

THE METHODIST CHURCH – MANCHESTER CIRCUIT

ANNUAL REPORT

AND

FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 AUGUST 2020



**THE METHODIST CHURCH - MANCHESTER CIRCUIT
TRUSTEES' ANNUAL REPORT AND THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2020**

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**THE METHODIST CHURCH - MANCHESTER CIRCUIT
CHARITY INFORMATION
FOR THE YEAR ENDED 31 AUGUST 2020**

TRUSTEES

Name		Appointed by	
Mary	Adamiak	East Didsbury MCC	
Suzan	Allen	Crumpsall MCC/Secretary	
Yvonne	Anderson Boyd	Manley Park MCC	
Graham	Ascroft	Moston MCC	
Janet	Bailey	Hope MCC	
Sandra	Bailey	Circuit Steward	
Erimna	Bell	Whalley Range MCC	
Jackie	Blackmore	Moston MCC	
Joan	Booth	Edge Lane MCC	
Pru	Cahill	Ex Officio	
Paula	Collins	Long St/Safeguarding	from 01.09.19
Emily	Crellin	Crumpsall MCC	to 01.03.20
Adrian	Curtis	Manley Park MCC	
Sam	Dada	Clayton MCC	
Chris	Davis	Circuit Steward	
Phil	Davis	Didsbury MCC	
Daphne	Dawson	Circuit Steward	
Jacqueline	Denison	Trinity Ancoats MCC	
Angela	Doyle	Droylsden MCC	
Giselle	Du Toit	Withington MCC	
Andrew	Edwards	Circuit Steward	
Barbara	Edwards	Moston MCC	
Chris	Evans	Clayton MCC	
Helen	Fielding	Withington MCC	
Fiona	Fulton	Levenshulme MCC	
Terence	Grant	Whalley Range MCC	
Janet	Green	LP Secretary	
Christine	Grime	Long St MCC	
Geoff	Grime	Long St MCC	to 01.09.20
Andrew Nicholas	Hallett	Didsbury MCC	
Janet	Hardware	Edge Lane MCC	
Janet	Hignett	Levenshulme MCC	
Alan	Hopkins	Trinity Ancoats MCC	
Ubongabasi	Inyang	Circuit Steward	
Mary	Kelsey	Northmoor Road MCC	to 06.01.20
John	Kinsey	Levenshulme MCC	
Russell	Kirby	Manley Park MCC	
Jackie	Kirkby	Circuit Steward	
Krystyna	Kwarciak	Ex Officio	
Alistair	Lowe	Ex Officio	

**THE METHODIST CHURCH - MANCHESTER CIRCUIT
CHARITY INFORMATION
FOR THE YEAR ENDED 31 AUGUST 2020**

TRUSTEES (continued)

Name		Appointed by	
Sarah	Lowe	Ex Officio	to 01.03.20
Arielle	Lufakalyo	Methodist Centre MCC	
Lazare	Lufakalyo	Methodist Centre MCC	
Yvonne	MaxMacarthy	Northmoor Road MCC	to 06.01.20
Margaret	Morris	Manley Park MCC	
Abigail	Parr	Hope MCC	
Sylvia	Pennycooke	Whalley Range MCC	
Ludley	Pinnock	Fallowfield MCC	to 20.05.20
David	Pott	East Didsbury MCC	
Angela	Ralph	Circuit Steward	
David	Ratchford	Long St MCC	to 01.09.19
Margaret	Ratchford	Long St MCC	
Sharon	Read	Ex Officio	from 01.09.19
Audrey	Redshaw	Chorlton MCC	
Othniel	Reid	Whalley Range MCC	
John	Roberts	Circuit Steward	
Julie	Rowbotham	Hope MCC	
Sue	Rowe	Ex Officio	
Joy	Rulton	Ex Officio	
Ian	Rutherford	Ex Officio	from 01.09.19
Doreen	Sanderson	Northmoor Road MCC	to 06.01.20
Barbara	Schofield	Whalley Range MCC	
Alan	Scott	Northmoor Road MCC	to 06.01.20
Helen	Scott	Trinity Ancoats MCC	to 13.07.20
Pamela	Sewart	Long St MCC	
John	Shuttleworth	Withington MCC	
Andrew	Slim	Long St MCC	
Hilary	Small	Moston MCC	
Peter	Smith	Finance Group	
Heather	Steward	Withington MCC	
Ken	Stokes	Ex Officio	
Liz	Stuart	Circuit Steward/Staff Rep	
Don	Taylor	Withington MCC	
Elva	Towler	Clayton MCC	
Bernard	Treves Brown	Circuit Steward	
Megan	Warner	Edge Lane MCC	
Susan	Watters	Circuit Steward	
Jenny	Went	Withington MCC	
Caroline	Wickens	Ex Officio	
Beverley	Williams	Whalley Range MCC	
Stephen	Williams	Droylsden MCC	
Sue	Williams	Ex Officio	
Janet	Yarwood	Hope MCC	

Key: MCC – Methodist Church Council

**THE METHODIST CHURCH - MANCHESTER CIRCUIT
CHARITY INFORMATION
FOR THE YEAR ENDED 31 AUGUST 2020**

**CIRCUIT COUNCIL and
Circuit Stewards**

Rev Dr C Wickens	Superintendent Minister
Angela Ralph	Chair and Senior Circuit Steward
Jacqueline Kirkby	Secretary
Revd Susan Williams	Superintendency Team
Elizabeth Stuart	Staff Representative
Revd Joy Rulton	Staff Representative
Bernard Treves Brown	Treasurer
Sandra Bailey	
Christine Davis	
Daphne Dawson	from 01/09/2019
Andrew Edwards	
Ubongabasi Inyang	from 01/09/2019
John Roberts	
Susan Watters	

CIRCUIT OFFICE

Wesley Centre
Royce Road
Hulme
Manchester M15 5BP

MANAGEMENT ACCOUNTANTS

Chittenden Horley Limited
Chartered Accountants
456 Chester Road
Old Trafford
Manchester M16 9HD

INDEPENDENT EXAMINERS

Christopher Bailey ACA
Christopher Bailey Accountants (Oldham) Limited
Chartered Accountants
Units 10-12, County End Business Centre
Jackson Street
Oldham
Lancashire OL4 4TZ

SOLICITORS

Anthony Collins Solicitors
134 Edmund Street
Birmingham B3 2ES

BANKERS

The Co-operative Bank
PO Box 250
Delf House
Southway
Skelmersdale WN8 6WT

Unity Trust Bank Plc
PO Box 7193
Planetary Road
Willenhall WV1 9DG

INVESTMENT MANAGERS

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

REGISTERED CHARITY

1135067

**THE METHODIST CHURCH - MANCHESTER CIRCUIT
TRUSTEES' ANNUAL REPORT
FOR THE YEAR ENDED 31 AUGUST 2020**

The Trustees present their Annual Report together with the consolidated financial statements of the charity and its subsidiary, Wesley Limited, for the year ended 31 August 2020.

REPORTING FRAMEWORK

The financial statements comply with the Charities Act 2011, and 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), referred to as the Charities SORP (FRS 102) (second edition – October 2019).

OBJECTIVES AND ACTIVITIES

Charitable Objectives

The Circuit shares the same charitable objectives as the rest of the Methodist Church, which are set out as follows:

“The purposes of the Methodist Church are and shall be deemed to have been since the date of Union the advancement of –

- (a) the Christian faith in accordance with the doctrinal standards and the discipline of the Methodist Church;
- (b) any charitable purpose for the time being of any Connexional, District, Circuit, local or other organisation of the Methodist Church;
- (c) any charitable purpose for the time being of any society or institution subsidiary or ancillary to the Methodist Church;
- (d) any purpose for the time being of any charity being a charity subsidiary or ancillary to the Methodist Church.”

Aims

The Circuit seeks to live out the calling of the Methodist Church, which is summarised thus:

“The calling of the Methodist Church is to respond to the Gospel of God’s love in Christ and to live out its discipleship and mission. Inspired by Our Calling, we aim:

- *to increase awareness of God’s presence and to celebrate God’s love*
- *to help people to grow and learn as Christians through mutual support and care*
- *to be a good neighbour to people in need and to challenge injustice*
- *to make more followers of Jesus Christ”*

Activities and Public Benefit

The Circuit encourages and supports the Churches within it in the provision of regular public acts of worship open to members of the Church and non-members alike; the provision of sacred space for prayer and contemplation; the teaching of Christianity through sermons, courses and small groups; pastoral work, including visiting the sick and bereaved; the promotion of Christianity through the staging of events and services; the provision of youth clubs, senior citizens’ clubs, men’s meetings and women’s meetings etc. with a Christian ethos; promoting the whole mission of the Church (and aiding social cohesion) through activities for older people, parents and toddlers and other specific needs groups; and supporting other charities in the UK and overseas financially and with prayer.

The aims, objectives and activities of the charity are reviewed annually, and achievements assessed. When reviewing the aims and objectives of the charity and in planning future activities, the Trustees have complied with the duty in Section 17 of the Charities Act 2011 to have due regard to public benefit guidance published by the Charity Commission.

Contribution of Volunteers

The Circuit is heavily dependent upon, and extremely grateful for, the contribution of volunteers as it seeks to carry out its objectives. With the exception of ordained members and the lay staff representative, all the other members of the Circuit Council are unpaid volunteers, and the vast majority of the Charity trustees are also volunteers.

ACHIEVEMENT AND PERFORMANCE

Manchester Circuit, The Methodist Church: Achievements and Performance, 2019 – 2020

The work of the Manchester Circuit is shaped by the Calling and Priorities of the Methodist Church, and therefore it is appropriate to use these Priorities to shape this review of our activities over the Connexional year 2019 – 2020.

Our Calling and Priorities are set out as follows:

"The calling of the Methodist Church is to respond to the Gospel of God's love in Christ and to live out its discipleship and mission. Inspired by Our Calling, we aim:

- *to increase awareness of God's presence and to celebrate God's love: worship*
- *to help people to grow and learn as Christians through mutual support and care: learning and caring*
- *to be a good neighbour to people in need and to challenge injustice: service*
- *to make more followers of Jesus Christ: evangelism*

Our activities over the year have inevitably been affected by the public health emergency which began in March 2020, and there has been considerable restructuring of our approach in consequence. This has been achieved principally through moving many of our activities on-line via various platforms. In November 2019, we appointed Rachel Humphreys to a lay-worker role as Community Engagement Officer. Her skills have been invaluable in supporting this shift in our practice.

Having noted the impact of the public health emergency, and outlined the foundation of our response to it, this report will now focus on each of the four areas in turn.

A. Worship

The year began with circuit worship to welcome the Rev. Sharon Read and her family. Sharon became minister of Crumpsall, Hope, Long Street and Moston churches and is based in the northern section of the circuit. In December we conducted worship to acknowledge the ministry of our 30 active local preachers, and at the same time we received six new trainees for this role. In January we held a final act of worship to celebrate the life of Northmoor Road Methodist Church, which subsequently closed.

Further planned events were put on hold as the COVID-19 crisis unfolded, but we responded very quickly by moving the majority of our worship on-line. On Easter Sunday we introduced a regular live-streamed service on Sunday evenings via a video conferencing platform. This is normally attended by 80 – 90 people from across the circuit. All of our 19 churches continue to worship in different ways. Some meet face-to-face with social distancing, others meet via video-conferencing or over the telephone, depending on the skills of the people involved. We also circulate printed material for those who are housebound.

B. Learning and Caring

Our work with children and young people has also been reshaped by the public health emergency, and at the moment takes place exclusively online. Several churches have maintained their children's and youth groups, and under the leadership of the Rev. Sharon Read, along with all our children and families' lay workers, the circuit has run a number of successful online holiday clubs.

The circuit website, manchestermethodists.org.uk, and our other social media platforms have become a major resource for learning in the circuit as resources and information have been shared. We have seen very substantial growth in the numbers of those using our website, Facebook page and Twitter account month by month. Online Bible study groups have brought together people from different churches across the circuit for theological reflection. Safeguarding training, at Foundation and Advanced levels, continued prior to lock-down.

The need to care for people has rarely been greater. Members and ministers alike have maintained extensive networks of communication, via telephone calls, online coffee mornings, and the like. Church members have supported food banks, the Baby Basket project at Moston, and the work of Befrienders at Central Hall.

Service

The circuit continues to support a number of lay workers whose appointments focus on our social outreach and service. In late 2019, Clare Byfield took up an ecumenical children and families post, working with Methodist and Anglican churches in the Fallowfield and Moss Side areas. Rosie Doyle is now leading the work of the Baby Basket project at Moston. These appointments are funded from circuit resources and the ongoing sale of property contributes substantially to this work.

The circuit undertook a major review of the work of the Wesley Centre ahead of the end of its lease of the building to Wesley Ltd. in June 2021. This has led to a clearer strategic approach, which the circuit meeting affirms, and the intention to use the premises more effectively for service to the community in Hulme and more widely.

Evangelism

Sadly, Nexus, the Circuit's café in Manchester's Northern Quarter, had to close its doors due to the public health emergency. Its Board hopes to reopen when the situation allows it and will revisit its strategies for evangelism in preparation for this. For the same reason, we have made rather few new members this year. However, our online worship and learning opportunities have attracted numbers of people for whom church is not a familiar environment and we have been able to engage with them through these new ways of worshipping. There have also been many opportunities to engage with people informally through conversation and prayer.

FINANCIAL REVIEW

Overview

The Circuit had a surplus on unrestricted funds, after transfers for the year of £163,483. However, this is chiefly attributable to the receipt of the proceeds of sale of Northmoor Road Church of £186,781 and the balance of its net funds of £1,402. In addition, the Circuit has benefitted from receipt of prior years contribution to a staffing post of £16,012. The underlying position is another deficit of £40,712, which was better than the budgeted result which anticipated using c£60k of reserves.

Clearly the Circuit is unable to continue to operate a deficit budget and during the year the Circuit has sought to implement the outcome of its thorough review of budgets and cashflows, working towards ensuring that all recurring expenditure (including all staff posts) can be funded from current income. The pandemic caused by COVID 19 has impacted on the income of many of the churches in the Circuit and their ability to meet the required level of assessment for 20/21, even calling on their reserves. The Circuit has committed to using the surplus from the sale of property to meet shortfalls in 20/21 and beyond.

Designated funds remain in place to cover property projects where the expenditure is expected to be incurred within the next one to two years.

Wesley Ltd

During the year (due to an administrative oversight since corrected) Wesley Limited did not make any of the scheduled repayments of the loan of £16,140 provided in 2015 to fund the installation of an array of 50 solar panels at the Wesley Centre. The forecast 'payback period' for this installation is in the region of seven years, and the loan was therefore scheduled to be repaid over that period. Rental income at the Wesley Centre has risen compared with last year, and although it is reporting a loss of c£5k, this is due to the payment of rent to the Circuit which is computed on the basis of taxable profits which are higher due to timing differences on relief for capital expenditure. Responsibility for the day-to-day management of the Wesley Centre continues to lie with the Circuit's part-time administrator.

Risk management

The Circuit Meeting continues to develop procedures for identifying and addressing the risks facing the charity. It has already enhanced its financial procedures and, in common with other Churches, has developed robust procedures for safeguarding children, young people and vulnerable adults.

Principal Funding Sources

Contributions from the Churches by way of Circuit Assessment continue to be the main source of funding, accounting for 71% (2019: 68%) of income, excluding proceeds of sale of Northmoor Road.

Investment Policy and Review

The Circuit continues to actively review its investments in the light of immediate cash flow requirements and medium- to long-term plans. The bulk of the Circuit's Model Trust Fund (representing past proceeds of sales of property) is invested via funds managed by the Central Finance Board of the Methodist Church. As the Circuit expects to draw on the majority of these funds within the next five years, the decision was taken (following consultation with our CFB Relationship Manager) to hold all these in cash and subsequently the investments were disposed of during the year.

The Endowment funds are held in a mixture of CFB managed units and cash.

Other balances are held in current and deposit accounts to enable the proper management of the Circuit's cashflow.

Reserves

The Circuit seeks to use all its assets for its charitable purposes, whilst continuing to secure and maintain the Circuit's financial viability. It seeks to set a balanced revenue budget, in order that the ongoing normal costs of ministry, mission and management are met from investment income, grants and donations, and Circuit Assessment. In previous years, a programme of sales of surplus properties allowed the development of a medium-term plan which sought to identify future requirements of management and ministry and to use part of the sale proceeds in supporting those requirements and developing more innovative schemes of mission and ministry. This thinking continues to be a central part of the Circuit's planning.

Unrestricted Funds

In order to meet its ongoing financial obligations – including the payment of stipends and of District and Connexional assessments quarterly in advance – and to meet unforeseen circumstances, the Circuit needs to maintain sufficient free reserves. These reserves would enable the Circuit to maintain its mission and ministry in the short term if, for whatever reason, third party grants were to be withdrawn or individual Churches encounter difficulties in paying their assessments.

Free reserves are defined as unrestricted reserves less the investment in tangible fixed assets, loans to local churches, designated funds, grant commitments and the long-term investment in Wesley Limited. On the recommendation of Circuit Council, the Circuit Meeting has determined that free reserves should be equivalent to between 3 and 6 months of normal operating costs; this would equate to between £110,000 and £220,000.

As at 31 August 2020, the level of free reserves stood at c£389k, with a commitment to use c£145k to balance the 20/21 budget. The overall level will remain under active review.

**THE METHODIST CHURCH - MANCHESTER CIRCUIT
TRUSTEES' ANNUAL REPORT
FOR THE YEAR ENDED 31 AUGUST 2020**

Going Concern

The Trustees have reviewed the circumstances of the Circuit and consider that adequate resources continue to be available to fund its activities for the foreseeable future. The Trustees are therefore of the view that the charity is a going concern.

CURRENT NEEDS AND FUTURE PLANS

The Circuit continues to develop its forward planning and to assess its future capital funding needs. Within the context of the calling of the Methodist Church (as set out above) the Circuit aims to:

- support and encourage each local congregation in mission and ministry;
- continue to develop appropriate responses to the pandemic;
- build on the process of the circuit review and its outcomes, the circuit is moving forward on the basis of a strategy developed in response to the vision and recommendations emerging from that process.
- develop a training culture within the Circuit, encouraging lay preachers in their development, supporting probationers and facilitating the development of presbyters in training;
- review and actively manage the Circuit's investments in its financial and property resources, seeking to selectively release resources for mission, ministry and outreach;
- work through the Methodist Church stationing procedures to secure the appointment of new ministerial staff as vacancies are identified; and
- work ecumenically, especially in supporting and developing established and new Local Ecumenical Partnerships and with particular focus on the Anglican-Methodist Covenant.

STRUCTURE GOVERNANCE AND MANAGEMENT

The Manchester Circuit is part of the Methodist Church of Great Britain and is registered as a charity with number 1135067.

Connected charities

The Churches forming the Circuit are themselves charities and, as they are responsible for their own financial affairs, they are not reported in these statements. The Circuit is also associated with Nexus CCS, a separately registered charity.

Appointment of Trustees

All ministers, presbyteral and diaconal, stationed in the Circuit by the Conference or who are residing for the purposes of the Stations of the Methodist Church in the Circuit and who are in the active work (that is not retired), are ex-officio members of the Circuit Meeting (the Trustee Body). Other ministers who reside in the Circuit in accordance with the standing orders of the Church (including those who are retired) may choose to be members of the Circuit meeting, and if they have done so they are shown in the list of trustees as ex-officio.

The following are *ex officio* members of the Circuit Meeting:

Circuit Stewards	appointed by the Circuit Meeting
Circuit Meeting Secretary	appointed by the Circuit Meeting
Representatives to District Synod	appointed by the Circuit Meeting
Local Preachers Secretary	appointed by the Local Preachers' Meeting

Each Church is represented by a Church Steward, the Church Treasurer and representatives appointed by the Church Council in relation to the number of Church members (one representative for every 50 members).

The Circuit Meeting has the power to co-opt other members and has co-opted those members of the Council who are not otherwise members of the Circuit Meeting, some of the lay workers in the Circuit and a representative of the Finance Group.

As at 31 August 2020 there were 74 members of the Circuit Meeting (2019: 82).

Trustee recruitment, induction and training

As outlined above, the appointment of the majority of the members of the Circuit Meeting is outside the control of the Meeting. In appointing the Council and other officers, the Meeting has regard to the balance of skills and gifts that are needed to further the work of the Church. New members of the Council are inducted by the Council with the support of the Superintendency team.

**THE METHODIST CHURCH - MANCHESTER CIRCUIT
TRUSTEES' ANNUAL REPORT
FOR THE YEAR ENDED 31 AUGUST 2020**

Organisation

The Circuit Meeting meets three times a year. The Circuit Council, appointed by the Circuit Meeting, is responsible for acting on behalf of the Circuit Meeting at other times. The Council meets at least six times per year. The Circuit Meeting retains responsibility for setting the mission priorities of the Circuit, the overall strategy to deliver those priorities, the invitation of ministers, the oversight of local churches, the admission of people to the office of Local Preacher, and decisions on formal explorations of calls to ministry and candidates for the ordained ministry.

The Council is assisted in the task of financial oversight by the Circuit Finance Group.

The Methodist Church appoints a minister to be the Superintendent Minister of the Circuit, whose duties are set out in the Standing Orders of the Church. The Circuit has established a Superintendency Team to assist the Superintendent Minister and to provide leadership and cohesion within the Circuit.

Pay and Remuneration

Stipends and allowances for presbyters and deacons (collectively ministers) are set annually by the Methodist Conference, and the Circuit is responsible for meeting those costs for all ministers appointed by the Conference to the Circuit. Fuller disclosure is contained in Note 27 to the accounts.

TRUSTEES' RESPONSIBILITIES IN RELATION TO THE FINANCIAL STATEMENTS

The Trustees are responsible for preparing the Trustees' Annual Report and the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice). These require the Trustees to prepare financial statements for each financial year which give a true and fair view of the state 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 Circuit Meeting has:

- selected suitable accounting policies and applied them consistently;
- observed the methods and principles in the Charities SORP 2015 (FRS 102);
- made judgements and estimates that are reasonable and prudent;
- stated whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- prepared the financial statements on the going concern basis

The Circuit Meeting is responsible for keeping adequate 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 applicable regulations. It is 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.

ON BEHALF OF CIRCUIT MEETING

REV DR C WICKENS - SUPERINTENDENT MINISTER

Date: 10/3/2021

**INDEPENDENT EXAMINER'S REPORT
TO THE MEMBERS OF CIRCUIT MEETING OF THE METHODIST CHURCH - MANCHESTER CIRCUIT
FOR THE YEAR ENDED 31 AUGUST 2020**

I report to the charity trustees on my examination of the accounts of the charity for the year ended August 31, 2020 which are set out on pages 10 to 29.

Responsibilities and basis of report

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

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

Independent examiner's statement

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

I have completed my examination. I confirm that no material 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 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.

Christopher Bailey A.C.A.

For and on behalf of
CHRISTOPHER BAILEY ACCOUNTANTS (OLDHAM) LIMITED
Chartered Accountants

Units 10-12 County End Business Centre
Jackson Street
Springhead
Oldham OL4 4TZ

Date:

**THE METHODIST CHURCH - MANCHESTER CIRCUIT
GROUP STATEMENT OF FINANCIAL ACTIVITIES
FOR THE YEAR ENDED 31 AUGUST 2020**

	Notes	Unrestricted Funds £	Restricted Funds £	Endowment Funds £	Total 2020 £	Total 2019 £
Incoming resources from generated funds:						
Donations	2	560,403	-	-	560,403	343,624
Charitable activities	3	77,533	35,846	-	113,379	106,848
Other trading income	4	59,792	-	-	59,792	49,831
Investment income - bank interest	5	2,753	59	162	2,974	3,723
TOTAL INCOME		<u>700,481</u>	<u>35,905</u>	<u>162</u>	736,548	<u>504,026</u>
EXPENDITURE						
Costs of generating funds	7	124,863	14	37	124,914	118,554
Expenditure on charitable activities	8	497,153	30,098	-	527,251	560,476
TOTAL EXPENDITURE		<u>622,016</u>	<u>30,112</u>	<u>37</u>	652,165	<u>679,030</u>
Net gains/(losses) on investments	10	-	-	1,083	1,083	6,336
NET INCOME/(EXPENDITURE) BEFORE TRANSFERS	11	<u>78,465</u>	<u>5,793</u>	<u>1,208</u>	85,466	<u>(168,668)</u>
Transfers between funds	19	<u>16,012</u>	<u>(16,012)</u>	<u>-</u>	<u>-</u>	<u>-</u>
NET MOVEMENT IN FUNDS	19	<u>94,477</u>	<u>(10,219)</u>	<u>1,208</u>	85,466	<u>(168,668)</u>
FUNDS BROUGHT FORWARD	19	<u>2,579,841</u>	<u>21,444</u>	<u>135,251</u>	2,736,536	<u>2,905,204</u>
FUNDS CARRIED FORWARD	19	<u>2,674,318</u>	<u>11,225</u>	<u>136,459</u>	2,822,002	<u>2,736,536</u>

The notes on pages 15 to 29 form part of these financial statements.

THE METHODIST CHURCH - MANCHESTER CIRCUIT
CIRCUIT STATEMENT OF FINANCIAL ACTIVITIES
FOR THE YEAR ENDED 31 AUGUST 2020

	Notes	Unrestricted Funds £	Restricted Funds £	Endowment Funds £	Total 2020 £	Total 2019 £
Incoming resources from generated funds:						
Donations	2	559,429	-	-	559,429	343,624
Charitable activities	3	77,533	35,846	-	113,379	106,848
Other trading income	4	27,820	-	-	27,820	20,675
Investment income	5	2,868	59	162	3,089	3,900
TOTAL INCOME		<u>667,650</u>	<u>35,905</u>	<u>162</u>	703,717	<u>475,047</u>
EXPENDITURE						
Costs of generating funds	7	18,289	14	37	18,340	16,453
Expenditure on charitable activities	8	501,890	30,098	-	531,988	564,297
TOTAL EXPENDITURE		<u>520,179</u>	<u>30,112</u>	<u>37</u>	550,328	<u>580,750</u>
Net gains/(losses) on investments	10	-	-	1,083	1,083	6,336
NET INCOME/(EXPENDITURE) BEFORE TRANSFERS	11	<u>147,471</u>	<u>5,793</u>	<u>1,208</u>	154,472	<u>(99,367)</u>
Transfers between funds	19	16,012	(16,012)	-	-	-
NET MOVEMENT IN FUNDS	19	<u>163,483</u>	<u>(10,219)</u>	<u>1,208</u>	154,472	<u>(99,367)</u>
FUNDS BROUGHT FORWARD	19	<u>2,442,119</u>	<u>21,444</u>	<u>135,251</u>	2,598,814	<u>2,698,181</u>
FUNDS CARRIED FORWARD	19	<u>2,605,602</u>	<u>11,225</u>	<u>136,459</u>	2,753,286	<u>2,598,814</u>

The notes on pages 15 to 29 form part of these financial statements.

THE METHODIST CHURCH - MANCHESTER CIRCUIT
GROUP BALANCE SHEET
AS AT 31 AUGUST 2020

	Notes	2020 £	2020 £	2019 £	2019 £
FIXED ASSETS					
Tangible fixed assets	13		2,217,568		2,304,209
Investments	14		<u>325,655</u>		<u>245,715</u>
			2,543,223		2,549,924
DEBTORS due in more than one year	15		-		-
CURRENT ASSETS					
Debtors	16	133,089		97,782	
Cash at Bank and in Hand		<u>198,062</u>		<u>167,635</u>	
		331,151		265,417	
CREDITORS					
Amounts falling due in one year	18	<u>50,569</u>		<u>76,353</u>	
NET CURRENT ASSETS			<u>280,582</u>		<u>189,064</u>
			2,823,805		2,738,988
CREDITORS					
Amounts falling due in more than one year	18		1,803		2,452
NET ASSETS			<u><u>2,822,002</u></u>		<u><u>2,736,536</u></u>
FUNDS					
Unrestricted	19		2,674,318		2,579,841
Restricted	19		11,225		21,444
Endowment	19		<u>136,459</u>		<u>135,251</u>
TOTAL FUNDS			<u><u>2,822,002</u></u>		<u><u>2,736,536</u></u>

The notes on pages 15 to 29 form part of these financial statements.

Approved by the Circuit Meeting and authorised for issue on: March 10 2021

REVD. DR C WICKENS - SUPERINTENDENT MINISTER

THE METHODIST CHURCH - MANCHESTER CIRCUIT
CIRCUIT BALANCE SHEET
AS AT 31 AUGUST 2020

	Notes	2020 £	2020 £	2019 £	2019 £
FIXED ASSETS					
Tangible fixed assets	13		2,147,689		2,165,324
Investments	14		<u>325,655</u>		<u>245,715</u>
			2,473,344		2,411,039
DEBTORS due in more than one year	15		2,220		4,540
CURRENT ASSETS					
Debtors	16	141,240		117,343	
Cash at Bank and in Hand		<u>183,357</u>		<u>139,750</u>	
		324,597		257,093	
CREDITORS					
Amounts falling due in one year	17	<u>45,072</u>		<u>71,406</u>	
NET CURRENT ASSETS			<u>279,525</u>		<u>185,687</u>
			2,755,089		2,601,266
CREDITORS					
Amounts falling due in more than one year	18		1,803		2,452
NET ASSETS			<u><u>2,753,286</u></u>		<u><u>2,598,814</u></u>
FUNDS					
Unrestricted	19		2,605,602		2,442,119
Restricted	19		11,225		21,444
Endowment	19		<u>136,459</u>		<u>135,251</u>
TOTAL FUNDS			<u><u>2,753,286</u></u>		<u><u>2,598,814</u></u>

The notes on pages 15 to 29 form part of these financial statements.

Approved by the Circuit Meeting and authorised for issue on: March 10 2021

REVD. DR C WICKENS - SUPERINTENDENT MINISTER

**THE METHODIST CHURCH - MANCHESTER CIRCUIT
CIRCUIT AND GROUP STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 AUGUST 2020**

	Notes	Group 2020 £	Group 2019 £	Circuit 2020 £	Circuit 2019 £
Cash used in operating activities	25	106,864	(97,838)	119,929	(103,535)
Cashflows from investing activities					
Investment income		2,974	3,723	3,089	3,900
Proceeds of disposal of current asset investment		-	-	-	-
Purchase of tangible fixed assets		-	(3,480)	-	(3,480)
Withdrawals from investments		109,333	60,509	109,333	60,509
Purchase of investments, cash & gains reinvested		(188,190)	(1,106)	(188,190)	(1,106)
Cash provided by/(used in) investing activities		(75,883)	59,646	(75,768)	59,823
Cashflows from financing activities					
Proceeds from new borrowings		-	3,480	-	3,480
Repayment of borrowing		(554)	(474)	(554)	(474)
Cash used in financing activities		(554)	3,006	(554)	3,006
Increase/(decrease) in cash & cash equivalents in the year		30,427	(35,186)	43,607	(40,706)
Cash and cash equivalents brought forward		167,635	202,821	139,750	180,456
Cash and cash equivalents carried forward		198,062	167,635	183,357	139,750
Cash and cash equivalents consist of:					
Cash at bank and in hand		198,062	167,635	183,357	139,750
		198,062	167,635	183,357	139,750

The notes on pages 15 to 29 form part of these financial statements.

1 ACCOUNTING POLICIES

The following accounting policies have been applied consistently in dealing with items which are considered material in relation to the Manchester Circuit's financial statements.

Scope of the financial statements

The financial statements relate to the work of the Circuit, in all aspects.

Basis of preparation

The financial statements have been prepared: under the historic cost convention, as modified by the revaluation of investments (as set out below) through the statement of financial activities; in accordance with the Statement of Recommended Practice – Accounting and Reporting by Charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS102) effective January 1 2019 (second edition – October 2019); and FRS102. The results of the wholly owned subsidiary have been consolidated on a line by line basis.

The accounts (financial statements) have been prepared to give a 'true and fair' view and have departed from the Charities (Accounts and Reports) Regulations 2008 only to the extent required to provide a 'true and fair view'. This departure has involved following Accounting and Reporting by Charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) issued on 16 July 2014 rather than the Accounting and Reporting by Charities: Statement of Recommended Practice effective from 1 April 2005 which has since been withdrawn.

The charity constitutes a public benefit entity as defined by FRS102.

The accounts are prepared in £ sterling, the functional currency of the charity and its subsidiary company.

Donated goods

Individual donated goods of a consumable nature valued under £500 such as harvest festival produce are not shown in these financial statements. Those over this amount or of a capital nature are recorded.

Income

Total Incoming Resources as shown in the Statement of Financial Activities represents the net amounts from all sources.

Income is recognised in the accounting period in which it is receivable, except in the following circumstances, when the income is deferred and included in creditors:

- The income relates to a future accounting period
- A sales invoice has been raised ahead of the work being carried out and the charity is not contractually entitled to the income until the work has been done
- Not all the terms and conditions of the grant have been met, including the incurring of expenditure and the grant conditions are such that unspent grant must be refunded

Investment income

Investment income is included in the accounts when receivable, and any gains or losses on revaluation at the year end are shown in the Statement of Financial Activities.

Grants and donations

Grants and donations are included in full in the Statement of Financial Activities other than where grants are deferred to match the income to expenditure over the life of the project.

Grants to local churches

Grants to local churches for property schemes and other purposes are accounted for as liabilities when they receive formal approval by the Circuit Meeting, or the Superintendency team or Council under delegated authority for awards of less than £6,000.

On some occasions the Circuit Meeting will be asked to indicate whether it would approve a property development or building of a new church when the project is still at a development stage and other partners are still being consulted. The Circuit Meeting usually indicates that it would support the investment of the proceeds of sale of any related properties and how much it would be prepared to give in addition. Such amounts are not considered to be binding obligations on the Circuit until such time as a formal scheme is brought forward and approved by the Circuit Meeting.

1 ACCOUNTING POLICIES (continued)

Other grants payable

Grants awarded to other charitable bodies are accounted for as liabilities in the year in which the award is made. Multi-period grants are accounted for in full in the year awarded where there is a binding commitment to make the future payments.

Designated funds

Where the Circuit has agreed to use its reserves to meet revenue costs or to meet future capital costs it has designated the funds within unrestricted reserves. It also makes provision in this way when it has indicated its support for a local church building scheme but no actual liability has yet been created.

Expenditure and irrecoverable VAT

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

Costs of raising funds	including those associated with fundraising activities, managing investments and commercial trading by the subsidiary company.
------------------------	--

Charitable activities	costs of undertaking the work of the charity.
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The charity is not registered for VAT and cannot recover any input tax charged. Costs are stated inclusive of VAT where charged. The subsidiary is registered for VAT and can recover all input tax charged. Costs are stated exclusive of VAT where charged.

Allocation of support costs

Support costs are those functions which assist the work of the charity either by supporting the delivery of charitable activities or by supporting the generation of funds. They include back office functions, staff costs and professional fees. The basis of allocations is set out in note 9.

Fixed assets and depreciation

Fixed assets are shown at cost to the Circuit, with the exception of the manses and other property assets. These have been included at the Trustees' valuation less any levy payable to the Connexional Advance and Priority Fund ("CAPF") where there is no replacement scheme for the assets, as permitted under the SoRP, when assets not previously in the balance sheet are capitalised. Assets costing less than £1,000 are written off as revenue expenditure in the year of acquisition.

Depreciation is provided to write off the cost or valuation less the estimated residual value of tangible fixed assets by equal instalments over their estimated useful economic lives as follows:

Freehold buildings	-	1% per annum from later of the date of acquisition or 1/09/14
Leasehold properties	-	1% per annum from later of the date of acquisition or 1/09/14
Rossett property improvements	-	2.5% per annum on cost
Furniture and fittings	-	25% per annum on cost
Computer equipment	-	33% per annum on cost

Freehold land is not depreciated. Fixed asset disposal proceeds are reported net of any levy payable to the CAPF.

1 ACCOUNTING POLICIES (continued)

Taxation

The Manchester Circuit is exempt from Corporation Tax by reason of its charitable status to the extent that income and gains are applicable and applied to charitable purposes only. Income tax suffered on deeds of covenant and gift aid or investment income is reclaimed in full.

Investments, gains and losses

Fixed asset investments are a form of basic financial instrument and are initially recorded at their transaction value and subsequently measured at their fair value as at the balance sheet date using the closing quoted market price. The SoFA includes the net gains and losses arising on revaluation and on disposals throughout the year.

Gains and losses on investments are taken to the Statement of Financial Activities as they arise. Realised gains and losses are calculated as the difference between sale proceeds (net of transaction costs) and the opening carrying value or cost, if acquired during the year. Unrealised gains and losses are calculated on the difference between opening and closing fair values.

Certain investments are held and incorporated in the Balance Sheet that are restricted to specific projects. These are disclosed in note 14.

Financial instruments

The charity has only basic financial instruments which are initially recorded at cost, and with the exception of investments (as set out above) subsequently measured at their settlement value.

Pension contributions

The Circuit participates in the following pension fund:

Methodist Ministers' Pension Fund

The Circuit is a member of the Connexional pension scheme (MMPS) which covers presbyters and deacons of the Methodist Church. The contribution rates are set each year by the Methodist Conference, and for the year under review the employer contributions were 26.9% (2019: 26.9%) of stipend.

The MMPS is a multi-employer scheme, and in accordance with the guidance issued by the Charity Commission, the Circuit accounts for those contributions as if it were a defined contribution scheme. It has done so because it is unable to identify its share of the underlying assets and liabilities on a consistent and reasonable basis. Contributions are charged to the SoFA in the period in which they are payable.

Lay employees'

The Circuit operates a defined contribution pension fund for its lay employees and unless they have opted out, pays employer's contribution of 6% matched by employees' contributions of 2%, in accordance with the standing orders of the Methodist Church.

Judgements and key sources of estimation uncertainty

The preparation of the financial statements requires management to make judgements, estimates and assumptions that affect the amounts reported. These estimates and judgements are continually reviewed and are based on experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

THE METHODIST CHURCH - MANCHESTER CIRCUIT
NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 AUGUST 2020

	2020			2019		
	Unrestricted	Restricted/ endowment	Total	Unrestricted	Restricted/ endowment	Total
	£	£	£	£	£	£
2 DONATIONS						
Church assessments	368,471	-	368,471	343,172	-	343,172
Donations	2,775	-	2,775	452	-	452
Northmoor Road:						
Sale of property	186,781	-	186,781	-	-	-
Other funds transferred	1,402	-	1,402	-	-	-
Charity	559,429	-	559,429	343,624	-	343,624
HMRC - CJRS grant	974	-	974	-	-	-
Group	560,403	-	560,403	343,624	-	343,624

3 INCOME FROM CHARITABLE ACTIVITIES

Property Income:

Rossett and Chatterton Hey	73,822	-	73,822	71,930	-	71,930
Grants for circuit work	-	35,846	35,846	-	33,817	33,817
Other income	3,711	-	3,711	1,101	-	1,101
	77,533	35,846	113,379	73,031	33,817	106,848

4 OTHER TRADING INCOME

Rental income re surplus manses	22,102	-	22,102	18,258	-	18,258
Rent & management charge Wesley	5,681	-	5,681	2,417	-	2,417
Room hire	37	-	37	-	-	-
Total for Circuit	27,820	-	27,820	20,675	-	20,675
Subsidiary income	42,390	-	42,390	35,394	-	35,394
less eliminated on consolidation	(10,418)	-	(10,418)	(6,238)	-	(6,238)
Total for Group	59,792	-	59,792	49,831	-	49,831

5 INVESTMENT INCOME

Income from fixed asset investments	2,434	221	2,655	2,694	217	2,911
Interest on loans	115	-	115	177	-	177
Bank interest	319	-	319	812	-	812
Total for Circuit	2,868	221	3,089	3,683	217	3,900
less eliminated on consolidation:						
Loan interest Wesley Ltd	(115)	-	(115)	(177)	-	(177)
Total for Group	2,753	221	2,974	3,506	217	3,723

THE METHODIST CHURCH - MANCHESTER CIRCUIT
NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 AUGUST 2020

6 SUBSIDIARY COMPANY - WESLEY LTD

	2020	2019
	£	£
Turnover	42,390	35,394
Administration costs	(112,255)	(104,518)
Amortisation of capital grants	63,589	63,589
HMRC - CJRS grant	974	-
Interest payable & similar charges	(115)	(177)
Profit/(loss) on ordinary activities before tax	(5,417)	(5,712)
Taxation	-	-
Profit/(loss) after tax	(5,417)	(5,712)
Fixed assets	69,879	138,885
Current assets	18,783	30,029
Creditors due in one year	(81,176)	(90,241)
Creditors due in more than one year	(2,220)	(67,990)
	5,266	10,683

The Manchester Circuit owns the whole of the issued share capital of Wesley Limited.

On consolidation the accounting treatment of capital grants (included in Wesley Ltd accounts within creditors) is aligned with that of the Circuit as a charity. Capital grants are treated as part of reserves and the release to the profit and loss account in Wesley's accounts is eliminated.

Capital grants included in creditors are analysed as follows:

Due within one year	63,451	63,589
Due after more than one year	-	63,450
	63,451	127,039

On consolidation the management charges and rent payable by Wesley to the Circuit of £5,681 (2019 - £2,417), the interest payable by Wesley Ltd to the Circuit of £115 (2019 £177) and the rent payable by the Circuit to Wesley of £4,737 (2019 - £3,821) are eliminated.

7 COSTS OF GENERATING FUNDS

	2020			2019		
	Unrestricted	Restricted/ endowment	Total	Unrestricted	Restricted/ endowment	Total
	£	£	£	£	£	£
Investment management charges	440	51	491	546	51	597
Agents & other fees re rental income	7,364	-	7,364	6,796	-	6,796
Depreciation property rented out	5,784	-	5,784	1,337	-	1,337
Support costs	4,701	-	4,701	7,723	-	7,723
Total for Circuit	18,289	51	18,340	16,402	51	16,453
Subsidiary costs	112,370	-	112,370	104,695	-	104,695
Eliminated on consolidation	(5,796)	-	(5,796)	(2,594)	-	(2,594)
Total for Group	124,863	51	124,914	118,503	51	118,554

THE METHODIST CHURCH - MANCHESTER CIRCUIT
NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 AUGUST 2020

8 CHARITABLE EXPENDITURE

	2020			2019		
	Unrestricted	Restricted	Total	Unrestricted	Restricted	Total
	£	£	£	£	£	£
Stipends, salaries & pensions	254,673	25,098	279,771	251,202	18,553	269,755
Expenses and training costs	10,952	-	10,952	13,303	-	13,303
Grants to Circuit Churches	10,193	-	10,193	-	-	-
Grant to SPH Chaplaincy Centre	20,000	5,000	25,000	20,000	5,000	25,000
Grant to Nexus CCS	4,000	-	4,000	-	-	-
Manse costs	41,755	-	41,755	58,989	-	58,989
Other direct costs	16,891	-	16,891	13,453	-	13,453
District & Connexional assessments	84,260	-	84,260	87,987	-	87,987
District Advance Fund levy	2,530	-	2,530	5,509	-	5,509
Benevolent fund payments	-	-	-	-	300	300
Depreciation charitable properties	11,851	-	11,851	15,837	-	15,837
Support costs	44,785	-	44,785	74,164	-	74,164
Total for Circuit	501,890	30,098	531,988	540,444	23,853	564,297
Less eliminated on consolidation						
Rent paid to Wesley Ltd	(4,737)	-	(4,737)	(3,821)	-	(3,821)
	497,153	30,098	527,251	536,623	23,853	560,476

9 SUPPORT AND GOVERNANCE COSTS

	Fundraising	Charitable	Total	Fundraising	Charitable	Total
	£	£	£	£	£	£
Support costs						
Staff costs	1,197	10,769	11,966	1,412	12,707	14,119
Office costs	2,371	21,336	23,707	2,727	24,542	27,269
Professional costs	1,133	10,200	11,333	3,584	32,257	35,841
	4,701	42,305	47,006	7,723	69,506	77,229
Governance costs						
External scrutiny	-	2,480	2,480	-	4,658	4,658
	4,701	44,785	49,486	7,723	74,164	81,887

Staff costs are allocated on the basis of estimate of time spent and other costs on the estimate of resources used.

10 GAINS AND LOSSES ON INVESTMENTS

	Unrestricted funds	Restricted Funds	Endowment funds	2020
	£	£	£	£
Unrealised gains/(losses) on revaluation of fixed asset investments	-	-	1,083	1,083
Realised gain on disposal of investments	-	-	-	-
Realised gain on disposal of assets held for sale	-	-	-	-
	-	-	1,083	1,083
	Unrestricted funds	Restricted Funds	Endowment funds	2019
	£	£	£	£
Unrealised gains/(losses) on revaluation of fixed asset investments	-	-	6,336	6,336
Realised loss on disposal of investments	-	-	-	-
Unrealised gain on disposal of assets held for sale	-	-	-	-
	-	-	6,336	6,336

THE METHODIST CHURCH - MANCHESTER CIRCUIT
NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 AUGUST 2020

11 GROUP NET INCOMING RESOURCES AFTER TRANSFERS

	2020	2019
This is stated after charging/(crediting):	£	£
Auditors remuneration	80	4,658
Independent examiners' fees	2,400	-
Depreciation of fixed assets	86,641	86,963
Operating lease rentals	-	1,641
Trustees' remuneration as trustees	-	-
Trustees' expenses as trustees	-	-
	<u><u> </u></u>	<u><u> </u></u>

12 STAFF INFORMATION

2020
£

2019
£

a Staff costs

Stipends and salaries	225,584	220,799
Apprenticeship levy	842	1,285
Pension contributions - Methodist Ministers Scheme	48,468	45,509
Pension contributions - other	1,432	1,920
Employer's NI contributions	15,411	14,361
	<u><u>291,737</u></u>	<u><u>283,874</u></u>

No staff member was paid more than £60,000 p.a. in either year.

b Key management personnel

The key management of the charity comprise the trustees, which includes the ordained members of staff who are ex-officio members of the Circuit Meeting but do not receive any payment specifically for acting as trustees.

The other trustees do not receive any remuneration for their services.

	£	£
The total remuneration benefits of the key management are:		
Stipends	<u><u>257,508</u></u>	<u><u>241,339</u></u>

As explained in note 27, certain other Circuit employees are also members of the Circuit Meeting but their remuneration is not included above as their membership of the Circuit Meeting is not part of their duties as employees, but rather they have been appointed by the churches of which they are members as representatives.

c Average staff numbers

The average number of members of staff of the charity was as follows:-

	2020 Average number	2019 Average number
Ordained staff (office holders not employees)	7.0	9.0
Lay employees	5.0	5.0
	<u><u>12.0</u></u>	<u><u>14.0</u></u>

THE METHODIST CHURCH - MANCHESTER CIRCUIT
NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 AUGUST 2020

13 TANGIBLE FIXED ASSETS

	Freehold land & buildings	Long leasehold properties	Property improvements	Fixtures Fittings & Equipment	Total
GROUP	£	£	£	£	£
Cost					
As at September 1 2019	1,663,203	572,000	876,079	36,964	3,148,246
Additions	-	-	-	-	-
As at August 31 2020	<u>1,663,203</u>	<u>572,000</u>	<u>876,079</u>	<u>36,964</u>	<u>3,148,246</u>
Depreciation					
As at September 1 2019	50,158	23,020	741,900	28,959	844,037
Charge for the year	11,009	5,720	66,988	2,924	86,641
As at August 31 2020	<u>61,167</u>	<u>28,740</u>	<u>808,888</u>	<u>31,883</u>	<u>930,678</u>
Net book value					
As at August 31 2020	<u>1,602,036</u>	<u>543,260</u>	<u>67,191</u>	<u>5,081</u>	<u>2,217,568</u>
As at August 31 2019	<u>1,613,045</u>	<u>548,980</u>	<u>134,179</u>	<u>8,005</u>	<u>2,304,209</u>
CIRCUIT					
Cost					
As at September 1 2019	1,663,203	572,000	-	19,012	2,254,215
Additions	-	-	-	-	-
As at August 31 2020	<u>1,663,203</u>	<u>572,000</u>	<u>-</u>	<u>19,012</u>	<u>2,254,215</u>
Depreciation					
As at September 1 2019	50,158	23,020	-	15,713	88,891
Charge for the year	11,009	5,720	-	906	17,635
As at August 31 2020	<u>61,167</u>	<u>28,740</u>	<u>-</u>	<u>16,619</u>	<u>106,526</u>
Net book value					
As at August 31 2020	<u>1,602,036</u>	<u>543,260</u>	<u>-</u>	<u>2,393</u>	<u>2,147,689</u>
As at August 31 2019	<u>1,613,045</u>	<u>548,980</u>	<u>-</u>	<u>3,299</u>	<u>2,165,324</u>

The net book value of equipment held on finance leases was £2,088 (2019 - £2,784).

THE METHODIST CHURCH - MANCHESTER CIRCUIT
NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 AUGUST 2020

14 FIXED ASSET INVESTMENTS

	2020	2019
	£	£
Market value brought forward	245,715	298,782
Income re-invested	1,409	1,106
Additions at cost	186,781	-
Disposals at carrying value	(109,333)	(60,509)
Net gain/(loss) on revaluation	1,083	6,336
Market value carried forward	<u>325,655</u>	<u>245,715</u>

Investments at fair value comprise:

CFB Managed funds	117,456	116,372
Cash held within investment portfolio	<u>208,199</u>	<u>129,343</u>
	<u>325,655</u>	<u>245,715</u>

	Unrestricted funds		Restricted funds		Endowment funds	
	2020	2019	2020	2019	2020	2019
	£	£	£	£	£	£
Market value brought forward	103,608	163,176	6,856	6,812	135,251	128,794
Income & gains re-invested	1,240	941	45	44	124	121
Additions at cost	186,781	-	-	-	-	-
Disposals/withdrawals						
at carrying value	(109,333)	(60,509)	-	-	-	-
Net gain/(loss) on revaluation	-	-	-	-	1,083	6,336
Market value carried forward	<u>182,296</u>	<u>103,608</u>	<u>6,901</u>	<u>6,856</u>	<u>136,458</u>	<u>135,251</u>
CFB Managed funds	-	-	-	-	117,456	116,372
Cash held within investment portfolio	<u>182,296</u>	<u>103,608</u>	<u>6,901</u>	<u>6,856</u>	<u>19,002</u>	<u>18,879</u>
	<u>182,296</u>	<u>103,608</u>	<u>6,901</u>	<u>6,856</u>	<u>136,458</u>	<u>135,251</u>

Group	Group	Circuit	Circuit
2020	2019	2020	2019
£	£	£	£

15 DEBTORS DUE IN MORE THAN ONE YEAR

Loan to Wesley Limited	-	-	2,220	4,540
	<u>-</u>	<u>-</u>	<u>2,220</u>	<u>4,540</u>

THE METHODIST CHURCH - MANCHESTER CIRCUIT
NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 AUGUST 2020

	Group 2020 £	Group 2019 £	Circuit 2020 £	Circuit 2019 £
16 DEBTORS				
Trade debtors	4,007	<i>1,581</i>	-	-
Loans to Circuit Churches	17,208	<i>17,208</i>	17,208	<i>17,208</i>
Amounts due from Wesley Limited	154	-	12,382	<i>21,705</i>
Prepayments & other debtors	111,720	<i>78,993</i>	111,650	<i>78,430</i>
	<u>133,089</u>	<i><u>97,782</u></i>	<u>141,240</u>	<i><u>117,343</u></i>

Included in amounts due from Wesley Ltd above is £2,320 in respect of loan repayments due within one year.

17 CREDITORS falling due within one year

Assessments in advance	34,190	<i>48,013</i>	34,190	<i>48,013</i>
Social security and other taxes	1,733	<i>1,313</i>	417	<i>582</i>
Finance lease creditor	649	<i>554</i>	649	<i>554</i>
Creditors & accruals	13,997	<i>26,473</i>	9,816	<i>22,257</i>
	<u>50,569</u>	<i><u>76,353</u></i>	<u>45,072</u>	<i><u>71,406</u></i>

In 2017/18, the Circuit opened a second account with CFB and in 18/19 a second current account with Unity trust to hold the monies and make payments for Hope Methodist Church's building project. At the year end these funds amounted to c£21k (2019 -c£40k). The bank balances, the transactions and the liability to Hope are not shown in the Circuit accounts. Interest earned on the balance held and bank charges incurred have been wholly attributed to Hope.

18 CREDITORS falling due in more than on year

Finance lease creditor	<u>1,803</u>	<i><u>2,452</u></i>	<u>1,803</u>	<i><u>2,452</u></i>
	<u>1,803</u>	<i><u>2,452</u></i>	<u>1,803</u>	<i><u>2,452</u></i>

19 STATEMENT OF FUNDS

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19 STATEMENT OF FUNDS (continued)

To support local churches in providing meals and entertainments for elderly, lonely and other people on Christmas day. Will be used over the next 5 years.

To provide immediate relief to those in need, and will be utilised as required.

To support Sunday School work. The trustees are considering how best to apply these funds

To meet the repair needs associated with the buildings at the Gorton LEP. Will be used as needed.

THE METHODIST CHURCH - MANCHESTER CIRCUIT
NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 AUGUST 2020

20 ANALYSIS OF COMPANY NET ASSETS BETWEEN FUNDS

Fund balances at August 31 2020 are represented by:-

	Unrestricted		Restricted	Endowment	
	General	Designated	Funds	Funds	Total
	Funds	Funds	Funds	Funds	
	£	£	£	£	£
Tangible fixed assets	2,147,689	-	-	-	2,147,689
Fixed asset investments	122,295	60,000	6,901	136,459	325,655
Debtors due in more than one year	2,220	-	-	-	2,220
Net current assets	267,265	7,936	4,324	-	279,525
Creditors due in more than one year	(1,803)	-	-	-	(1,803)
	<u>2,537,666</u>	<u>67,936</u>	<u>11,225</u>	<u>136,459</u>	<u>2,753,286</u>

Fund balances at August 31 2019 are represented by:-

Tangible fixed assets	2,165,324	-	-	-	2,165,324
Fixed asset investments	67,399	36,209	6,856	135,251	245,715
Debtors due in more than one year	4,540	-	-	-	4,540
Net current assets	129,179	41,920	14,588	-	185,687
	<u>2,366,442</u>	<u>78,129</u>	<u>21,444</u>	<u>135,251</u>	<u>2,601,266</u>

21 FINANCIAL INSTRUMENTS

The carrying amounts for each category of financial instrument is as follows:

	Group	Group	Circuit	Circuit
	2020	2019	2020	2019
	£	£	£	£
Financial assets				
that are investments measured at fair value	<u>325,655</u>	<u>245,715</u>	<u>325,655</u>	<u>245,715</u>
that are debt instruments measured at amortised cost	<u>331,151</u>	<u>265,417</u>	<u>326,817</u>	<u>261,633</u>
Financial liabilities				
measured at amortised cost	<u>(52,372)</u>	<u>(78,805)</u>	<u>(46,875)</u>	<u>(73,858)</u>

Financial assets measured at amortised cost comprise: cash at bank and in hand; income receivable and other debtors; and prepayments.

Financial liabilities measured at amortised cost comprise: trade creditors; other taxes and social security; accruals; and deferred income.

22 TAXATION

The Circuit is a registered charity and is entitled to claim annual exemption from UK corporation tax.

23 CAPITAL COMMITMENTS

There were no capital commitments authorised and contracted for at the end of the year (2019 £Nil).

THE METHODIST CHURCH - MANCHESTER CIRCUIT
NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 AUGUST 2020

24 LEASE COMMITMENTS

Finance lease commitments

The Circuit had the following commitments under finance leases:

Not later than one year	928	928
Later than one year and not later than five years	2,089	3,017
	3,017	3,945
Less interest charges	(565)	(939)
Per creditors notes	2,452	3,006

25 RECONCILIATION OF NET MOVEMENT IN FUNDS TO NET CASHFLOW FROM OPERATING ACTIVITIES

	Group 2020	Group 2019	Circuit 2020	Circuit 2019
	£	£	£	£
Net income/(expenditure) before transfers	85,466	(168,668)	154,472	(99,367)
Add back depreciation on fixed assets	86,641	86,962	17,635	17,661
Deduct/(add) unrealised gains/(losses) on investments	(1,083)	(6,336)	(1,083)	(6,336)
Deduct interest income shown in investing activities	(2,974)	(3,723)	(3,089)	(3,900)
Deduct profit/add back losses on disposals of FA	-	-	-	-
Decrease/(increase) in debtors	(35,307)	5,041	(21,577)	(5,162)
Increase/(decrease) in creditors	(25,879)	(11,114)	(26,429)	(6,431)
Net cash generated from/(used in) operating activities	106,864	(97,838)	119,929	(103,535)

26 NET MOVEMENT IN DEBT

Group	At 31/8/19	cashflows	lease repaid	other non cash	at 31/08/20
	£	£	£	£	£
Cash and cash equivalents					
Cash at bank and in hand	167,635	30,427	-	-	198,062
Debt					
Finance lease obligations	3,006	(554)	-	-	2,452
Cash and cash equivalents net of debt	164,629				195,610
Charity					
Cash and cash equivalents					
Cash at bank and in hand	139,750	43,607	-	-	183,357
Debt					
Finance lease obligations	3,006	(554)	-	-	2,452
Cash and cash equivalents net of debt	136,744				180,905

There were no: acquisitions or disposals or subsidiaries; foreign exchange movements; or market value changes in the period

THE METHODIST CHURCH - MANCHESTER CIRCUIT
NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 AUGUST 2020

27 RELATED PARTY TRANSACTIONS

Ministers

Stipends and allowances for presbyters and deacons (collectively ministers) are set annually by the Methodist Conference, and the Circuit is responsible for meeting those costs for all ministers appointed by the Conference to the Circuit. Details of stipends paid to ministers who are members of the Circuit meeting are as follows. The following received the basic stipend (£24,842; 2019: £24,168): Deacon Pru Cahill, Revd Krystyna Kwarciak, Rev Sharon Read (from 1/09/19), Revd. Joy Rulton, Revd. Ken Stokes, Revd. Caroline Wickens.

And the following ministers received half stipend in 2018/19 and 2019/20: Revd Al Lowe, Revd Sarah Lowe (until her death), Revd Sue Williams;

And the Revd John Foster received a stipend of £483 (2019: £5,800) for part time working.

All of whom, except for Revd Sue Williams and Revd John Foster, were provided with living accommodation as required by the church's Standing Orders. The Revd Al Lowe and his wife, Revd Sarah Lowe shared a manse.

In addition, the Revd Ian Rutherford, who is the City Centre Minister and receives his stipend from the Manchester and Stockport District, is provided with accommodation as part of the partnership arrangement with the District.

In addition to the basic stipend, the Connexionally agreed Superintendent Minister's allowance (£2,485; 2019: £1,813) was paid to Revd Caroline Wickens in 2018/19 and 2019/20.

Other ministers who are resident in the Circuit, for the purposes of the Methodist stations, but not in Circuit appointments or without appointment are also members of the Circuit Meeting but do not receive payment or accommodation from the Circuit, except for preaching fees and expenses as set out above.

Lay employees

The following members of the Circuit Meeting were also employees of the Circuit and were in receipt of salaries for the work they undertook in the capacities indicated. They do not receive payment for acting as trustees:

Name	Position	2020	2019
Angela Doyle	Circuit Administrator	£10,531	£9,089
Liz Stuart	Lay employee	£8,879	£11,404

Ms Doyle was also an employee of Wesley Limited during the year and was in receipt of a salary of £2,327 (2019: £1,049) for the work which she undertook as Company Secretary and Administrator.

Other payments

Andrew Slim, a member of the Circuit meeting has provided property advice services through his limited company Andrew Slim Limited, in the ordinary course of business. He took no part in the decision to appoint his company and it was engaged on normal commercial terms. Payments in the 2019/20 amounted to £4,807 (2019: £5,450).

S Watters, a member of the Circuit meeting and of the Circuit Council, was employed by Wesley Ltd to produce a business plan. She took no part in the decision to appoint her, and she received a salary of £636 for this work (2019: £nil).

Wesley Limited

Revd Caroline Wickens and Revd Sue Williams, members of the Circuit Meeting and therefore trustees of the charity, were also directors of Wesley Limited (a wholly owned subsidiary of Manchester Circuit) during the year. In 2015, Manchester Circuit loaned Wesley Limited £16,140 to enable it to install solar panels at the Wesley Centre; the loan is repayable in March 2022 by half yearly instalments which commenced in September 2015. Interest due from Wesley Limited on this loan totalled £115.

During the year, Manchester Circuit paid rent (including VAT) to Wesley Limited of £4,737 (2019: £4,585).

Methodist Chapel Aid Limited

Andrew Slim, a member of the Circuit Meeting, was a non-executive director of Methodist Chapel Aid Limited throughout the year. As at 31 August 2019, Methodist Chapel Aid Limited held funds on behalf of the Circuit totalling £13,952 (31/08/19 - £13,883).

Chittenden Horley Ltd

Chittenden Horley Ltd, an accounting practice of which Mr Peter Smith, a member of the Circuit Meeting, is a director and minority shareholder, provides accounting services to Wesley Ltd and The Manchester Circuit. Mr Smith took no part in the decision to appoint his firm. During the year Chittenden Horley received fees as follows:

Manchester Circuit	£2,956 (2018/19 – £3,469)
Wesley Ltd	£1,099 (2018/19 - £2,325).