurable risks are covered by a comprehensive insurance policy.

Longer term risks include the increasing age of the church membership and the potential for significant building repair and maintenance costs. To mitigate the former, we seek to grow the church membership, especially through programmes designed to attract younger families. With the latter the building is subject to a formal independent inspection every 5 years. All items recorded on the last Inspection report have been actioned.

Plans for the future

As we emerge from lockdown, we believe we have a unique opportunity to reflect on the life of KMC and re-commit to be led by the Holy Spirit, to share the love of God and grow together as a healthy church, following in the way of life that we see in the person of Jesus Christ. We have begun that reflection on what is our identity in Christ and how we may encourage greater connection within KMC to the way of discipleship.

As we return fully to the church building and have the opportunities to meet together in house groups, for worship and importantly in service of the wider community, a number of challenges face KMC and make it right to reflect on what we should be doing and what we need to cease. We will develop a Leadership Team to prayerfully discern the way forward and to work with the Minister in overseeing the whole life of the church. We are planning an awayday for the team in February to reflect on and renew our vision.

Separating the currently combined role of stewards into separate leadership stewards and worship stewards will help focus the roles and lessen the load and this is in progress.

Alongside this work, we are planning an appeal to church members, possibly in Spring 2022, asking them to review their regular giving, to provide the resources to fully re-build the church's activities to pre-pandemic levels and enable future growth.

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We will respond pastorally to the loss and grief in the church and wider community, paying attention in particular to spiritual and mental wellbeing. As part of this we are planning to run a course on mental wellbeing in January 2022.

Post pandemic we need also to rebuild a number of teams and committees, in particular the resourcing of our ministry to children, youth and families.

From Knutsford we will support the work of a renewed leadership team at Zac's in Northwich.

We will look to opportunities we have to grow the mission of the church in relation to the Longridge estate, new housing developments in Knutsford and our work with local schools.

The trustees will meet in January 2022 to come to a view on whether or not to implement the policies outlined in the report "God in Love unites us", primarily related to the definition of marriage.

We will ensure our objectives in 2021/22 continue to deliver those public benefits previously identified in this report.

Acknowledgements

The trustees, on behalf of the whole church, acknowledge the support and commitment of all who ministered to us during the last year: our appointed Ministers, visiting ministers, worship leaders and authorised Local Preachers.

The trustees thank the current and former members of our staff team and pay tribute to their professionalism and commitment, with particular reference to their work and care recently in making the building safe for re-opening. We also acknowledge the contribution of many volunteers, without whom the mission and ministry of the church could not be sustained, making specific mention of the technicians and worship band who have enabled our online worship.

Reverend Alan Bradley
Minister
Date..... 15/02/2022

Independent examiner's report
to the trustees of
Knutsford Methodist Church

I report to the charity trustees on my examination of the accounts of the charity for the year ended 31st March 2021 which are set out on pages 15 to 29.

Responsibilities and basis of report

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

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

Independent examiner's statement

Since the charity's gross income exceeded £250,000 your examiner must be a member of a body listed in section 145 of the 2011 Act. I confirm that I am qualified to undertake the examination because I am a member of the Association of Chartered Certified Accountants, which is one of the listed bodies.

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

1. accounting records were not kept in respect of the charity as required by section 130 of the Act; or
2. the accounts do not accord with those records; or
3. the accounts do not comply with the applicable requirements concerning the form and content of accounts set out in the Charities (Accounts and Reports) Regulations 2008 other than any requirement that the accounts give a 'true and fair view' which is not a matter considered as part of an independent examination.

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

Catherine Hall FCCA DChA

Slade & Cooper Limited, Chartered Certified Accountants
Beehive Mill, Jersey Street
Manchester, M4 6JG
Date.. 18/02/2022

Knutsford Methodist Church
Statement of Financial Activities
for the year ended 31 August 2021

	Note	Unrestricted funds £	Restricted funds £	Total funds 2021 £	Total funds 2020 £
Income from:					
Donations and legacies	3	268,687	14,801	283,488	196,307
Charitable activities	4	-	82,212	82,212	78,060
Other trading activities	5	5,321	276	5,597	13,096
Investments	6	117	79	196	932
Other Income	7	529	-	529	34,882
Total income		274,654	97,368	372,022	323,277
Expenditure on:					
Charitable activities	8	233,871	82,049	315,920	326,549
Total expenditure		233,871	82,049	315,920	326,549
Net income/(expenditure) for the year	12	40,783	15,319	56,102	(3,272)
Transfer between funds		-	-	-	-
Net movement in funds for the year		40,783	15,319	56,102	(3,272)
Reconciliation of funds					
Total funds brought forward		3,010,753	59,848	3,070,601	3,073,873
Total funds carried forward		3,051,536	75,167	3,126,703	3,070,601

The statement of financial activities includes all gains and losses recognised in the year.
All income and expenditure derive from continuing activities.

Knutsford Methodist Church

Balance Sheet as at 31 August 2021

	Note	2021	2020
		£	£
Fixed assets			
Tangible assets	15	2,890,502	2,894,747
Total fixed assets		2,890,502	2,894,747
Current assets			
Debtors	16	31,685	30,779
Cash at bank and in hand	17	207,579	153,479
Total current assets		239,264	184,258
Liabilities			
Creditors: amounts falling due in less than one year	18	(3,063)	(8,404)
Net current assets		236,201	175,854
Net assets		3,126,703	3,070,601
Funds of the charity:			
Restricted income funds	19	75,167	59,848
Unrestricted income funds	20	3,051,536	3,010,753
Total charity funds		3,126,703	3,070,601

The notes on pages 18 to 29 form part of these accounts.

Approved by the trustees on 15/02/2022 and signed on their behalf by:

Reverend Alan Bradley (Minister)

David Tomkins (Trustee)

Knutsford Methodist Church
Statement of Cash Flows
for the year ending 31 August 2021

	Note	2021 £	2020 £
Cash provided by/(used in) operating activities	22	53,904	(2,559)
<i>Cash flows from investing activities:</i>			
Interest		196	932
Purchase of tangible fixed assets		-	-
Cash provided by/(used in) investing activities		196	932
Increase/(decrease) in cash and cash equivalents in the year		54,100	(1,627)
Cash and cash equivalents at the beginning of the year		153,479	155,106
Cash and cash equivalents at the end of the year		207,579	153,479

Notes to the accounts for the year ended 31 August 2021

1 Accounting policies

The principal accounting policies adopted, judgments and key sources of estimation uncertainty in the preparation of the financial statements are as follows:

a Basis of preparation

The financial statements have been prepared 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 applicable in the UK and Republic of Ireland (FRS 102), second edition - October 2019 (Charities SORP (FRS 102)), the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) and the Charities Act 2011 and UK Generally Accepted Accounting Practice.

The charity, Knutsford Methodist Church meets the definition of a public benefit entity under FRS102. Assets and liabilities are initially recognised at historical cost or transaction value unless otherwise stated in the relevant accounting policy note.

b Preparation of the accounts on a going concern basis

The trustees consider that there are no material uncertainties about the charity's ability to continue as a going concern.

No key judgments were made by the trustees which have a significant effect on the accounts.

The trustees do not consider that there are any sources of estimation uncertainty at the reporting date that have a significant risk of causing a material adjustment to the carrying amount of assets and liabilities within the next reporting period.

c Income

Income is recognised when the charity has entitlement to the funds, any performance conditions attached to the item(s) of income have been met and when it is probable that the income will be received and the amount can be measured reliably.

d Interest receivable

Interest on funds held on deposit is included when receivable and the amount can be measured reliably by the charity; this is normally upon notification of the interest paid or payable by the Bank.

Notes to the accounts for the year ended 31 August 2021 (continued)

e Fund accounting

Unrestricted funds are available to spend on activities that further any of the purposes of the charity.

Designated funds are unrestricted funds of the charity which the trustees have decided at their discretion to set aside to use for a specific purpose.

Restricted funds are donations which the donor has specified are to be solely used for particular areas of the charity's work or for specific projects being undertaken by the charity.

f Expenditure

Expenditure is recognised once there is a legal or constructive obligation to make a payment to a third party, it is probable that settlement will be required and the amount of the obligation can be measured reliably. Expenditure is classified under the following activity headings:

- Expenditure on charitable activities includes the costs undertaken to further the purposes of the charity and their associated support costs.

g Tangible fixed assets

Individual fixed assets costing £1,000 or more are capitalised at cost and are depreciated over their estimated useful economic lives on a straight line basis as follows:

Freehold building	Based on insurance valuation
Office fixtures and equipment	10 years

h Debtors

Trade and other debtors are recognised at the settlement amount due after any trade discount offered. Prepayments are valued at the amount prepaid net of any trade discounts due.

i Cash at bank and in hand

Cash at bank and cash in hand includes cash and short term highly liquid investments with a short maturity of three months or less from the date of acquisition or opening of the deposit or similar account.

j Creditors and provisions

Creditors and provisions are recognised where the charity has a present obligation resulting from a past event that will probably result in the transfer of funds to a third party and the amount due to settle the obligation can be measured or estimated reliably. Creditors and provisions are normally recognised at their settlement amount after allowing for any trade discounts due.

Knutsford Methodist Church

Notes to the accounts for the year ended 31 August 2021 (continued)

k Funds held as agent

As the charity has no control over the funds which they received as an agent, they do not form any part of the balance sheet or statement of financial activities. The movement of the funds is presented in the note only.

l Pensions

Employees of the charity are entitled to join a defined contribution workplace pension scheme. The charity's contribution is restricted to the contributions disclosed in note 13. There were no outstanding contributions at the year end.

2 Legal status of the charity

The charity is an unincorporated charity, registered as a charity in England & Wales.

3 Income from donations and offerings

	Unrestricted £	Restricted £	Total 2021 £
Offerings	133,014	8,800	141,814
Donations	97,232	3,540	100,772
Gift Aid	38,441	2,461	40,902
Total	268,687	14,801	283,488

Previous reporting period

	<i>Unrestricted £</i>	<i>Restricted £</i>	<i>Total 2020 £</i>
<i>Offerings</i>	<i>132,114</i>	<i>4,310</i>	<i>136,424</i>
<i>Donations</i>	<i>30,759</i>	<i>1,220</i>	<i>31,979</i>
<i>Gift Aid</i>	<i>26,909</i>	<i>995</i>	<i>27,904</i>
<i>Total</i>	<i>189,782</i>	<i>6,525</i>	<i>196,307</i>

4 Income from charitable activities

	Unrestricted £	Restricted £	Total 2021 £	<i>Total 2020 £</i>
Grant Income	-	82,212	82,212	<i>78,060</i>
Total	-	82,212	82,212	<i>78,060</i>
<i>Total by fund 31 August 2020</i>	<i>-</i>	<i>78,060</i>	<i>78,060</i>	

Knutsford Methodist Church

Notes to the accounts for the year ended 31 August 2021 (continued)

5 Income from other trading activities

	Unrestricted £	Restricted £	2021 £
Lettings Income	4,931	-	4,931
Refreshments	-	-	-
Other fees	390	276	666
Total	5,321	276	5,597

Previous reporting period

	<i>Unrestricted £</i>	<i>Restricted £</i>	<i>Total 2020 £</i>
<i>Lettings Income</i>	<i>12,100</i>	<i>-</i>	<i>12,100</i>
<i>Refreshments</i>	<i>325</i>	<i>-</i>	<i>325</i>
<i>Other fees</i>	<i>385</i>	<i>286</i>	<i>671</i>
Total	12,810	286	13,096

6 Investment income

	Unrestricted £	Restricted £	Total 2021 £	Total 2020 £
Income from bank deposits	117	79	196	932
	117	79	196	932
<i>Total by fund 31 August 2020</i>	<i>567</i>	<i>365</i>	<i>932</i>	

All of the charity's investment income arises from money held in interest bearing deposit accounts. .

7 Other Income

	Unrestricted £	Restricted £	2021 £	2020 £
Other Income	529	-	529	34,882
	529	-	529	34,882
<i>Total by fund 31 August 2020</i>	<i>1,781</i>	<i>33,101</i>	<i>34,882</i>	

Knutsford Methodist Church

Notes to the accounts for the year ended 31 August 2021 (continued)

8 Analysis of expenditure on charitable activities

	Total 2021 £	Total 2020 £
Staff costs (see note 13)	95,582	92,278
Circuit Assessment	129,061	118,684
Premises Costs	34,831	84,675
Depreciation	4,242	4,231
Administration costs	39,520	23,890
Grants Payable (see note 10)	10,824	1,151
Governance costs (see note 9)	1,860	1,640
	<hr/>	<hr/>
	315,920	326,549
	<hr/>	<hr/>
	2021 £	2020 £
Restricted expenditure	82,049	107,420
Unrestricted expenditure	233,871	219,129
	<hr/>	<hr/>
	315,920	326,549
	<hr/>	<hr/>

9 Analysis of governance costs

	2021 £	2020 £
Accountancy services (incl. VAT)	1,860	1,640
	<hr/>	<hr/>
	1,860	1,640
	<hr/>	<hr/>

Knutsford Methodist Church

Notes to the accounts for the year ended 31 August 2021 (continued)

10 Grant making activities

Name of institution	2021 £	2020 £
Methodist Church World Mission	1,500	-
Methodist Church Mission in Britain	1,500	-
Methodist Church Property Fund	1,000	-
Support Fund for Presbyters/Deacons	560	-
Leaders of Worship/Preachers Trust	250	-
The Welcome Charity	5,000	-
District Partnership fund	1,014	1,151
	<hr/>	<hr/>
	10,824	1,151
	<hr/>	<hr/>

All grants have been made to institutions to provide further resources to their mission and ministry.

11 Funds received as agent

Name of Party	Balance held at 1 September 2020	Amounts received	Amounts paid out	Balance held at 31 August 2021
Action for Children	-	50	(50)	-
Christian Aid	-	50	(50)	-
Hampers of Hope	-	100	(100)	-
JMA	-	5	(5)	-
	<hr/>	<hr/>	<hr/>	<hr/>
Total	-	205	(205)	-
	<hr/>	<hr/>	<hr/>	<hr/>

Knutsford Methodist Church

Notes to the accounts for the year ended 31 August 2021 (continued)

Previous reporting period

Name of Party	Balance held at 1 September 2019	Amounts received	Amounts paid out	Balance held at 31 August 2020
Action for Children	-	91	(91)	-
All We Can	-	638	(638)	-
Hampers of Hope	-	120	(120)	-
JMA	-	84	(84)	-
Leprosy Mission	-	113	(113)	-
Mission in Britain	-	150	(150)	-
Uganda Toilet	-	1,687	(1,687)	-
Total	-	2,883	(2,883)	-

12 Net income for the year

This is stated after charging:	2021 £	2020 £
Depreciation	4,245	4,231
IE's remuneration - accountancy fees (excl. VAT)	1,100	1,100
Independent examiner's fees (excl. VAT)	450	525

13 Staff costs

Staff costs during the year were as follows:	2021 £	2020 £
Wages and salaries	30,765	30,513
Pension costs	1,406	1,349
Costs of Layworkers and Pioneer Pastor, Zac's House	63,411	60,416
	95,582	92,278

No employee has employee benefits in excess of £60,000 (2020: Nil).

The average number of staff employed during the period was 4 (2020: 4).

The key management personnel of the charity comprise the trustees. The total employee benefits of the key management personnel of the charity were £16,824 (2020: £16,634).

Knutsford Methodist Church

Notes to the accounts for the year ended 31 August 2021 (continued)

14 Trustee remuneration and expenses, and related party transactions

Amanda Vickers and Jo Wallwork, trustees who are also employees, received total remuneration of £16,824 in the year (2020: £16,634).

2 (2020: 3) members of the council received travel and subsistence expenses during the year of £1,150 (2020: £1,481).

Aggregate donations without conditions from related parties were £42,449 (2020: £27,841).

No trustee or other person related to the charity had any personal interest in any contract or transaction entered into by the charity, including guarantees, during the year (2020: nil).

The following trustees also served as trustees of the Alderley Edge & Knutsford Methodist Circuit (Charity number: 1127258):

S Atkinson	J Bailey	Bryan Peak
E Hall	Revd A Bradley	P Freeman
P Richards	Revd S Manning	C Robertson
H Waters	Revd N Stanton	

The costs of the Circuit, which essentially comprise the District Assessment, Ministers' Stipends and associated employment costs and the costs of the Manses they occupy are allocated between the various churches in the Circuit, linked to their respective membership figures. This is referred to as the Circuit Assessment and for KMC in 2020/21 was £129,061 (2019/20 £118,684).

The Circuit Budget and the associated Assessments are determined by the trustees of the Circuit, which include representation from each church in the Circuit and currently exceed 30 in number.

The 11 KMC trustees take part in the decision making process of the Circuit but are not in a position to exert a disproportionate influence on its decisions.

As authorised by Methodist CPD, the following layworkers are trustees of KMC:

Peter Freeman

In addition to the layworkers, Revd Neal Stanton is a trustee of KMC, derived from his status as an Authorised Minister. Although KMC bears their cost as they are placed at this church, they are not its employees but rather of the Circuit. In aggregate they received remuneration of £51,797 in the year (2020 £58,918) and reimbursement of expenses of £1,475 (2020: £1,197), funded by KMC. They are not in a position to influence the level of this remuneration.

Staff Remuneration

Members of staff are authorised by CPD to be members of the Council.

Their remuneration is set by the Church Council through its consideration and approval of annual budgets with any annual increase usually following national guidelines issued for the remuneration of ministers and lay workers.

Members of staff do not take part in any discussions or vote in Council meetings on the terms and conditions of their employment.

Knutsford Methodist Church

Notes to the accounts for the year ended 31 August 2021 (continued)

15 Fixed assets: tangible assets

Cost	Building	Furniture £	Equipment £	Total £
At 1 September 2020	2,870,187	31,031	3,418	2,904,636
Additions	-	-	-	-
Adjustments	-	-	-	-
	<hr/>	<hr/>	<hr/>	<hr/>
At 31 August 2021	2,870,187	31,031	3,418	2,904,636
	<hr/>	<hr/>	<hr/>	<hr/>
Depreciation				
At 1 September 2020	-	8,536	1,353	9,889
Charge for the year	-	3,103	1,142	4,245
	<hr/>	<hr/>	<hr/>	<hr/>
At 31 August 2021	-	11,639	2,495	14,134
	<hr/>	<hr/>	<hr/>	<hr/>
Net book value				
At 31 August 2021	2,870,187	19,392	923	2,890,502
	<hr/>	<hr/>	<hr/>	<hr/>
<i>At 31 August 2020</i>	<i>2,870,187</i>	<i>22,495</i>	<i>2,065</i>	<i>2,894,747</i>
	<hr/>	<hr/>	<hr/>	<hr/>

16 Debtors

	2021 £	2020 £
Trade debtors	830	891
Other debtors	12,160	10,423
Prepayments and accrued income	18,695	19,465
	<hr/>	<hr/>
	31,685	30,779
	<hr/>	<hr/>

17 Cash at bank and in hand

	2021 £	2020 £
Cash at bank and on hand	207,579	153,479
	<hr/>	<hr/>
	207,579	153,479
	<hr/>	<hr/>

Knutsford Methodist Church

Notes to the accounts for the year ended 31 August 2021 (continued)

18 Creditors: amounts falling due within one year

	2021 £	2020 £
Accruals	2,846	8,236
Taxation and social security costs	217	168
	<u>3,063</u>	<u>8,404</u>

19 Analysis of movements in restricted funds

	Balance at 1 September 2020 £	Income £	Expenditure £	Transfers £	Balance at 31 August 2021 £
Northwich Initiative (Zac's House)	52,281	96,843	(81,863)	-	67,261
Friendship Café	4,399	525	(186)	-	4,738
Benevolent Fund	2,601	-	-	-	2,601
Tuesday Fellowship	567	-	-	-	567
	<u>59,848</u>	<u>97,368</u>	<u>(82,049)</u>	<u>-</u>	<u>75,167</u>

Previous reporting period

	Balance at 1 September 2019 £	Income £	Expenditure £	Transfers £	Balance at 31 August 2020 £
Northwich Initiative (Zac's House)	39,910	84,730	(72,359)	-	52,281
Refurbishment	-	32,209	(33,867)	1,658	-
Friendship Café	4,730	706	(1,037)	-	4,399
Benevolent Fund	2,633	-	(32)	-	2,601
Tuesday Fellowship	-	692	(125)	-	567
	<u>47,273</u>	<u>118,337</u>	<u>(107,420)</u>	<u>1,658</u>	<u>59,848</u>

Name of Fund

Description

Benevolent Fund (Internal Organisation)	Payments are made to alleviate crisis situations faced by individuals, both members and non-members of the church, who have a demonstrated need.
Refurbishment Project	This includes the refurbishment of the church toilet facilities and the Youth room.
Zac's House	Zac's House is a church plant in Northwich, Cheshire.
Friendship Café	Regular meetings ran by the church for dementia sufferers and their primary carers.

Knutsford Methodist Church

Notes to the accounts for the year ended 31 August 2021 (continued)

20 Analysis of movement in unrestricted funds

	Balance at 1 September 2020 £	Income £	Expenditure £	Transfers £	As at 31 August 2021 £
General fund	3,010,753	243,765	(228,787)	-	3,025,731
The Welcome Church	-	30,889	(5,084)	-	25,805
	<u>3,010,753</u>	<u>274,654</u>	<u>(233,871)</u>	<u>-</u>	<u>3,051,536</u>

Previous reporting period

	Balance at 1 September 2019 £	Income £	Expenditure £	Transfers £	As at 31 August 2020 £
General fund	3,026,600	204,940	(219,129)	(1,658)	3,010,753
	<u>3,026,600</u>	<u>204,940</u>	<u>(219,129)</u>	<u>(1,658)</u>	<u>3,010,753</u>

Name of unrestricted fund Description, nature and purposes of the fund

General fund The free reserves after allowing for all designated funds and restricted funds
The Welcome Church Included in Trustees Report.

21 Analysis of net assets between funds

	General fund £	Designated funds £	Restricted funds £	Total £
Tangible fixed assets	2,889,580	-	922	2,890,502
Other net current assets/(liabilities)	136,151	25,805	74,245	236,201
	<u>3,025,731</u>	<u>25,805</u>	<u>75,167</u>	<u>3,126,703</u>

Previous reporting period

	General fund £	Designated funds £	Restricted funds £	Total £
Tangible fixed assets	2,892,683	-	2,064	2,894,747
Other net current assets/(liabilities)	118,070	-	57,784	175,854
	<u>3,010,753</u>	<u>-</u>	<u>59,848</u>	<u>3,070,601</u>

Knutsford Methodist Church

Notes to the accounts for the year ended 31 August 2021 (continued)

22 Reconciliation of net movement in funds to net cash flow from operating activities

	2021 £	2020 £
Net income/(expenditure) for the year	56,102	(3,272)
Adjustments for:		
Depreciation charge	4,245	4,231
Dividends, interest and rents from investments	(196)	(932)
Decrease/(increase) in debtors	(906)	(309)
Increase/(decrease) in creditors	(5,341)	(2,277)
	<hr/>	<hr/>
Net cash provided by/(used in) operating activities	53,904	(2,559)
	<hr/> <hr/>	<hr/> <hr/>