

REGISTERED CHARITY NUMBER 1134270

Report of the Trustees
for the Year ended 31 August 2023
for
United Stockport Circuit

United Stockport Circuit
Report of the Trustees
for the Year Ended 31 August 2023

The trustees present their report with the financial statements of the charity for the year ended 31 August 2023. The trustees have adopted the provisions of the Charities Act 2011 and the Charities 'Statement of Recommended Practice (SORP) 2015' as applicable to the Financial Reporting Standard (FRSSE) 2015.

REFERENCE AND ADMINISTRATIVE DETAILS

Registered Charity number 1134270

Principal address

United Stockport Circuit
Circuit Office
Tiviot Dale Methodist Church
Tiviot Dale
Stockport
SK1 1TA

Trustees

The members of the Circuit Meeting are the Charity Trustees. A full list of trustees is at Annex A to this report.

Accountant and Auditor

McKellens Limited
Chartered Accountants
11 Riverview
The Embankment Business Park
Vale Road
Heaton Mersey
Stockport
SK4 3GN

Advisers

The charity's investment managers are:

The Trustees for Methodist Church Purposes, Central Buildings, Oldham Street, Manchester M1 1JQ.
The Central Finance Board of the Methodist Church, 9 Bonhill Street, London, EC2A 4PE

The following ministers acted throughout the year:

Rev. Catherine Bird (Superintendent)
Rev. Lindsay Kemp
Rev. Dr. Raj Patta
Rev. Dr. Katharine Smith
Deacon Janet Amey
Deacon Annette Sharp

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STRUCTURE, GOVERNANCE AND MANAGEMENT

Governing document

The charity is controlled by its governing document, a deed of trust, and constitutes an unincorporated charity.

The charitable trust is constituted by the Deed of Union 1932, the Methodist Church Act 1976, is part of the Methodist Church of UK. The trustees listed have served throughout the year. Appointment of trustees is governed by the Methodist Church Act 1976. The Managing Trustees of Churches and the Circuit are empowered by our Standing Orders to appoint new trustees and to fill vacancies arising through resignation or death of an existing trustee.

Circuit Managing Trustees have regular meetings where the Circuit's main areas of activity and by extension the aims of the charity are discussed and agreed. The day-to-day functioning of the circuit is governed by Standing Orders as set out in the Constitution, Practice and Discipline of the Methodist Church. The charitable trust is registered with the Charity Commission.

FINANCIAL REVIEW

Overview

Over the last year, the Circuit has begun a process of consultation to assist the Circuit as we look to the future. 'Managing Change and Making Choices' is involving a strategic look at the fundamental building blocks of the Circuit – our local churches, our staff, our buildings and our finances. The consultation has emerged from an evolving understanding that the Circuit has been running at a significant deficit in order to fund ongoing ministry and that in the longer term the Circuit will be needing to consider how to reduce overall costs and/or raise more income. A number of factors are significant here:

- It is recognised that the trustees have placed an over-reliance upon the knowledge that impending property sales would release significant assets.
- Trustees have been more short-term rather than long-term focussed (e.g. we have enough money to pay for something now but not considering well enough the ongoing costs).
- With the combination of three circuits, our mission and ministry (and consequently financial operation) grew very quickly and we were not well enough prepared.
- As soon as trustees realised that things were not as stable/positive as we had considered, we engaged Transforming Churches and Communities to offer support in the day-to-day management of making and processing payments and salaries and formed a finance group so that the day to day burden of financial oversight did not fall on one person (recognising that as Trustees we are collectively responsible for the finance, with a collective duty of scrutiny) and to offer a way forward which has been agreed by the trustees.

The resulting financial plan gives the Circuit a sound financial basis over the next three years at least – we can maintain our ministry and meet our commitments – but this is a catalyst for us to think about how we shape our ministry moving forward – not just making 'cuts' but how we can make sure that we have a ministry that is impactful and effective and meaningful, that doesn't drive anyone into the ground with overwork and that is realistic in terms of the situation of the wider Methodist Church in terms of the extent to which ordained ministry can be provided.

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Report of the Trustees
for the Year Ended 31 August 2023

Ministerial stipends remained the same during the year. The Circuit has continued to employ two part-time lay employees as Circuit Administration Manager and Circuit Premises Administration Support Worker.

The manse at Mile End Lane has been vacant pending the arrival (due later in 2023) of the refugee family under the refugee community sponsorship scheme.

The sale of Stiles Avenue has progressed slowly, and an extension is to be sought on the term of the bridging loan from MCA Limited. The sales of St Johns MC and Trinity MC are expected to complete in the next Connexional year.

The total assessment levied on the churches was £298,047. The Circuit made an overall loss in the year of £1,686,095. The total income and expenditure account for the year is detailed in the financial statements.

Following guidance from the Methodist Church, properties managed by the Circuit were restated at cost, where known, or Deemed Cost. This resulted in a reduction in the value of properties as shown in the prior year's accounts of £1,998,814.

In September 2023, after the end of this financial year, St John's Methodist Church was sold for significantly less than its Deemed Cost and accordingly an impairment to reduce the value in the accounts was recognised to reflect this.

Following the closure of Jubilee Methodist Church, it was transferred into the Circuit at Deemed Cost. However, a valuation carried out after the year end implied that the value that Jubilee could be sold for was significantly below Deemed Cost and, as such, a significant impairment reducing the value in the accounts was recognised.

The adjustments in respect of properties during the year are so large that they mask the operational income and expenditure of the Circuit. Excluding the property transactions, the income of the Circuit was £453,672 and the expenditure was £725,287, leaving a deficit of £271,624 for the year.

Reserves policy

The Managing Trustees have reviewed the major risks which the charity faces and consider that there are none which would stop the charity from maintaining its objects. Assessments from individual churches have been agreed for the forthcoming year. It is the policy of the charity to maintain unrestricted funds at a reasonable level to cover unforeseen expenses. This provides sufficient funds to cover management and administration and support costs for at least 6 months.

Funds available are sufficient to permit the trust to continue in operation in the medium term, given the agreed assessments of the individual churches and the Connexional nature of its governance. The trustees review the major risks which the charity faces and consider that there are none which would stop the charity from maintaining its objects. Support from individual churches has been promised for the forthcoming year.

Risk management

The trustees have a duty to identify and review the risks to which the charity is exposed and to ensure appropriate controls are in place to provide reasonable assurance against fraud and error.

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Report of the Trustees
for the Year Ended 31 August 2023

Safeguarding

The Circuit is committed to ensuring the implementation of the Connexional Safeguarding Policy, government legislation, guidance, and safe practice in the circuit and in the churches.

Investment Powers

The Methodist Church Act 1976 authorises the trustees to make and hold investments using the general and other funds of the charity, and such investments are presently held and shown within the financial statements at their current value.

OBJECTIVES AND ACTIVITIES

The objectives and aims of the Managing Trustees are to oversee and further the work of the Methodist Church. To this end, those activities which come within the oversight of the Managing Trustees are to provide ministerial oversight, manage circuit property including manses, contribute, as agreed, to District and Connexional assessments and be mindful of development opportunities for the Circuit. In order to do this the Managing Trustees, raise assessments on individual Methodist Churches in the United Stockport area in accordance with Standing Orders. They may also make grants to individual churches for property, Ministry and Mission as permitted and governed by the Standing Orders. The Managing Trustees believe that these activities and the church resources are for the public benefit as, through its work the Managing Trustees enable pastoral ministry, spiritual engagement and contribute to community development in the United Stockport area. The Managing Trustees have noted the Charity Commission's guidance on public benefit.

ACHIEVEMENT AND PERFORMANCE

The United Stockport Circuit continues to oversee a wide range of mission related activities, impacted by the ongoing effects of the global coronavirus pandemic. Its Town Centre premises, known as Tiviot Dale, gradually coming back into use, represent an office and ministry hub for the Circuit and are gradually becoming widely used by members of the public, offering support for marginalized groups and individuals.

The closure and decision to sell a further church building – Jubilee – was regretful but necessary and has led to renewed thinking about the future deployment of ministry in the Circuit.

The Circuit entered the final stages of applying to the Home Office to become a Community Refugee Sponsorship organisation, using a redundant manse property and are preparing to welcome a family from Syria.

The circuit continues the process of working towards becoming an Eco circuit. As well as these initiatives the staff continue to offer wide ranging input of a pastoral and practical nature to local churches, in support of their endeavours to develop good governance and mission outreach. Various fellowship and bible study groups take place as well as work with parents and toddlers. Most church buildings are used to host a wide range of community organisations who benefit from good quality and affordable space. The Circuit works closely within the Manchester and Stockport District of the Methodist Church, and within the structures of the national Methodist Church, benefitting from training, ministry and governance resources.

United Stockport Circuit
Report of the Trustees
for the Year Ended 31 August 2023

A lot of the work in the circuit is done on a voluntary basis and includes that of Circuit and church officers, Local Preachers and Worship Leaders, members, and secretaries of all the church committees and those assisting in running children's work etc. Ministerial and lay staff members, along with volunteers within the church, continue to undergo Safeguarding training and are becoming familiarized with the purpose, procedures and practice of GDPR.

The Circuit has agreed to appoint Transforming Church and Communities to manage day to day circuit finances, and to transfer the current account to CAF Bank with subsequent online facilities to enable the Circuit to monitor our financial activities more effectively.

Having identified the deficit, the trustees are operating intentionally with it for now and will in the next financial year be developing a formal strategy to manage future expenditure. Stipends and salaries have been covered, Circuit property managed and kept in reasonable repair, and external expenses (including the District assessment) covered.

STATEMENT OF TRUSTEES RESPONSIBILITIES

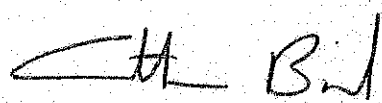
The trustees are responsible for preparing this report and the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

The law applicable to charities in England and Wales, the Charities Act 2011, Charity (Accounts and Reports) Regulations 2008 and the provisions of the trust deed requires the trustees to prepare financial statements for each financial year. The statements must give a true and fair view of the state of affairs of the charity and of the incoming resources and application of resources, including the income and expenditure, of the charity for that period. In preparing those financial statements, the trustees are required to:

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in the Charity SORP;
- make judgements and estimates that are reasonable and prudent;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charity will continue in business.

The trustees are responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the charity and to enable them to ensure that the financial statements comply with the Charities Act 2011, the Charity (Accounts and Reports) Regulations 2008 and the provisions of the trust deed. They are also responsible for safeguarding the assets of the charity and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Approved by order of the Circuit Meeting on 12th December 2024 and signed on its behalf by:



Rev. Catherine Bird

Appendix A

Managing Trustees 2022/23

The trustees are the members of the Circuit Meeting as set out below as at 31 August 2023:

Circuit Staff	Rev. Catherine Bird (Superintendent), Rev. Lindsay Kemp, Rev. Dr. Raj Patta, Rev. Dr. Katharine Smith, Deacon Janet Amey, Deacon Annette Sharp.
Circuit Stewards	Jayne Quinn, Carol Jack, Frank Dean, Sharon Heginbotham, Richard Price, Michael Aspinall
Sec. of Circuit mtg	
Sec. of Preachers' meeting	Liz Delafield
Circuit Treasurer	Sharon Heginbotham
Circuit Property Sec	
Circuit Safeguarding	Hugh McLaughlin
District Rep (Lay)	Andrew Stoker
Davenport	Judith Mottram, Eddie Partington, Colin Lewis
Dialstone Lane	Catriona Stoker, Jane Hollins, Dave Bryant
Edgeley	Mavis Hammond, Penny Ollerenshaw, Margaret Foley
Hazel Grove	Jayne Quinn, Ian Chester, Judith Adshead
Heaton Mersey	Julie Dickson, Sue Ainsworth, Anne Cowlshaw
Heaton Moor	Sue Jones, Deborah Symmons
Marple	Phil Le Sueur, Philip Singleton, Meryl Blackburn
Romiley	John Owens, Jennifer Crutchley, Richard Goodall
The Ridge	Peter Johnson, Bob Ollerenshaw, Janet Fidler
Windlehurst	Bernie Rowlands, Graham Clarke, Helen Stocks
Woodley	John Purves, Lynne Styles, Sue Skidmore

United Stockport Circuit

Independent Auditor's Report to the Trustees of the United Stockport Circuit

Opinion

We have audited the financial statements of the United Stockport Circuit (the 'charity') for the year ended 31 August 2023, which comprise the Statement of Financial Activity, Balance Sheet, Statement of Cash Flows and Notes to the Financial Statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards comprising Charities SORP – FRS 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' (United Kingdom Generally Accepted Accounting Practice) as amended by the requirements of Methodist Conference.

In our opinion the financial statements:

- give a true and fair view of the state of the charity's affairs as at 31 August 2023 and of its income and expenditure for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Charities Act 2011.

Basis for opinion

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

Conclusions relating to going concern

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

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

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

Other information

The other information comprises the information included in the Trustees' Report, other than the financial statements and our auditor's report thereon. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

United Stockport Circuit

Independent Auditor's Report to the Trustees of the United Stockport Circuit

Opinion on other matter prescribed by the Charities Act 2011

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

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

Matters on which we are required to report by exception

In the light of our knowledge and understanding of the charity and its environment obtained in the course of the audit, we have not identified material misstatements in the Trustees' Report.

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

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of Trustees' Remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit; or
- the trustees were not entitled to prepare the financial statements in accordance with the small companies regime and take advantage of the small companies' exemptions in preparing the Trustees' Report.

Responsibilities of trustees

As explained more fully in the Statement of Trustees' Responsibilities [set out on page 8], the trustees are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the trustees determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

Auditor's responsibilities for the audit of the financial statements

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

United Stockport Circuit

Independent Auditor's Report to the Trustees of the United Stockport Circuit

Our approach to identifying and assessing the risks of material misstatement in respect of irregularities, including fraud and non-compliance with laws and regulations, was as follows:

- the engagement partner ensured that the engagement team collectively had the appropriate competence, capabilities and skills to identify or recognise non-compliance with applicable laws and regulations;
- we identified the laws and regulations applicable to the charity through discussions with trustees and other management, and from our knowledge and experience of the charity sector;
- we focused on specific laws and regulations which we considered may have a direct material effect on the financial statements or the operations of the charity, including the Charities Act 2011, taxation legislation and data protection, anti-bribery, employment, environmental and health and safety legislation;
- we assessed the extent of compliance with the laws and regulations identified above through making enquiries of management and inspecting legal correspondence; and
- that identified laws and regulations were communicated within the audit team regularly and the team remained alert to instances of non-compliance throughout the audit.

We assessed the susceptibility of the charity's financial statements to material misstatement, including obtaining an understanding of how fraud might occur, by:

- making enquiries of management as to where they considered there was susceptibility to fraud, their knowledge of actual, suspected and alleged fraud;
- considering the internal controls in place to mitigate risks of fraud and non-compliance with laws and regulations; and
- understanding the design of the charity's remuneration policies.

To address the risk of fraud through management bias and override of controls, we:

- performed analytical procedures to identify and unusual or unexpected relationships;
- tested journal entries to identify unusual transactions;
- assessed whether judgements and assumptions made in determining accounting estimates set were indicative of potential bias; and
- investigated the rationale behind significant or unusual transactions.

In response to the risk of irregularities and non-compliance with laws and regulations, we designed procedures which included, but not limited to:

- agreeing financial statement disclosures to underlying supporting documentation;
- reading the minutes of meetings of those charged with governance;
- enquiring of management as to actual and potential litigation and claims; and
- reviewing correspondence with HMRC, relevant regulators and the charity's legal advisors.

A further description of our responsibilities is available on the Financial Reporting Council's website at: www.frc.org.uk/auditorsresponsibilities. This description forms part of our auditor's report.

United Stockport Circuit

Independent Auditor's Report to the Trustees of the United Stockport Circuit

Use of our report

This report is made solely to the trustees, as a body, in accordance with the Charities Act 2011. Our audit work has been undertaken so that we might state to the trustees those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the charity and the charity's trustees as a body, for our audit work, for this report, or for the opinions we have formed.



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Paul Roper (Senior Statutory Auditor)
McKellens Ltd
11 Riverview
The Embankment Business Park
Vale Road
Heaton Mersey
Stockport
SK4 3GN

26th January 2025

Statement of Financial Activities (SOFA) for the year ended 31 August 2023

	Notes to the accounts	General Fund (Unrestricted)	Circuit Model Trust (Unrestricted)	Designated Funds (unrestricted)	Restricted Funds	Endowment Funds	Total 2022-23
		£	£	£	£	£	£
Income							
1 Donations and legacies		10					10
2 Income from monetary investments		6,003	3,130		623		9,755
3a Income from investment properties		4,850					4,850
3b Income from fixed asset properties		27,143					27,143
4 Assessments on Churches		298,047					298,047
5 Capital Receipts	7	1,579,187	24,245				1,603,432
6 Grants received		1,000					1,000
7 Other charitable Income		13,443					13,443
7a Service		90,920					90,920
7b Sponsorship					8,504		8,504
8 Total income		2,020,603	27,375	-	9,127	-	2,057,104
Expenditure							
9 Grants and donations		2,266					2,266
10 Salaries and associated costs		304,384		36,997			341,381
11 Property maintenance		225,522		7,558			233,080
12 Connexional assessment & model trust levy		-	6,532				6,532
13 District Assessment & Levy		70,818					70,818
14 Depreciation							0
15 Office expenses		25,257					25,257
15a Interest payable				15,885			15,885
16 Other outgoings		24,943	466	3,601	1,058		30,068
17 Total charitable expenditure		653,190	6,998	64,041	1,058	0	725,287
18 Gains/(losses) on monetary investments		-10					-10
19 Gains/(losses) on investment properties							
20 Net income/(expenditure)		1,367,403	20,377	-64,041	8,069	0	1,331,808
21 Transfers between funds	16	-204,000	-160,000	364,000			0
22 Other gains/(losses)	8	-3,017,903					-3,017,903
Prior period adjustment	9						0
23 Net movement in funds		-1,854,500	-139,623	299,959	8,069	0	-1,686,095
24 Total funds brought forward		8,876,280	163,656	150,000	10,528	-	9,200,464
25 Total funds carried forward		7,021,780	24,033	449,959	18,597	-	7,514,369

Statement of Financial Activities (SOFA) for the year ended 31 August 2022

	Notes to the accounts	General Fund (Unrestricted)	Circuit Model Trust (Unrestricted)	Designated Funds (unrestricted)	Restricted Funds	Endowment Funds	Total 2021-22
		£	£	£	£	£	£
Income							
1 Donations and legacies		761					761
2 Income from monetary investments		541		778			1,319
3 Income from investment properties		69,223	157,924				227,147
4 Assessments on Churches		326,523					326,523
5 Capital Receipts		62,255					62,255
6 Grants received		14,941					14,941
7 Other charitable income		138,003	249,351				387,354
8 Total income		612,247	407,275	778	-	-	1,020,300
Expenditure							
9 Grants and donations		4,705	98,101				102,806
10 Salaries and associated costs		188,744					188,744
11 Property maintenance		117,247	52,887				170,134
12 Connexional assessment & model trust levy		109,182					109,182
13 District Assessment & Levy		77,866	50,369				128,235
14 Gas & Electric + New Manse		29,478	262,500				291,978
15 Office expenses		6,780					6,780
16 Other outgoings		50,766	59,170				109,936
17 Total charitable expenditure		584,768	523,027	0	0	0	1,107,795
18 Gains/(losses) on monetary investments		-2,409	271		17		-2,121
19 Gains/(losses) on investment properties		200,565					200,565
20 Net income/(expenditure)		225,635	-115,481	778	17	0	110,949
21 Transfers between funds							0
22 Other gains/(losses)		8,450,213					8,450,213
Prior period adjustment	9	-2,234,142	13,150	-36,721			-2,257,713
23 Net movement in funds		6,441,706	-102,331	-35,943	17	0	6,303,449
24 Total funds brought forward		2,434,574	265,987	185,943	10,511		2,897,015
25 Total funds carried forward		8,876,280	163,656	150,000	10,528	-	9,200,464

Balance Sheet as at 31 August 2023

Notes to the Accounts	General Fund (Unrestricted) £	Circuit Model Trusts (Unrestricted) £	Designated Funds (Unrestricted) £	Restricted Funds £	Endowment Funds £	Totals 2022/23 £	Totals 2021/22 RESTATED £
			Note 12	Note 12			
Fixed Assets							
Circuit Manses & Churches	10	4,495,428				4,495,428	4,495,428
Investment properties	11	3,033,601				3,033,601	4,515,784
Investments						0	
Total fixed assets		7,529,029	0	0	0	7,529,029	9,011,212
Current Assets							
Debtors	12	29,752			0	29,752	29,832
Loans by the Circuit		1,800				1,800	3,600
Investments with TMCP			24,033	11,150		35,183	174,578
Central Finance Board Deposits		22,986	150,000			172,986	186,721
Cash at Bank and in hand		-273,095	299,959	7,447		34,311	71,511
Total current assets		-218,558	24,033	449,959	18,597	274,031	466,242
Current liabilities							
Creditors (due in under 1 year)	13	26,191				26,191	14,490
Grants payable within 2022-23		0				0	
Total current liabilities		26,191	0	0	0	26,191	14,490
Net current assets/liabilities		-244,749	24,033	449,959	18,597	0	451,752
Total assets less current liabilities		7,284,280	24,033	449,959	18,597	0	9,462,964
Long term liabilities (due after more than one year)							
Grants payable after 2022-23		0	0			0	
Loans to the Circuit		262,500				262,500	262,500
Net assets		7,021,780	24,033	449,959	18,597	0	9,200,464
Funds of the Circuit							
General Fund (Unrestricted)		7,021,780				7,021,780	8,876,280
Circuit Model Trust Fund (Unrestricted)			24,033			24,033	163,656
Designated Funds (Unrestricted)			449,959			449,959	150,000
Total Unrestricted Funds						7,495,772	9,189,936
Restricted Funds				18,597		18,597	10,528
Endowment Funds					0	0	0
Total Funds		7,021,780	24,033	449,959	18,597	0	9,200,464

Signed

**Jason
Smith**

Circuit Treasurer

Digitally signed by

Jason Smith

Date: 2025.01.19

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Cash flow statement for the year ended 31 August 2022

		2023	RESTATED 2022
Statement of cash flows	Note	£	£
Cash from operating activities			
Net cash used in operating activities		-148,572	386,009
Cash flows from investing activities			
Dividends, interest and rents from investments		-41,758	-228,466
Proceeds from the sale of property, plant and equipment			
Purchase of property, plant and equipment			-525,000
Purchase of intangible assets			
Proceeds from the sale of investments			
Purchase of investments			
Other			
Net cash provided by investing activities		-41,758	-753,466
Cash flows from financing activities			
New borrowing			262,500
Repayments of borrowing			
Net cash used in financing activities		0	262,500
Change in cash and cash equivalents in the reporting period		-190,330	-104,957
Cash and cash equivalents at the beginning of the reporting period		432,810	537,767
Cash and cash equivalents at the end of the reporting period		242,480	432,810
Reconciliation of net income to net cash flow from operating activities		2023	2022
		£	£
Net income for the reporting period (as per statement of financial activities)		-1,686,095	6,291,689
Adjustments for:			
Depreciation and amortisation charges			
Profit on the sale of fixed assets			
Loss on the sale of fixed assets			
Gains on investments			-200,565
Revaluations of properties			1,998,814
Impairment of investment property		3,017,903	
PYA to P&L re loan			
Capital receipt of church(es) transferred in		-1,535,720	-7,925,213
Dividends, interest and rents from investments		41,758	228,466
Decrease/(increase) in stocks		0	0
(increase)/decrease in debtors		1,881	-21,672
increase/(decrease) in creditors		11,701	14,490
Net cash used in operating activities		-148,572	386,009
Analysis of cash and cash equivalent		2023	2022
		£	£
Cash in hand		34,311	71,511
Short term deposit (less than 3 months)		208,169	361,299
Total cash and cash equivalents		242,480	432,810

Notes to the Accounts

1 Basis of accounting

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 (FRS102) (effective 1 January 2019) - (Charities SORP (FRS102)), the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) and the Charities Act 2011 as modified by the requirements of the Methodist Church.

2 Funds

Unrestricted income funds are general funds that are available for use at the trustees discretion in furtherance of the objectives of the Circuit. The Circuit Model Trust Fund has wide purposes defined in Standing Orders and is categorised as unrestricted.

Designated funds are unrestricted funds set aside for specific purposes at the discretion of the trustees.

Restricted funds are those donated for use in a particular area or for specific purposes, the use of which is restricted to that area or purpose. Details of each material fund are disclosed in the final note to these accounts. Any funds may be represented by more than just cash.

There are no Endowment funds.

3 Accounting policies

Basis

The United Stockport Circuit meets the definition of a public benefit entity under FRS 102. These accounts have been prepared under the historical cost convention with items recognised at cost or transaction value unless otherwise stated in the relevant note(s) to the accounts.

In the prior period, the accounts were prepared on a cash basis. In this year the accounts have been prepared on an accruals basis. The accounting policy "Prior Period Adjustment" includes further details regarding how this change has impacted the figures included in the accounts.

Consolidation

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

Going concern

Despite ongoing deficits, the charity has substantial reserves and high levels of assets. The trustees are confident that the charity can continue to operate for a number of years.

Incoming Resources

Income is included in the Statement of Financial Activities (SOFA) when the Circuit becomes entitled to the resources, and the trustees are reasonably certain they will receive the resources; and the monetary value can be measured with sufficient reliability.

Resources Expended

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

VAT

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

Notes to the Accounts

3 Accounting policies continued...

Grants

Grants made by the Circuit from its own funds are recognised in full at the time of agreement or when the Circuit accepts that there is a legal or operational obligation to make the payment.

Pensions

The accounts include costs relating to pension contributions for the year of £46,834 on behalf of employees. Two schemes were contributed to: payments of £5,182 to a defined contribution scheme for layworkers and £41,651 to the Methodist Ministers Pension Scheme (MMPS), a defined benefit scheme for ministers.

For the defined contribution scheme, the charity has no liability beyond making its contributions and paying across the deductions for the employee's contributions.

The MMPS should be accounted for as a group plan as all the participating employers, namely the circuits and Council, are under the common control of the Conference. Because it is part of a multi-employer scheme and the information specific to this charity is not available, the payments have also been accounted for as a defined contribution scheme in accordance with the Charities SORP.

At the last triennial valuation 31 August 2020, the Methodist Ministers Pension Scheme was in deficit by £14m. The Methodist Council agreed a recovery plan and long term funding objective for the Scheme in April 2022. The Recovery Plan consists of conditional payments over 6 years funded from the Pension Reserve Fund of The Methodist Church in Great Britain. There is no contractual agreement or stated policy for charging the defined benefit costs of the plan as a whole to individual circuits and other participating employers; such decision would be made by the Conference.

Ministers' manse costs

The Circuit is required to provide accommodations for each Minister in the Circuit and their families and this is seen as a benefit to the Circuit. Ministers are expected to occupy the manse provided for them. The Circuit bears the cost of repairs, maintenance, buildings insurance, Council Tax and water charges. These figures are not separately disclosed as benefits in kind for ministers as HMRC does not seek to tax these receipts in the hands of ministers.

Tangible fixed assets for use by the Circuit

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

Properties are shown in the accounts at cost or, when cost is not known, at 'Deemed Cost'. Guidance issued by the Methodist Church in October 2019 "Accounting for Tangible Fixed Assets" states that Deemed Cost is the insured value at 1st September 2015. The land component is not given as a separate amount.

No depreciation is provided on the buildings because the trustees consider the current residual fair value of the buildings (on the assumption that they had reached the end of their useful economic lives by the year-end) to be not less than the current value. Any depreciation would not be material. The properties have been reviewed for impairment.

Investment Properties

From time to time the Circuit may be required to assume responsibility for Church premises following closure and cessation of worship. This resulting in the Circuit becoming Managing Trustees for the property. This property is included in the accounts as investment property until the future of the property is determined or the property is sold. Properties are included at the lower of cost and realisable value. When cost is not known, properties are included at 'Deemed Cost' using the same principles for calculating Deemed Cost as noted in the Tangible Fixed Assets accounting policy above. Investment properties are reviewed for impairment.

Investments

Investments are valued in the balance sheet at market value at the year end. Investment income is included in the accounts when receivable and any gains or losses on revaluation at the year end are shown in the SOFA.

Notes to the Accounts

4 Payment to Trustees and related party transactions

There were no payments made to trustees for additional services provided to the Circuit by agreement with the Circuit Meeting. This excludes stipends.

Trustee expenses

	2022/23	2021/22
Number of Trustees	12	
Total amount	£9,182	

Expense payments primarily relate to reimbursement for travel, circuit administration costs and property costs.

The Circuit has engaged the bookkeeping services of 'Transforming Churches and Communities ("TCC")', a charity piloted by the Methodist Church of Great Britain and formed as a new independent organisation. C Bird, a trustee of the Circuit, is also a trustee of TCC. During 2022/23, fees of £8,250 were payable to TCC.

C Bird is also a trustee of the Manchester and Stockport District, to whom the district assessment is payable each year. The Manchester and Stockport District made a contribution of £13,318 to the charity in respect of time committed by C Bird to her work with the District.

5 Fees for examination or audit of the accounts

	2022/23	2021/22
	£	£
Independent examiner's or auditors' fees for reporting on the accounts	3,900	0
Other fees (eg: advice, accountancy services) paid to the independent examiner or auditor	NIL	NIL

6 Paid employees

Staff Costs paid during the year were:	2022/23	2021/22
Gross wages, salaries and benefits in kind	£ 266,422	
Employer's National Insurance costs	£ 22,419	
Pension costs	£ 46,834	
Total staff costs	£ 335,675	

Average number of employees in the year were: 13

7 Capital Receipts

Capital receipts includes £1,535,720 being the Deemed Cost of Jubilee Church, Marple which came under the managing trusteeship of the Circuit during the year. Also included are amounts in respect of the closure of the bank account held by Trinity Church and the Circuit's share of funds on the closure of Christ Church Reddish.

8 Other gains/(losses)

Other gains/(losses) relates to impairments in value that have been recognised in respect of St John's Church and Jubilee Church, Marple. St John's Church was sold shortly after the year end and the impairment recognises the sale proceeds received. A valuation of Jubilee Church was undertaken in January 2024 and an impairment recognised to reflect this valuation.

Notes to the Accounts

9 Prior period adjustment

It became apparent during the year that, that the Churches and Manses had been valued and included in the Balance Sheet at their current insured value which is not in accordance with the guidance issued by the Methodist Church in October 2019 "Accounting for Tangible Fixed Assets".

This guidance requires Churches and Manses to be valued at original cost or, where this is not ascertainable, at Deemed Cost (the insured value at 1st September 2015).

The value of the Churches and Manses held has now been restated and this reflected in both the current and previous years balances.

In the prior year's accounts, all churches under the managing trusteeship of the Circuit had been included as investment properties. An adjustment has been included in the accounts to reclassify Tiviot Dale Methodist Church as a fixed asset as this is considered to be more appropriate given the ongoing operation of this church. Other churches under the managing trusteeship of the Circuit had been transferred following closure of the churches and their classification has not altered.

As noted earlier in the accounting policy documenting the basis on which the accounts are prepared, last year's accounts were prepared on a cash basis. This year, the accounting policy has changed and the accounts have been prepared on an accruals basis. The 2021/22 Statement of Financial Activities and Balance Sheet have been restated and prepared on an accruals basis. This restatement has increased the 2021/22 surplus of income in excess of expenditure by £11,760 to £6,303,449 and the net assets at 31 August 2022 by £11,760 to £9,200,464.

10 Tangible Fixed Assets

Cost or valuation

	Churches	Manses	Other buildings	Fixtures, fittings and equipment	Payments on account and assets under construction	Total
	£	£	£	£	£	£
Balance brought forward	1,960,975	2,534,453	-	-	-	4,495,428
Additions	-	-	-	-	-	-
Revaluations (+/-)	-	-	-	-	-	-
Impairment (-)	-	-	-	-	-	-
Disposals (-)	-	-	-	-	-	-
Transfers* (+/-)	-	-	-	-	-	-
Balance carried forward	1,960,975	2,534,453	-	-	-	4,495,428

Accumulated depreciation

Balance brought forward	-	-	-	-	-	-
Depreciation charge for year (-)	-	-	-	-	-	-
Revaluations (+/-)	-	-	-	-	-	-
Disposals (-)	-	-	-	-	-	-
Transfers* (+/-)	-	-	-	-	-	-
Balance carried forward	-	-	-	-	-	-

Net book value

Brought forward	1,960,975	2,534,453	-	-	-	4,495,428
Carried forward	1,960,975	2,534,453	-	-	-	4,495,428

The church included as a tangible fixed asset in the Circuit's accounts is Tiviot Dale Methodist Church in Stockport.

Also included in tangible fixed assets are 8 manses (2022: 8). Two of the manses are leasehold buildings and the remainder are freehold buildings. The Deemed Cost of leasehold property at the year end is £638,783 (2022: £638,783). One manse has been sold after the balance sheet date.

Notes to the Accounts

11 Investment assets

	Churches	Manse	Other buildings	Fixtures, fittings and equipment	Payments on account and assets under construction	Total
	£	£	£	£	£	£
Balance brought forward	4,515,784	-	-	-	-	4,515,784
Additions	1,535,720	-	-	-	-	1,535,720
Revaluations (+/-)						-
Impairment (-)	-3,017,903					-3,017,903
Disposals (-)						-
Transfers * (+/-)						-
Balance carried forward	3,033,601	-	-	-	-	3,033,601

The churches included as investment assets in the Circuit's accounts include 3 churches at the year end (2022: 2) being:

- Trinity Methodist Church: this church was sold after the balance sheet date
- St John's Church: this church was sold after the balance sheet date at less than Deemed Cost. The impairment arising on sale has been included in these accounts
- Jubilee Church, Marple: this church came under the managing trusteeship of the Circuit on 13 June 2023 and is included as an addition to investment assets. An impairment to the Deemed Cost of this church has been recognised in light of a valuation carried out after the balance sheet date.

12 Debtors and Prepayments

	2022/23	2021/22
Debtors (church assessments and recharges)	£ 10,141	-
Stipends paid in advance by churches	£ 19,611	18,072
Stipends paid in advance by churches	£	11,760
Total debtors	£ 29,752	29,832

13 Creditors

	2022/23	2021/22
Creditors	£ 13,807	-
Accruals	£ 12,384	14,490
Total debtors	£ 26,191	14,490

14 Loans to the circuit

	2022/23	2021/22
Methodist Chapel Aid	£ 262,500	262,500
Total loans to the circuit	£ 262,500	262,500

The Circuit took out a loan from Methodist Chapel Aid to assist with the purchase a manse, whilst awaiting the sale proceeds from sale of a separate manse.

15 Capital Commitments and Contingent Liabilities

At the 31st August 2023 there are no capital commitments and no contingent liabilities were identified at 31st August 2023.

Notes to the Accounts

16 Analysis of restricted and designated funds 2022/23

Fund Name	Opening Balance	Incoming Resources	Resources Expended	Other gains/(losses)	Transfers	Closing Balance
Unrestricted funds						
General Fund	8,876,280	2,020,603	-653,190	-3,017,913	-204,000	7,021,780
Circuit Model Trust	163,656	27,375	-6,998		-160,000	24,033
Unrestricted designated funds						
USC Mission fund	150,000					150,000
Stockport town centre ministry			-64,041		355,000	290,959
USC Sponsorship Scheme	0	-	-		9,000	9,000
Designated	150,000	-	-64,041	-	364,000	449,959
Total unrestricted	9,189,936	2,047,978	-724,229	- 3,017,913	-	7,495,772
Restricted Funds						
Funds held by TMCP	10,528	623				11,151
USC Sponsorship Scheme	-	8,504	-1,058	-	-	7,446
Total restricted	10,528	9,127	-1,058	-	-	18,597
Total funds	9,200,464	2,057,105	-725,287	- 3,017,913	-	7,514,369

Comparative analysis of restricted and designated funds 2021/22

Fund Name	Opening Balance	Incoming Resources	Resources Expended	Other gains/(losses)	Prior period adjustment	Closing Balance
Unrestricted funds						
General Fund	2,434,574	9,263,025	-587,177		-2,234,142	8,876,280
Circuit Model Trust	265,987	407,546	-523,027		13,150	163,656
Unrestricted designated funds						
USC Mission Grant Fund					150,000	150,000
USC Sponsorship Scheme						-
Other designated	185,943	778			-186,721	-
Designated	185,943	778	-	-	-36,721	150,000
Total unrestricted	2,886,504	9,671,349	-1,110,204	-	-2,257,713	9,189,936
Restricted Funds						
Funds held by TMCP	10,511	17				10,528
USC Sponsorship Scheme					-	-
Total restricted	10,511	17	-	-	-	10,528
Total funds	2,897,015	9,671,366	-1,110,204	-	-2,257,713	9,200,464

In 2022/23 a new designated fund was established for the Stockport Town Centre ministry. In 2021/22 costs of £14,348 were incurred with regard to this ministry before the fund was designated. This provides funding for a deacon and other costs

USC Mission Fund is towards mission development

The USC Sponsorship Scheme is supporting a refugee family

Notes to the Accounts

17 Analysis of net assets between funds

31-Dec-23	General Fund (Unrestricted)	Circuit Model Trust (Unrestricted)	Designated Funds (unrestricted)	Restricted Funds	Total
Tangible fixed assets	4,495,428				4,495,428
Fixed asset investments	3,033,601				3,033,601
Current assets	-218,558	24,033	449,959	18,597	274,031
Current liabilities	-26,191				-26,191
Long term liabilities	-262,500				-262,500
Total net assets	7,021,780	24,033	449,959	18,597	7,514,369

31-Dec-22	General Fund (Unrestricted)	Circuit Model Trust (Unrestricted)	Designated Funds (unrestricted)	Restricted Funds	Total
Tangible fixed assets	4,495,428				4,495,428
Fixed asset investments	4,515,784				4,515,784
Current assets	142,058	163,656	150,000	10,528	466,242
Current liabilities	-14,490				-14,490
Long term liabilities	-262,500				-262,500
Total net assets	8,876,280	163,656	150,000	10,528	9,200,464