

Charity Number: 1130195

KNUTSFORD METHODIST CHURCH

Report and financial statements

For the year ended 31st August 2022

Knutsford Methodist Church
Reference and administrative information
for the year ended 31st August 2022

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	
Linda Bowler	(from June 2022)
Revd Alan Bradley	Chair
Gail Crawford	(from June 2022)
Stuart Crawford	
Dawn Freeman	(from January 2022)
Peter Freeman	Staff
Elizabeth Hall	Circuit representative
Suzy Keen	
Nigel Langham	
Revd Scott Manning	(until November 2021)
Liz McGrath	(from February 2022)
Bryan Peak	Treasurer
Dorothy Richards	
Peter Richards	(until May 2022)
Chris Robertson	(until May 2022)
Jackie Robertson	(from June 2022)
Gill Royle	
Vicky Royle	
Alan Simpson	
Revd Neal Stanton	
Simon Tavernor	(until June 2022)
Joanne Taylor	
David Tomkins	
Jackie Tomkins	
Amanda Vickers	Staff
Joanne Wallwork	Staff
Elizabeth Waters	
Henry Waters	
Will Waters	

Knutsford Methodist Church
Reference and administrative information
for the year ended 31st August 2022

Personnel

Revd Alan Bradley	Minister and Superintendent of the Alderley Edge and Knutsford Circuit
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
Liz McGrath	Pastoral Worker (from February 2022)
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 2022

The trustees present their report and the unaudited financial statements for the year ended 31st August 2022.

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.

Summary

Knutsford Methodist Church (**KMC**) is a Christian church of some 260 members, embedded in the busy town of Knutsford and also currently serving the nearby town of Northwich through a pioneering project, Zac's Kingdom Community (Zac's).

A registered charity, it is part of the Methodist Church in Britain and one of 6 churches and communities in its Alderley Edge & Knutsford Circuit.

The challenges of the Covid-19 pandemic eased over the last year but continued to influence the pattern of our regular services, how people access these and how generally we operate.

MISSION

The calling of the Methodist Church in Britain 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
- Evangelism

We report on our performance at KMC over the past year under these four headings, responding to our vision **to be Christians who passionately share the love of God.**

ACHIEVEMENTS AND PERFORMANCE

Worship

120 worshippers on average attended our Sunday morning service over the last year, slightly below pre-Covid levels. Investment in livestreaming technology enabled a further 20/25 to watch the service remotely, with up to a further 70 views later. Services at the major festivals of Christmas and Easter continued to be well attended. We offered both traditional and contemporary music and, drawing on a range of gifted preachers delivering Bible-based teaching, we sought to provide a variety of services which were widely accessible and relevant to the issues of today.

Knutsford Methodist Church
Trustees' Annual Report
for the year ended 31st August 2022

A mid- week lunchtime Communion service was also offered as part of our town centre ministry.

Oasis, a service of healing and wholeness, took place monthly.

In addition to those who are formal members, there were many others who attended our services and events last year and see KMC as "their church".

Learning and Caring

We offered an extensive structure of pastoral support to the elderly, housebound, those in full time care and others in our community, including those in local care homes. For those sufficiently mobile, much valued was Cameo, a monthly service of hymns, friendship and fellowship, aimed at senior citizens and those who find it difficult to attend a morning service.

'Life groups' included Monday Club (meeting monthly, open to ladies) and Men's breakfast, both of which are open to those not currently church members.

As elsewhere, the church's demographic is skewed to the over 60s. We are seeking to address this with our Minister hosting meetings last year for those under 50 to hear their views and explore what it means to be church.

The pandemic clearly had a major impact on families and young people and underscores our passion to share the gospel with the younger members of our community. Under the strong leadership of our Children and Families' Worker, we continued to enjoy excellent relationships with our local schools. One manifestation of this was a regular programme of Bible stories in 3 primary schools (increasing to 4 this year) through drama called 'Open the Book'. We also offered Harvest and Easter Experiences in the church building, attended by substantial numbers of local schoolchildren. This year we have resumed running courses for parents of Knutsford Academy students in response to demand.

After providing teaching and worship material for children online during the pandemic, we recreated the programme of activities in church for different age groups under the banner KIDZONE, offering a safe space of welcome and nurture and introducing the way of faith in Jesus. Attendance has not yet returned to pre-Covid levels but we will continue to invest in these programmes, to run alongside our outreach in schools.

The planned departure of our youth workers, Brad & Rosie, at the start of the last year was challenging but we are very grateful to church members Andrew & Turid Dinsmore for sustaining our youth ministry, hosting a weekly group.

House groups provided the context for much personal growth. We currently have 11 groups with a total membership of 130, approaching half the overall church membership in and including some whose only connection with KMC is through their house group. For many

Knutsford Methodist Church
Trustees' Annual Report
for the year ended 31st August 2022

their house group is at the heart of what it means to belong to KMC, finding there a source of learning and mutual pastoral care. Our plan is to grow the groups and we actively encourage those new to the church to join a group.

Bereavement care is a vital part of our pastoral ministry. Much appreciated was the annual bereavement service when those who lost loved ones came to light candles in remembrance and hope. Also appreciated is the Pastoral Worker who keeps in touch with those bereaved and sends greetings on significant anniversaries.

A church weekend was held, entitled "Gifts and Graces", encouraging members in their personal growth and service and will be repeated in the current year.

We started the process of becoming an Eco Church, moving us towards a more environmentally sensitive way of living, under the guidance of a Social Responsibility Group. As a visible reminder of our responsibility of stewardship of God's creation, we created this year a small Eco church garden.

Service

Our town centre location, opening directly on to one of the town's main shopping streets, is important, helping us to engage with public events and provide the public with a sanctuary, a solemn space, a warm space and the opportunity for private prayer.

KMC is well-placed as a meeting and networking hub and part of our ministry and service to the community is making available rooms to external organisations.

Although a 'wealthy' area, there are pockets of deprivation, including real food poverty. KMC members continued to play their part in addressing these needs, offering their individual gifts and support to 2 linked charities: 'Hope Central' (operating a busy food bank and other services) and 'The Welcome'. The Welcome Methodist Church used to minister to the many social and spiritual needs in its catchment area but has now ceased to meet and KMC has taken on this ministry. We continue to re-evaluate our responsibilities as a church to minister to this community.

The challenge of dementia within the community is significant and growing. Our "Friendship Café", for those with dementia and their carers, continued as a much appreciated social outreach, manned by church volunteers and recently received a Community Award from Knutsford Town Council.

Through "Jolly Tots" we offered a weekly group for parents and guardians with pre-school children, providing a forum for developing new relationships and enhancing existing ones. There is clearly a strong demand for this ministry and we are currently close to the limit of numbers we can accommodate.

A new development has been "Renew@KMC", introduced in August 2022, in response to the need for people to spend time together after prolonged isolation during lockdowns and shielding. This provides a weekly drop-in space, where anyone and everyone can belong

Knutsford Methodist Church
Trustees' Annual Report
for the year ended 31st August 2022

and feel at home. This is now receiving referrals from the local social prescriber for the town's medical practices, seeking support for patients with mental health struggles.

KMC supports other organisations and charities addressing social and faith issues which align with our own objectives, by facilitating fundraising collections for them and by direct grants. In the current year we are enhancing this by selecting 2 specific charities, one UK and one overseas, to provide more focused prayer and financial and practical support. Hope Central has now been identified as our UK charity and we will develop our relationship with it in the current year.

Our support last year included:

- Embassy Village (addressing homelessness in Greater Manchester)
- Hope Central (relief of food poverty and other practical support in NE Cheshire)
- Methodist Church Mission in Britain
- SIM (Christians serving in mission around the world; for us a specific focus on developing dental facilities in Liberia)
- Tearfund (partnering with churches in more than 50 of the world's poorest countries to tackle poverty and injustice)
- The Welcome Charity (providing a range of services to the residents of Longridge and Shaw Heath in Knutsford)
- Wood Street Mission (improving the life chances of children and families living in poverty in the Manchester area)

Members of KMC give generously to many local, national and international causes, financially and through service. A prime example is Hope Through Action, helping young people in South Africa develop their potential, with a number of church members appointed as trustees. The church supports and encourages all its members in these personal commitments.

Evangelism

As a believer in "every member ministry", we see evangelism as a natural activity of church members personally in their own networks, as they seek to model a Christian lifestyle.

Corporately we will offer an Alpha course in the current year, having had to suspend these during the pandemic.

A major activity sponsored by KMC under this heading is:

Zac's Kingdom Community

Initially presented as a 5 year project, this is a pioneering initiative started in 2018 in the nearby town of Northwich, which has a significant proportion of its population living in areas in the top 20% of the UK's Index of Multiple Deprivation. Crossing Methodist boundaries, the project was effectively a partnership between our Circuit and the Mid Cheshire Circuit but with governance and overall responsibility resting with KMC.

Knutsford Methodist Church
Trustees' Annual Report
for the year ended 31st August 2022

The Methodist Church centrally provided grants for an initial 3 year period, sufficient to cover operating costs in this period. Revd Neal Stanton, an experienced Pioneer Pastor, was appointed to lead the project.

Premises are leased in the main shopping street, providing a community hub with a drop-in wellbeing café - Hope52. Some services are held in the Northwich Methodist Outreach Centre, but overall an innovative approach has been adopted, using a range of locations and offering also live broadcasts through social media. "Membership" of Zac's is a more fluid concept than that of KMC in Knutsford, flowing from participating in any of its varied activities.

On the principle that international church informs local mission, Neal has led teams on several visits to Uganda, encouraging mission partners and charities there, notably FACT (Future after child trauma).

Zac's was inevitably challenged by the Covid-19 lockdown but sustained an impressive range of outreach activities last year, including a mentoring service to students at a local high school. A notable initiative was 'Boxes of Hope', delivered to local families in need, working with Cheshire Food Hub and Fareshare.

The vision was to create a self-sustaining community but recognising that, certainly for the initial 5 years, it would be reliant on external grant income. Although the Methodist Church centrally had indicated that it could be approached for support beyond the initial 3 years, the financial impact of Covid then caused it to suspend any such applications. Increased funding from the 2 Methodist Districts and Circuits involved has not been a full replacement but sustained the project in year 4 (2021/22) and will provide sufficient funds for Year 5.

In the autumn KMC trustees held a special Council to debate the future as we moved towards the conclusion of the initial 5 year term, recognising that the current structure and financing model could not be sustained beyond this. We affirmed the work being done to take the love of God to the people of Northwich and the wider community but believed that KMC was not in the best position to nurture the work going forward, nor had the capacity to resource the leadership needed. We came to the difficult decision that from 1st September 2023 we would relinquish our role as trustees of the Community. For the remainder of the current financial year we would maintain our support and financial commitment to the Community and those it serves, whilst exploring with others the potential for finding a new future for Zac's.

FINANCIAL REVIEW

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

Zac's Kingdom Community – restricted funds

Year 4 of the project recorded a deficit of £27k, slightly less than budget. The bulk of costs are fixed, in the form of stipend, salary and rent although expenditure fell compared with the previous year when youth workers were employed. With central support from the Methodist

Knutsford Methodist Church
Trustees' Annual Report
for the year ended 31st August 2022

Church no longer available, grant income fell by £50k whilst some growth was seen in the regular giving of community members. Closing funds were higher than expected at £40k.

Although a similar deficit is expected in the year to the end of August 2023, the position of Zac's is secure until then, beyond which KMC's responsibilities will cease.

The Welcome – designated funds

Financial activity remained modest, with a £5k donation from the Circuit passed through to the Welcome Charity, together with regular giving/donations from longstanding supporters. Funds held at the year-end grew to £28k.

We continue to work up our strategy for their use in its area of Knutsford.

Core Knutsford operations – primarily unrestricted funds

Major costs such as the Circuit Assessment and salaries were as expected but premises costs were significantly higher, a combination of unforeseen repairs and increased energy costs (although we were able to achieve a reasonable fix of these).

We were encouraged that church members sustained their regular and committed giving with some growth seen. Rental income recovered strongly after the lockdown and donations remained a significant source of income. Overall we achieved a lower than budgeted deficit of £21k.

In the current year we will be challenged by rising inflation across our cost base, whilst the Quinquennial Inspection of the building may well throw up the need for remedial works. However we have been able to budget for a small surplus, due mainly to a reduced Circuit Assessment, reflecting the lower number of Ministers in post.

Reserves policy

The capacity of the trustees to reduce expenditure and/or find new sources of income is limited in the short term. Expenditure is managed to agreed budgets, although a 150-year-old building can provide unexpected challenges and unforeseen falls in income can occur. Reserves provide a margin of safety and enhance security of employment.

The current policy is to hold between 3 and 6 months' budgeted expenditure in unrestricted liquid reserves (excluding designated funds). These are primarily invested with the Central Board of Finance of the Methodist Church. At the year-end we held unrestricted funds of £115k, equating to nearly 6 months of expenditure, well within our policy range.

GOVERNANCE AND LEADERSHIP

KMC's governing documents are the Methodist Church Act 1976 and the Constitutional Practice and Discipline (CPD) of the Methodist Church. Its Council has authority over all the church's ministry and met on 4 occasions during the year, supported by various committees.

Knutsford Methodist Church
Trustees' Annual Report
for the year ended 31st August 2022

Members of the Council are the Managing Trustees of the charity but have no beneficial interest.

Appointment to Council is primarily by election by the church members at the annual General Church Meeting (serving for a maximum period of 6 years), together with a number of ex-officio members. During the year 11 trustees were also trustees of the Circuit, which is responsible *inter alia* for ministers' stipends and housing, funding these by raising assessments on its constituent churches.

Trustees are supported in their understanding of the role and responsibilities, in particular on first appointment, using guidance issued by the Methodist Church nationally. Any conflicts of interest are properly declared in Council meetings in line with our formal policy.

Following decisions by the Methodist Church Conference, Knutsford Methodist Church Council this year debated carefully and prayerfully whether to consent to the KMC building being registered for the solemnization of marriages of same-sex couples and approved this by a clear majority, indicating the churches desire to be an inclusive and welcoming space for all people. Prior to this, one of the Circuit Ministers, Rev Scott Manning had signalled his opposition to the national decision and resigned as a Minister in the Methodist Church. A relatively small number of members left KMC but the majority of members continue to love and care for one another and work together, while recognising the theological differences within our church community.

Chairing the Council is Revd Alan Bradley, appointed as Superintendent of the Circuit, with particular responsibility for KMC, on 1st September 2020. In his 2nd year in post, he again faced the challenge brought about by Covid-19 to established ways of "being church". At the start of the year he was supported in the Circuit by Revd Scott Manning and Revd Sue Swires but the resignation of Scott and retirement of Sue at the end of the year inevitably placed him under considerable pressure. Helping absorb the pressures were our team of appointed local preachers, a Circuit Worship team and "Services by local arrangement", organised and led by KMC members.

The situation was also eased by the experienced Revd Nick Thompson joining the Circuit ministry team on 1 September 2022, whilst additional support is being provided by Rev Rod Hill, a part-time supernumerary Minister. The intention is also to seek an additional probationer Minister to return the Circuit nearer to its normal complement from 1st September 2023 although this is not guaranteed.

Revd Neal Stanton serves KMC primarily in the specialist role of building and leading Zac's in Northwich.

Working with the Minister are elected Church Stewards, drawn from lay members of the church, split between a Leadership team (elected at the annual church meeting) covering the overall direction and management of the church and a team resourcing worship services and events.

Knutsford Methodist Church
Trustees' Annual Report
for the year ended 31st August 2022

We also have a team of gifted and committed paid members of staff. They are authorised by CPD to be members of the Council but take no part in any discussion on the terms of their employment. Administrative staff are employed directly by KMC whilst other staff (defined as 'lay workers') are employed by the Circuit, with their costs charged directly to KMC or indirectly via the assessment process, depending on their role.

We record our thanks to Brad and Rosie, previously on a short term contract as Youth and Community workers, who left us at the start of the year.

During the year the staff team was augmented by Liz McGrath as Pastoral Worker, providing support in particular to our Minister. Her costs are shared across the Circuit through the assessment.

Risk management

The trustees recognise that it is neither possible nor appropriate to seek to eliminate risk entirely. Risk-taking is inherent within the task of communicating and living out the Gospel and we are prepared to embrace risks which aim to advance KMC's core purposes, whilst minimising those that might have a negative impact.

Flowing from this the trustees have approved a range of policies, reviewed regularly.

In particular the trustees take their responsibility for safeguarding young people and vulnerable adults very seriously and the Safeguarding Officer is a trustee. Our comprehensive policy, compliant with national guidelines, is reviewed and adopted annually. A Domestic Abuse Charter issued by the Methodist Church has also been adopted.

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

Determining the way forward for Zac's Kingdom Community as we move towards relinquishing our governance responsibilities will be a key focus this year.

We will strive to be a more invitational church – inviting people to worship, to find community, to encounter Jesus' love, to make a difference.

Knutsford Methodist Church
Trustees' Annual Report
for the year ended 31st August 2022

An Alpha course will be launched in the New Year.

Having identified Hope Central as our linked local charity, we will identify a suitable overseas partner.

We will seek to build on our relationship with local schools and take advantage of the many opportunities opening up. We will resume parenting classes.

We will invest further in the Renew@KMC initiative in view of the clear demand in the community.

We will refresh governance training for the trustees.

The trustees have due regard to the guidance published by the Charity Commission and consider they have complied with the “public benefit requirement” as defined by the Charities Act 2011 in the year ended 31st August 2022 and that our range of programmes will continue to deliver this in the current year.

Acknowledgements

The trustees acknowledge the leadership of all who ministered to us during the last year: our appointed Ministers, visiting ministers, worship leaders and authorised Local Preachers. We pay tribute to the professionalism and commitment of our staff team. We also acknowledge the contribution of all those who volunteer in any role, without which the mission and ministry of the church could not be sustained.

Reverend Alan Bradley
Minister
Date.....15/03/2023

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 August 2022 which are set out on pages 13 to 28.

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.....11/04/2023.....

Knutsford Methodist Church
Statement of Financial Activities
for the year ended 31 August 2022

	Note	Unrestricted funds £	Restricted funds £	Total funds 2022 £	Total funds 2021 £
Income from:					
Donations and legacies	3	206,090	13,976	220,066	283,488
Charitable activities	4	-	27,500	27,500	82,212
Other trading activities	5	30,029	-	30,029	5,597
Investments	6	425	115	540	196
Other Income	7	5,415	-	5,415	529
Total income		241,959	41,591	283,550	372,022
Expenditure on:					
Charitable activities	8	256,461	75,087	331,548	315,920
Total expenditure		256,461	75,087	331,548	315,920
Net income/(expenditure) for the year	12	(14,502)	(33,496)	(47,998)	56,102
Transfer between funds		(4,433)	4,433	-	-
Net movement in funds for the year		(18,935)	(29,063)	(47,998)	56,102
Reconciliation of funds					
Total funds brought forward		3,051,536	75,167	3,126,703	3,070,601
Total funds carried forward		3,032,601	46,104	3,078,705	3,126,703

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 2022

	Note	2022	2021
		£	£
Fixed assets			
Tangible assets	15	2,889,756	2,890,502
Total fixed assets		2,889,756	2,890,502
Current assets			
Debtors	16	31,287	31,685
Cash at bank and in hand	17	159,928	207,579
Total current assets		191,215	239,264
Liabilities			
Creditors: amounts falling due in less than one year	18	(2,266)	(3,063)
Net current assets		188,949	236,201
Net assets		3,078,705	3,126,703
Funds of the charity:			
Restricted income funds	19	46,104	75,167
Unrestricted income funds	20	3,032,601	3,051,536
Total charity funds		3,078,705	3,126,703

The notes on pages 16 to 28 form part of these accounts.

Approved by the trustees on 15/04/2023 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 2022

	Note	2022 £	2021 £
Cash provided by/(used in) operating activities	22	(43,254)	53,904
<i>Cash flows from investing activities:</i>			
Interest		540	196
Purchase of tangible fixed assets		(4,937)	-
Cash provided by/(used in) investing activities		(4,397)	196
Increase/(decrease) in cash and cash equivalents in the year		(47,651)	54,100
Cash and cash equivalents at the beginning of the year		207,579	153,479
Cash and cash equivalents at the end of the year		159,928	207,579

Knutsford Methodist Church

Notes to the accounts for the year ended 31 August 2022

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.

Knutsford Methodist Church

Notes to the accounts for the year ended 31 August 2022 (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 and not depreciated
Office fixtures and fittings	10 years
Equipment	3 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 2022 (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 2022 £
Offerings	144,239	9,760	153,999
Donations	28,653	2,416	31,069
Gift Aid	33,198	1,800	34,998
Total	206,090	13,976	220,066

Previous reporting period

	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

4 Income from charitable activities

	Unrestricted £	Restricted £	Total 2022 £	Total 2021 £
Grant Income	-	27,500	27,500	82,212
Total	-	27,500	27,500	82,212
<i>Total by fund 31 August 2021</i>	<i>-</i>	<i>82,212</i>	<i>82,212</i>	

Knutsford Methodist Church

Notes to the accounts for the year ended 31 August 2022 (continued)

5 Income from other trading activities

	Unrestricted £	Restricted £	2022 £
Lettings Income	28,808	-	28,808
Refreshments	181	-	181
Other fees	1,040	-	1,040
Total	30,029	-	30,029

Previous reporting period

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

6 Investment income

	Unrestricted £	Restricted £	Total 2022 £	Total 2021 £
Income from bank deposits	425	115	540	196
	425	115	540	196
<i>Total by fund 31 August 2021</i>	<i>117</i>	<i>79</i>	<i>196</i>	

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

7 Other Income

	Unrestricted £	Restricted £	2022 £	2021 £
Other Income	5,415	-	5,415	529
	5,415	-	5,415	529
<i>Total by fund 31 August 2021</i>	<i>529</i>	<i>-</i>	<i>529</i>	

Knutsford Methodist Church

Notes to the accounts for the year ended 31 August 2022 (continued)

8 Analysis of expenditure on charitable activities

	Total 2022 £	Total 2021 £
Staff costs (see note 13)	93,963	95,582
Circuit Assessment	134,842	129,061
Premises Costs	53,508	34,831
Depreciation	5,683	4,242
Administration costs	27,062	39,520
Grants Payable (see note 10)	14,620	10,824
Governance costs (see note 9)	1,870	1,860
	<hr/>	<hr/>
	331,548	315,920
	<hr/>	<hr/>
	2022 £	2021 £
Restricted expenditure	75,087	82,049
Unrestricted expenditure	256,461	233,871
	<hr/>	<hr/>
	331,548	315,920
	<hr/>	<hr/>

9 Analysis of governance costs

	2022 £	2021 £
Accountancy services (incl. VAT)	1,860	1,860
	<hr/>	<hr/>
	1,860	1,860
	<hr/>	<hr/>

Knutsford Methodist Church

Notes to the accounts for the year ended 31 August 2022 (continued)

10 Grant making activities

Name of institution	2022 £	2021 £
Methodist Church World Mission	3,000	1,500
Methodist Church Mission in Britain	3,000	1,500
Methodist Church Property Fund	2,000	1,000
Support Fund for Presbyters/Deacons	1,120	560
Leaders of Worship/Preachers Trust	500	250
The Welcome Charity	5,000	5,000
District Partnership fund	-	1,014
	<hr/>	<hr/>
	14,620	10,824
	<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 2021	Amounts received	Amounts paid out	Balance held at 31 August 2022
Hampers of Hope	-	53	(53)	-
Mission in Britain	-	77	(77)	-
Tearfund	-	262	(262)	-
	<hr/>	<hr/>	<hr/>	<hr/>
Total	-	392	(392)	-
	<hr/>	<hr/>	<hr/>	<hr/>

Knutsford Methodist Church

Notes to the accounts for the year ended 31 August 2022 (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	-	50	(50)	-
Christian Aid	-	50	(50)	-
Hampers of Hope	-	100	(100)	-
JMA	-	5	(5)	-
Total	-	205	(205)	-

12 Net income for the year

This is stated after charging:

	2022	2021
	£	£
Depreciation	5,683	4,245
IE's remuneration - accountancy fees (excl. VAT)	1,100	1,100
Independent examiner's fees (excl. VAT)	450	450

13 Staff costs

Staff costs during the year were as follows:

	2022	2021
	£	£
Wages and salaries	31,946	30,765
Pension costs	1,467	1,406
Costs of Layworkers and Pioneer Pastor, Zac's House	60,550	63,411
	93,963	95,582

No employee has employee benefits in excess of £60,000 (2021: Nil).

The average number of staff employed during the period was 4 (2021: 4).

The key management personnel of the charity comprise the trustees. The total employee benefits of the key management personnel of the charity were £17,935 (2021: £16,824).

Knutsford Methodist Church

Notes to the accounts for the year ended 31 August 2022 (continued)

14 Trustee remuneration and expenses, and related party transactions

Amanda Vickers and Jo Wallwork, trustees who are also employees, received total remuneration of £17,935 in the year (2021: £16,824).

4 (2021:2) members of the council received travel and subsistence expenses during the year of £2,284 (2021:£1,150).

Aggregate donations without conditions from related parties were £41,629 (2021: £42,449).

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 (2021: 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 2021/22 was £134,842 (2020/21 £129,061).

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 £46,484 in the year (2021: £51,797) and reimbursement of expenses of £2,113 (2021: £1,475), 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 2022 (continued)

15 Fixed assets: tangible assets

Cost	Building	Furniture £	Equipment £	Total £
At 1 September 2021	2,870,187	31,031	3,418	2,904,636
Additions	-	-	4,937	4,937
Adjustments	-	-	-	-
	<hr/>	<hr/>	<hr/>	<hr/>
At 31 August 2022	2,870,187	31,031	8,355	2,909,573
	<hr/>	<hr/>	<hr/>	<hr/>
Depreciation				
At 1 September 2021	-	11,639	2,495	14,134
Charge for the year	-	3,103	2,580	5,683
	<hr/>	<hr/>	<hr/>	<hr/>
At 31 August 2022	-	14,742	5,075	19,817
	<hr/>	<hr/>	<hr/>	<hr/>
Net book value				
At 31 August 2022	2,870,187	16,289	3,280	2,889,756
	<hr/>	<hr/>	<hr/>	<hr/>
At 31 August 2021	2,870,187	19,392	923	2,890,502
	<hr/>	<hr/>	<hr/>	<hr/>

16 Debtors

	2022 £	2021 £
Trade debtors	-	830
Other debtors	12,717	12,160
Prepayments and accrued income	18,570	18,695
	<hr/>	<hr/>
	31,287	31,685
	<hr/>	<hr/>

17 Cash at bank and in hand

	2022 £	2021 £
Cash at bank and on hand	159,928	207,579
	<hr/>	<hr/>
	159,928	207,579
	<hr/>	<hr/>

Knutsford Methodist Church

Notes to the accounts for the year ended 31 August 2022 (continued)

18 Creditors: amounts falling due within one year

	2022 £	2021 £
Accruals	2,088	2,846
Taxation and social security costs	178	217
	<hr/>	<hr/>
	2,266	3,063
	<hr/>	<hr/>

19 Analysis of movements in restricted funds

	Balance at 1 September 2021 £	Income £	Expenditure £	Transfers £	Balance at 31 August 2022 £
Northwich Initiative (Zac's House)	67,261	40,375	(72,485)	5,000	40,151
Friendship Café	4,738	1,216	(2,302)	-	3,652
Benevolent Fund	2,601	-	(300)	-	2,301
Tuesday Fellowship	567	-	-	(567)	-
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
Total	75,167	41,591	(75,087)	4,433	46,104
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>

The transfer in to Zac's House is in respect of an internal grant given from KMC to Zac's.

Previous reporting period

	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
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
Total	59,848	97,368	(82,049)	-	75,167
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>

Name of Fund

Benevolent Fund
(Internal
Organisation)
Refurbishment
Project
Zac's House
Friendship Café

Description

Payments are made to alleviate crisis situations faced by individuals, both members and non-members of the church, who have a demonstrated need.

This includes the refurbishment of the church toilet facilities and the Youth room.

Zac's House is a church plant in Northwich, Cheshire.

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 2022 (continued)

20 Analysis of movement in unrestricted funds

	Balance at 1 September 2021 £	Income £	Expenditure £	Transfers £	As at 31 August 2022 £
General fund	3,025,731	234,645	(251,445)	(4,433)	3,004,498
The Welcome Church	25,805	7,314	(5,016)	-	28,103
	<u>3,051,536</u>	<u>241,959</u>	<u>(256,461)</u>	<u>(4,433)</u>	<u>3,032,601</u>

Previous reporting period

	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	-	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>

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	2,889,756	-	-	2,889,756
Other net current assets/(liabilities)	114,742	28,103	46,104	188,949
	<u>3,004,498</u>	<u>28,103</u>	<u>46,104</u>	<u>3,078,705</u>

Previous reporting period

	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>

Knutsford Methodist Church

Notes to the accounts for the year ended 31 August 2022 (continued)

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

	2022 £	2021 £
Net income/(expenditure) for the year	(47,998)	56,102
Adjustments for:		
Depreciation charge	5,683	4,245
Dividends, interest and rents from investments	(540)	(196)
Decrease/(increase) in debtors	398	(906)
Increase/(decrease) in creditors	(797)	(5,341)
	<hr/>	<hr/>
Net cash provided by/(used in) operating activities	(43,254)	53,904
	<hr/>	<hr/>

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		268,687	14,801	283,488	196,307
Charitable activities		-	82,212	82,212	78,060
Other trading activities		5,321	276	5,597	13,096
Investments		117	79	196	932
Other Income		529	-	529	34,882
Total income		274,654	97,368	372,022	323,277
Expenditure on:					
Charitable activities		233,871	82,049	315,920	326,549
Total expenditure		233,871	82,049	315,920	326,549
Net income/(expenditure) for the year		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.