

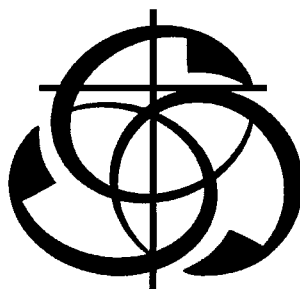
THE METHODIST CHURCH – MANCHESTER CIRCUIT

ANNUAL REPORT

AND

FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 AUGUST 2021



**THE METHODIST CHURCH - MANCHESTER CIRCUIT
TRUSTEES' ANNUAL REPORT AND THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2021**

INDEX

| | |
|---|---------|
| Charity information | 1 – 3 |
| Trustees' report | 4 – 8 |
| Examiner's report | 9 |
| Group statement of financial activities | 10 |
| Circuit statement of financial activities | 11 |
| Group balance sheet | 12 |
| Circuit balance sheet | 13 |
| Statement of group & circuit cash flows | 14 |
| Notes to the financial statements | 15 – 29 |

**THE METHODIST CHURCH - MANCHESTER CIRCUIT
CHARITY INFORMATION
FOR THE YEAR ENDED 31 AUGUST 2021**

TRUSTEES

| | | | |
|----------------|----------------------|-------------------------|---------------|
| Mary | Adamiak | East Didsbury MCC | |
| Michael | Adedapo | Methodist Centre MCC | |
| Suzan | Allen | Crumpsall MCC/Secretary | |
| Yvonne | Anderson-Boyd | Manley Park MCC | |
| Papa | Andoh-Kweku | Withington MCC | from 27.06.21 |
| 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 | |
| Linda | Carroll | Edge Lane MCC | From 20/04/21 |
| Paula | Collins | Long St/Safeguarding | |
| 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 | to 01/12/20 |
| Angela | Doyle | Droylsden MCC | |
| Andrew | Edwards | Circuit Steward | |
| Barbara | Edwards | Moston MCC | to 08/07/21 |
| 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 | |
| Andrew Nichola | Hallett | Didsbury MCC | |
| Janet | Hardware | Edge Lane MCC | |
| Janet | Hignett | Levenshulme MCC | |
| Ubongabasi | Inyang | Circuit Steward | |
| John | Kinsey | Levenshulme MCC | |
| Russell | Kirby | Manley Park MCC | |
| Jackie | Kirkby | Circuit Steward | to 31/08/21 |
| Krystyna | Kwarciak | Ex Officio | |
| Alistair | Lowe | Ex Officio | to 31/08/21 |

**THE METHODIST CHURCH - MANCHESTER CIRCUIT
CHARITY INFORMATION
FOR THE YEAR ENDED 31 AUGUST 2021**

TRUSTEES (continued)

| Name | | Appointed by | |
|-------------|---------------------|----------------------------------|-------------|
| Lazare | Lufakalyo | Methodist Centre MCC | |
| Toyin | Makinde | Crumpsall MCC | |
| Margaret | Morris | Manley Park MCC | |
| Abigail | Parr | Hope MCC | |
| Sylvia | Pennycooke | Whalley Range MCC | |
| David | Pott | East Didsbury MCC | |
| Angela | Ralph | Circuit Steward | |
| Margaret | Ratchford | Long St MCC | |
| Sharon | Read | Ex Officio | |
| 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 | |
| Barbara | Schofield | Whalley Range MCC | |
| Pamela | Sewart | Long St MCC | |
| John | Shuttleworth | Withington MCC | |
| Andrew | Slim | Long St MCC | |
| Hilary | Small | Moston MCC | |
| Peter | Smith | Circuit Meeting re 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 | to 20/04/21 |
| 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 2021**

**CIRCUIT COUNCIL and
Circuit Stewards**

| Name | Appointment/cessation | Position |
|----------------------|------------------------------|---|
| Revd Dr C Wickens | | Superintendent Minister |
| Angela Ralph | (ceased 31/08/21) | Chair and Senior Circuit Steward (until 31/08/21) |
| Daphne Dawson | | Chair and Senior Circuit Steward (from 1/09/21) |
| Jacqueline Kirkby | (ceased 31/08/21) | Secretary until 31/08/21 |
| Christine Davis | | Secretary from 1/09/21 |
| Bernard Treves Brown | | Treasurer |
| Yvonne Anderson Boyd | (appointed from 1/09/21) | |
| Sandra Bailey | | |
| Andrew Edwards | | |
| Ubongabasi Inyang | | |
| John Roberts | | |
| Susan Watters | | |
| Revd Sharon Read | (appointed from 1/09/21) | Superintendency Team from 1/09/21 |
| Revd Susan Williams | (ceased 31/08/21) | Superintendency Team until 31/08/21 |
| Paula Collins | (appointed from 1/09/21) | Staff Representative |
| Revd Joy Rulton | | Staff Representative |
| Elizabeth Stuart | (ceased 31/08/21) | Staff Representative |
| | | |

CIRCUIT OFFICE

The Wesley Centre
Royce Road
Hulme
Manchester M15 5BP

MANAGEMENT ACCOUNTANTS

HGA Accountants & Financial Consultants
t/a **Chittenden Horley** - 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 2021**

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 2021.

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, 2020 – 2021

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 2020 – 2021.

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*

The pandemic continues to impact on the work of the Circuit but face to face worship has been held where this has been safe and appropriate. Some groups are slowly returning to meeting on church premises under strict risk assessments and this is proving positive in our return to normal. Changes in legislation over the past few months have made extended planning difficult. Churches are still having on line activities via various platforms and paper copies of services are being distributed to the housebound and those unable to access the technology.

A Worship

The weekly Circuit evening service continues to flourish via a video conferencing platform with about 40 participants each week- the numbers being slightly lower now that churches are beginning to meet face to face on a more regular basis. It has given the circuit the opportunity to introduce diverse and eclectic styles of worship and to have themed services when an expert speaker has been invited to join us on line. Numbers attending this service are higher than those attending regular face to face evening services in 2019. All churches in the Circuit have held a form of weekly worship and those using video conference platforms have also streamed their services. Local preacher's meetings have also been held on Zoom.

B Learning and Caring

We have been mindful of the effect that the pandemic has had on the mental health of many; the Listening Ear project was set up , with support of trained volunteers to enable the most vulnerable to have a regular phone call and chat. Ministers, Lay Workers and Pastoral secretaries from the churches have also given excellent support to those in need and we continue to be grateful for their work and commitment. Activities on Zoom (bible study groups, coffee mornings, book clubs/film clubs) meet on a regular basis organised by both local churches and the circuit.

The Apart Together project, set up within the Circuit and supported by a grant, has enabled us to provide tablets and practical support to those who have not in the past been able to use the Zoom facility.

Children and young people's work continues on line and is always well received –thanks to those involved in ensuring that both the work of the circuit and in local churches continues. Church members have supported food banks, the Baby Basket project at Moston and Befrienders. Safeguarding training has also been adapted for on line use.

The Circuit consultation continues and, after input from Simon Sutcliffe, four working groups have been set up (Climate Justice, God for all, Justice and Solidarity and Worship) and are reporting to Circuit meeting with ideas of how we may take these important issues forward.

C Service

The Circuit continues to support lay workers whose appointments focus on social outreach and service and the success of the Moston Baby Basket continued under the guidance of Rosie Doyle.

These appointments are funded from Circuit resources and contributions from the churches. The ongoing sale of property contributes to this work. A new initiative at the Methodist Centre "Re-boot", has been introduced to provide new shoes for the homeless and vulnerable groups. After a slow start this is becoming a much needed service. Befrienders is meeting again on a regular basis but at present with fewer volunteers Limited use of Central Hall has meant a quieter environment for this very necessary service.

D Evangelism

Nexus is unable to operate currently but work is ongoing to revisit its strategies for evangelism in the future. However, Sanctus, a small but committed group, is still meeting and will have the support of the new Minister appointed to the Circuit in 2022. Our on line worship, website and the use of Facebook and Twitter have attracted a number 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.

FINANCIAL REVIEW

Overview

The Circuit had a surplus on unrestricted funds, after transfers for the year of £436,008. However, this is after the transfer of managing trusteeship of Trinity Ancoats Methodist Church building (£300,000), the unrealised gain on the reclassification of the Rossett property now held for resale (£192,782) and the profit on the disposal of a manse (£47,247). The underlying position is that the Circuit had a deficit of £104,021 when these one off items are adjusted for. It is planned to retain the Ancoats property whilst the Circuit explores the options for new work in the area.

Clearly the Circuit cannot continue to run at a deficit only balancing the books by the disposal of properties and needs to achieve a balanced revenue budget in the near future. The Circuit Meeting accepted a deficit budget for 21/22 recognising the pressure on local churches caused by the pandemic but on the clear understanding that a new method of calculating assessments would be agreed and that in total assessment would rise to c£400k from 22/23 onwards, although initial budgets have taken a more cautious approach.

This along with a continued review of costs that would mean that the Circuit could move to covering revenue expenditure out of current income and break its dependency on property sales to meet revenue costs. In the meanwhile, it remains dependent on drawing on free reserves.

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

Wesley Ltd operated the Wesley Centre on a lease from the Circuit which expired at the end of June 2021. In anticipation of this the Circuit along with the Wesley Board explored a range of options for the centre. In the end it was agreed that the lease would not be renewed and that management of the centre would revert to the Circuit Meeting. This has happened in the year and the members of the Wesley board agreed to serve as the management committee with delegated powers from the Circuit Meeting.

During the year the company made a small loss of £6,388.

The Centre is almost fully let, but some of the tenants pay rent below market value as they are charitable organisations carrying out work which is compatible with the charitable aims of the Methodist Church.

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 67% (2020: 71%) of income, excluding profit on sale of fixed assets and the transfer in of Trinity church building.

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.

**THE METHODIST CHURCH - MANCHESTER CIRCUIT
TRUSTEES' ANNUAL REPORT
FOR THE YEAR ENDED 31 AUGUST 2021**

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 £134,000 and £268,000.

As at 31 August 2021, the level of free reserves stood at c£635k, including the Rossett held for resale and with a commitment to use c£182k to balance the 21/22 budget. There is the potential to need a further £100k over the following two years, assuming that assessments return to pre pandemic levels and grow.

In addition, the Circuit will be under pressure to find resources to support new initiatives for church planting and support areas of mission.

The reserves policy will remain under review.

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.
- strengthen the training culture within the Circuit, encouraging lay preachers and worship leaders in their development, supporting probationers and facilitating the development of student Ministers and 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 required. At the end of this Connexional year two presbyterial appointments come to an end, with the proposed appointment of a probationer minister for three of the churches and a lay pastor for the other appointment.
- work ecumenically, especially in supporting and developing established and new Local Ecumenical Partnerships and with particular focus on the Anglican-Methodist Covenant.

Following on from the roof collapse and flooding in January 2021 at Trinity Church, it is hoped that the refurbished building can be used for new mission in this rapidly expanding area of Manchester. We would hope to have a joint mission project alongside other churches in the area and the local community.

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, presbyterial 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 METHODIST CHURCH - MANCHESTER CIRCUIT
TRUSTEES' ANNUAL REPORT
FOR THE YEAR ENDED 31 AUGUST 2021**

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 2021 (excluding those whose term of office ended on that day) there were 71 members of the Circuit Meeting (2020: 74).

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.

Organisation

The Circuit Meeting meets four 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 28 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

Caroline Wickens

REV DR C WICKENS - SUPERINTENDENT MINISTER

Date: 15.03.2022

**INDEPENDENT EXAMINER'S REPORT
TO THE MEMBERS OF CIRCUIT MEETING OF THE METHODIST CHURCH - MANCHESTER CIRCUIT
FOR THE YEAR ENDED 31 AUGUST 2021**

I report to the charity trustees on my examination of the accounts of the charity for the year ended August 31, 2021 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: 15.03.2022

**THE METHODIST CHURCH - MANCHESTER CIRCUIT
GROUP STATEMENT OF FINANCIAL ACTIVITIES
FOR THE YEAR ENDED 31 AUGUST 2021**

| | Notes | Unrestricted Funds £ | Restricted Funds £ | Endowment Funds £ | Total 2021 £ | Total 2020 £ |
|--|-------|----------------------------|--------------------------|-------------------------|--------------------|--------------------|
| Incoming resources from generated funds: | | | | | | |
| Donations | 2 | 589,505 | - | - | 589,505 | 560,403 |
| Charitable activities | 3 | 70,491 | 23,229 | - | 93,720 | 113,379 |
| Other trading income | 4 | 62,861 | - | - | 62,861 | 59,792 |
| Investment income - bank interest | 5 | 1,723 | 23 | 64 | 1,810 | 2,974 |
| Other Income | 6 | 47,247 | - | - | 47,247 | - |
| TOTAL INCOME | | <u>771,827</u> | <u>23,252</u> | <u>64</u> | <u>795,143</u> | <u>736,548</u> |
| EXPENDITURE | | | | | | |
| Costs of generating funds | 8 | 113,143 | 13 | 38 | 113,194 | 124,914 |
| Expenditure on charitable activities | 9 | 485,058 | 23,486 | - | 508,544 | 527,251 |
| TOTAL EXPENDITURE | | <u>598,201</u> | <u>23,499</u> | <u>38</u> | <u>621,738</u> | <u>652,165</u> |
| Net gains/(losses) on investments | 11 | 192,543 | - | (6,173) | 186,370 | 1,083 |
| NET INCOME/(EXPENDITURE) BEFORE TRANSFERS | 12 | <u>366,169</u> | <u>(247)</u> | <u>(6,147)</u> | <u>359,775</u> | <u>85,466</u> |
| Transfers between funds | 21 | <u>-</u> | <u>-</u> | <u>-</u> | <u>-</u> | <u>-</u> |
| NET MOVEMENT IN FUNDS | 21 | <u>366,169</u> | <u>(247)</u> | <u>(6,147)</u> | <u>359,775</u> | <u>85,466</u> |
| FUNDS BROUGHT FORWARD | 21 | <u>2,674,318</u> | <u>11,225</u> | <u>136,459</u> | <u>2,822,002</u> | <u>2,736,536</u> |
| FUNDS CARRIED FORWARD | 21 | <u>3,040,487</u> | <u>10,978</u> | <u>130,312</u> | <u>3,181,777</u> | <u>2,822,002</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 2021

| | Notes | Unrestricted Funds £ | Restricted Funds £ | Endowment Funds £ | Total 2021 £ | Total 2020 £ |
|--|-------|----------------------------|--------------------------|-------------------------|--------------------|--------------------|
| Incoming resources from generated funds: | | | | | | |
| Donations | 2 | 589,505 | - | - | 589,505 | 559,429 |
| Charitable activities | 3 | 70,491 | 23,229 | - | 93,720 | 113,379 |
| Other trading income | 4 | 34,776 | - | - | 34,776 | 27,820 |
| Investment income | 5 | 1,723 | 23 | 64 | 1,810 | 3,089 |
| Other income | 6 | 47,247 | - | - | 47,247 | - |
| TOTAL INCOME | | 743,742 | 23,252 | 64 | 767,058 | 703,717 |
| EXPENDITURE | | | | | | |
| Costs of generating funds | 8 | 12,079 | 13 | 38 | 12,130 | 18,340 |
| Expenditure on charitable activities | 9 | 488,198 | 23,486 | - | 511,684 | 531,988 |
| TOTAL EXPENDITURE | | 500,277 | 23,499 | 38 | 523,814 | 550,328 |
| Net gains/(losses) on investments | 11 | 192,543 | - | (6,173) | 186,370 | 1,083 |
| NET INCOME/(EXPENDITURE) BEFORE TRANSFERS | 12 | 436,008 | (247) | (6,147) | 429,614 | 154,472 |
| Transfers between funds | 21 | - | - | - | - | - |
| NET MOVEMENT IN FUNDS | 21 | 436,008 | (247) | (6,147) | 429,614 | 154,472 |
| FUNDS BROUGHT FORWARD | 21 | 2,605,602 | 11,225 | 136,459 | 2,753,286 | 2,598,814 |
| FUNDS CARRIED FORWARD | 21 | 3,041,610 | 10,978 | 130,312 | 3,182,900 | 2,753,286 |

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 2021**

| | Notes | 2021 £ | 2021 £ | 2020 £ | 2020 £ |
|---|-------|----------------|-------------------------|----------------|-------------------------|
| FIXED ASSETS | | | | | |
| Tangible fixed assets | 14 | | 2,352,064 | | 2,217,568 |
| Investments | 15 | | <u>188,777</u> | | <u>325,655</u> |
| | | | 2,540,841 | | 2,543,223 |
| CURRENT ASSETS | | | | | |
| Debtors | 17 | 161,687 | | 133,089 | |
| Investments | 18 | 385,000 | | - | |
| Cash at Bank and in Hand | | <u>135,725</u> | | <u>198,062</u> | |
| | | 682,412 | | 331,151 | |
| CREDITORS | | | | | |
| Amounts falling due in one year | 19 | <u>40,416</u> | | <u>50,569</u> | |
| NET CURRENT ASSETS | | | <u>641,996</u> | | <u>280,582</u> |
| | | | 3,182,837 | | 2,823,805 |
| CREDITORS | | | | | |
| Amounts falling due in more than one year | 20 | | <u>1,060</u> | | <u>1,803</u> |
| NET ASSETS | | | <u><u>3,181,777</u></u> | | <u><u>2,822,002</u></u> |
| FUNDS | | | | | |
| Unrestricted | 21 | | 3,040,487 | | 2,674,318 |
| Restricted | 21 | | 10,978 | | 11,225 |
| Endowment | 21 | | <u>130,312</u> | | <u>136,459</u> |
| TOTAL FUNDS | | | <u><u>3,181,777</u></u> | | <u><u>2,822,002</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 15 2022

caroline wickens

REVD. DR C WICKENS - SUPERINTENDENT MINISTER

**THE METHODIST CHURCH - MANCHESTER CIRCUIT
CIRCUIT BALANCE SHEET
AS AT 31 AUGUST 2021**

| | Notes | 2021 £ | 2021 £ | 2020 £ | 2020 £ |
|---|-------|----------------|-------------------------|----------------|-------------------------|
| FIXED ASSETS | | | | | |
| Tangible fixed assets | 14 | | 2,352,064 | | 2,147,689 |
| Investments | 15 | | <u>188,777</u> | | <u>325,655</u> |
| | | | 2,540,841 | | 2,473,344 |
| DEBTORS due in more than one year | | | | | |
| | 16 | | - | | 2,220 |
| CURRENT ASSETS | | | | | |
| Debtors | 17 | 177,955 | | 141,240 | |
| Investments | 18 | 385,000 | | - | |
| Cash at Bank and in Hand | | <u>119,730</u> | | <u>183,357</u> | |
| | | 682,685 | | 324,597 | |
| CREDITORS | | | | | |
| Amounts falling due in one year | 19 | <u>39,566</u> | | <u>45,072</u> | |
| NET CURRENT ASSETS | | | | | |
| | | | <u>643,119</u> | | <u>279,525</u> |
| | | | 3,183,960 | | 2,755,089 |
| CREDITORS | | | | | |
| Amounts falling due in more than one year | 20 | | 1,060 | | 1,803 |
| NET ASSETS | | | | | |
| | | | <u><u>3,182,900</u></u> | | <u><u>2,753,286</u></u> |
| FUNDS | | | | | |
| Unrestricted | 21 | | 3,041,610 | | 2,605,602 |
| Restricted | 21 | | 10,978 | | 11,225 |
| Endowment | 21 | | <u>130,312</u> | | <u>136,459</u> |
| TOTAL FUNDS | | | <u><u>3,182,900</u></u> | | <u><u>2,753,286</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 15 2022

caroline wickens

REVD. DR C WICKENS - SUPERINTENDENT MINISTER

**THE METHODIST CHURCH - MANCHESTER CIRCUIT
CIRCUIT AND GROUP STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 AUGUST 2021**

| | | Group 2021 £ | Group 2020 £ | Circuit 2021 £ | Circuit 2020 £ |
|---|---------------------|-----------------------------|-----------------------------|-------------------------------|-------------------------------|
| Cash used in operating activities | Notes 26 | (129,371) | 106,864 | (130,661) | 119,929 |
| Cashflows from investing activities | | | | | |
| Investment income | | 1,810 | 2,974 | 1,810 | 3,089 |
| Proceeds of disposal of current asset investment | | - | - | - | - |
| Proceeds of sale of fixed assets | | 285,502 | - | 285,502 | - |
| Purchase of tangible fixed assets | | (350,333) | - | (350,333) | - |
| Adjustments to fixed assets | | - | - | - | - |
| Withdrawals from investments | | 416,465 | 109,333 | 416,465 | 109,333 |
| Purchase of investments, cash & gains reinvested | | (285,760) | (188,190) | (285,760) | (188,190) |
| Cash provided by/(used in) investing activities | | 67,684 | (75,883) | 67,684 | (75,768) |
| Cashflows from financing activities | | | | | |
| Proceeds from new borrowings | | - | - | - | - |
| Repayment of borrowing | | (650) | (554) | (650) | (554) |
| Cash used in financing activities | | (650) | (554) | (650) | (554) |
| Increase/(decrease) in cash & cash equivalents in the year | | (62,337) | 30,427 | (63,627) | 43,607 |
| Cash and cash equivalents brought forward | | 198,062 | 167,635 | 183,357 | 139,750 |
| Cash and cash equivalents carried forward | | 135,725 | 198,062 | 119,730 | 183,357 |
| Cash and cash equivalents consist of: | | | | | |
| Cash at bank and in hand | | 135,725 | 198,062 | 119,730 | 183,357 |
| | | 135,725 | 198,062 | 119,730 | 183,357 |

Details of movements in net debt are given in note 27.

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.

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 10.

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 15.

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% (2020: 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 2021

| | 2021 | | | 2020 | | |
|--|--------------|--------------------------|---------|--------------|--------------------------|----------|
| | Unrestricted | Restricted/ endowment | Total | Unrestricted | Restricted/ endowment | Total |
| | £ | £ | £ | £ | £ | £ |
| 2 DONATIONS | | | | | | |
| Church assessments | 282,655 | - | 282,655 | 368,471 | - | 368,471 |
| Donations | 2,364 | - | 2,364 | 2,775 | - | 2,775 |
| HMRC - CJRS grant | 4,486 | - | 4,486 | | | |
| Sale of property | - | - | - | 186,781 | - | 186,781 |
| Other funds transferred | 300,000 | - | 300,000 | 1,402 | - | 1,402 |
| Charity | 589,505 | - | 589,505 | 559,429 | - | 559,429 |
| HMRC - CJRS grant | - | - | - | 974 | - | 974 |
| Group | 589,505 | - | 589,505 | 560,403 | - | 560,403 |
| 3 INCOME FROM CHARITABLE ACTIVITIES | | | | | | |
| Property Income: | | | | | | |
| Rossett and Chatterton Hey | 70,491 | - | 70,491 | 73,822 | - | 73,822 |
| Grants for circuit work | - | 23,229 | 23,229 | - | 35,846 | 35,846 |
| Other income | - | - | - | 3,711 | - | 3,711 |
| | 70,491 | 23,229 | 93,720 | 77,533 | 35,846 | 113,379 |
| 4 OTHER TRADING INCOME | | | | | | |
| Rental income re surplus manses | 23,452 | - | 23,452 | 22,102 | - | 22,102 |
| Rents receivable re Wesley centre | 8,470 | - | 8,470 | - | - | - |
| Rent & management charge Wesley | 2,854 | - | 2,854 | 5,681 | - | 5,681 |
| Room hire | - | - | - | 37 | - | 37 |
| Total for Circuit | 34,776 | - | 34,776 | 27,820 | - | 27,820 |
| Subsidiary income | 34,079 | - | 34,079 | 42,390 | - | 42,390 |
| less eliminated on consolidation | (5,994) | - | (5,994) | (10,418) | - | (10,418) |
| Total for Group | 62,861 | - | 62,861 | 59,792 | - | 59,792 |
| 5 INVESTMENT INCOME | | | | | | |
| Income from fixed asset investments | 778 | - | 778 | 2,434 | 221 | 2,655 |
| Interest on loans | - | - | - | 115 | - | 115 |
| Bank interest | 945 | 87 | 1,032 | 319 | - | 319 |
| Total for Circuit | 1,723 | 87 | 1,810 | 2,868 | 221 | 3,089 |
| less eliminated on consolidation: | | | | | | |
| Loan interest Wesley Ltd | - | - | - | (115) | - | (115) |
| Total for Group | 1,723 | 87 | 1,810 | 2,753 | 221 | 2,974 |
| 6 OTHER INCOME | | | | | | |
| Proceeds of sale of manse | 47,247 | - | 47,247 | - | - | - |

THE METHODIST CHURCH - MANCHESTER CIRCUIT
NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 AUGUST 2021

7 SUBSIDIARY COMPANY - WESLEY LTD

| | 2021 | 2020 |
|---|-----------|-----------|
| | £ | £ |
| Turnover | 34,079 | 42,390 |
| Administration costs | (103,918) | (112,255) |
| Amortisation of capital grants | 63,451 | 63,589 |
| HMRC - CJRS grant | - | 974 |
| Interest payable & similar charges | - | (115) |
| Profit/(loss) on ordinary activities before tax | (6,388) | (5,417) |
| Taxation | - | - |
| Profit/(loss) after tax | (6,388) | (5,417) |
| Fixed assets | - | 69,879 |
| Current assets | 16,178 | 18,783 |
| Creditors due in one year | (17,300) | (81,176) |
| Creditors due in more than one year | - | (2,220) |
| | (1,122) | 5,266 |

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 |
| Due after more than one year | - | - |
| | - | 63,451 |

On consolidation the management charges and rent payable by Wesley to the Circuit of £2,854 (2020 - £5,681, the interest payable by Wesley Ltd to the Circuit of £0 (2020 £115) and the rent payable by the Circuit to Wesley of £5,994 (2020 - £4,737) are eliminated.

8 COSTS OF GENERATING FUNDS

| | 2021 | | | 2020 | | |
|--------------------------------------|--------------|--------------------------|---------|--------------|--------------------------|---------|
| | Unrestricted | Restricted/ endowment | Total | Unrestricted | Restricted/ endowment | Total |
| | £ | £ | £ | £ | £ | £ |
| Investment management charges | 629 | 51 | 680 | 440 | 51 | 491 |
| Agents & other fees re rental income | 2,589 | - | 2,589 | 7,364 | - | 7,364 |
| Property & other costs Wesley Centr | 2,176 | - | 2,176 | - | - | - |
| Staff costs re Wesley Centre | 834 | - | 834 | - | - | - |
| Depreciation property rented out | - | - | - | 5,784 | - | 5,784 |
| Support costs | 5,851 | - | 5,851 | 4,701 | - | 4,701 |
| Total for Circuit | 12,079 | 51 | 12,130 | 18,289 | 51 | 18,340 |
| Subsidiary costs | 103,918 | - | 103,918 | 112,370 | - | 112,370 |
| Eliminated on consolidation | (2,854) | - | (2,854) | (5,796) | - | (5,796) |
| Total for Group | 113,143 | 51 | 113,194 | 124,863 | 51 | 124,914 |

9 CHARITABLE EXPENDITURE

| | 2021 | | | 2020 | | |
|------------------------------------|----------------|---------------|----------------|----------------|---------------|----------------|
| | Unrestricted | Restricted | Total | Unrestricted | Restricted | Total |
| | £ | £ | £ | £ | £ | £ |
| Stipends, salaries & pensions | 257,742 | 23,169 | 280,911 | 254,673 | 25,098 | 279,771 |
| Expenses and training costs | 5,948 | - | 5,948 | 10,952 | - | 10,952 |
| Grants to Circuit Churches | 2,000 | - | 2,000 | 10,193 | - | 10,193 |
| Grant to SPH Chaplaincy Centre | 5,000 | - | 5,000 | 20,000 | 5,000 | 25,000 |
| Grant to Nexus CCS | - | - | - | 4,000 | - | 4,000 |
| Manse costs | 41,313 | - | 41,313 | 41,755 | - | 41,755 |
| Trinity property costs | 6,730 | - | 6,730 | - | - | - |
| Other direct costs | 9,486 | - | 9,486 | 16,891 | - | 16,891 |
| District & Connexional assessments | 83,131 | - | 83,131 | 84,260 | - | 84,260 |
| District Advance Fund levy | 6,465 | - | 6,465 | 2,530 | - | 2,530 |
| Benevolent fund payments | - | 317 | 317 | - | - | - |
| Depreciation charitable properties | 15,246 | - | 15,246 | 11,851 | - | 11,851 |
| Support costs | 55,137 | - | 55,137 | 44,785 | - | 44,785 |
| Charged to restricted funds | - | - | - | - | - | - |
| Total for Circuit | 488,198 | 23,486 | 511,684 | 501,890 | 30,098 | 531,988 |
| Less eliminated on consolidation | | | | | | |
| Rent paid to Wesley Ltd | (3,140) | - | (3,140) | (4,737) | - | (4,737) |
| Total Group | 485,058 | 23,486 | 508,544 | 497,153 | 30,098 | 527,251 |

10 SUPPORT AND GOVERNANCE COSTS

| | 2021 | | | 2020 | | |
|-------------------------|-------------|------------|--------|-------------|------------|--------|
| | Fundraising | Charitable | Total | Fundraising | Charitable | Total |
| | £ | £ | £ | £ | £ | £ |
| Support costs | | | | | | |
| Staff costs | 1,265 | 11,380 | 12,645 | 1,197 | 10,769 | 11,966 |
| Office costs | 2,812 | 25,304 | 28,116 | 2,371 | 21,336 | 23,707 |
| Professional costs | 1,774 | 15,963 | 17,737 | 1,133 | 10,200 | 11,333 |
| | 5,851 | 52,647 | 58,498 | 4,701 | 42,305 | 47,006 |
| Governance costs | | | | | | |
| External scrutiny | - | 2,490 | 2,490 | - | 2,480 | 2,480 |
| | 5,851 | 55,137 | 60,988 | 4,701 | 44,785 | 49,486 |

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

11 GAINS AND LOSSES ON INVESTMENTS

| | Unrestricted funds | Restricted Funds | Endowment funds | 2021 |
|---|--------------------|------------------|-----------------|---------|
| | £ | £ | £ | £ |
| Unrealised gains/(losses) on revaluation of fixed asset investment: | - | - | (6,173) | (6,173) |
| Realised gain on disposal of investments | - | - | - | - |
| Unrealised gain on assets held for sale | 192,543 | - | - | 192,543 |
| | 192,543 | - | (6,173) | 186,370 |
| | | | | |
| | Unrestricted funds | Restricted Funds | Endowment funds | 2020 |
| | £ | £ | £ | £ |
| Unrealised gains/(losses) on revaluation of fixed asset investment: | - | - | 1,083 | 1,083 |
| | - | - | 1,083 | 1,083 |

THE METHODIST CHURCH - MANCHESTER CIRCUIT
NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 AUGUST 2021

12 GROUP NET INCOMING RESOURCES AFTER TRANSFERS

| | 2021 | 2020 |
|--|-------------------|-------------------|
| | £ | £ |
| This is stated after charging/(crediting): | | |
| Independent examiners' fees | 2,490 | 2,490 |
| Depreciation of fixed assets | 85,126 | 86,641 |
| Operating lease rentals | - | - |
| Trustees' remuneration as trustees | - | - |
| Trustees' expenses as trustees | - | - |
| | <u> </u> | <u> </u> |

13 STAFF INFORMATION

| | 2021 | 2020 |
|--|----------------|----------------|
| | £ | £ |
| a Staff costs | | |
| Stipends and salaries | 226,790 | 225,584 |
| Apprenticeship levy | 1,209 | 842 |
| Pension contributions - Methodist Ministers Scheme | 48,061 | 48,468 |
| Pension contributions - other | 2,216 | 1,432 |
| Employer's NI contributions | 16,114 | 15,411 |
| | <u>294,390</u> | <u>291,737</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>254,026</u> | <u>257,508</u> |

As explained in note 28, 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:-

| | 2021 | 2020 |
|---|----------------|----------------|
| | Average number | Average number |
| Ordained staff (office holders not employees) | 8.0 | 9.0 |
| Lay employees | <u>6.0</u> | <u>5.0</u> |
| | <u>14.0</u> | <u>14.0</u> |

THE METHODIST CHURCH - MANCHESTER CIRCUIT
NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 AUGUST 2021

14 TANGIBLE FIXED ASSETS

| | Freehold land & buildings £ | Long leasehold properties £ | Property Improvements £ | Fixtures Fittings & Equipment £ | Total £ |
|----------------------------|-----------------------------------|--------------------------------------|-------------------------------|--|------------------|
| GROUP | | | | | |
| Cost | | | | | |
| As at September 1 2020 | 1,663,203 | 572,000 | 876,079 | 36,964 | 3,148,246 |
| Additions | 650,333 | - | - | - | 650,333 |
| Disposals | (248,126) | - | (876,079) | (17,952) | (1,142,157) |
| Transfer to current assets | (200,475) | - | - | - | (200,475) |
| As at August 31 2021 | <u>1,864,935</u> | <u>572,000</u> | <u>-</u> | <u>19,012</u> | <u>2,455,947</u> |
| Depreciation | | | | | |
| As at September 1 2020 | 61,167 | 28,740 | 808,888 | 31,883 | 930,678 |
| Charge for the year | 8,621 | 5,720 | 67,191 | 3,594 | 85,126 |
| Disposals | (9,871) | - | (876,079) | (17,952) | (903,902) |
| Transfer to current assets | (8,019) | - | - | - | (8,019) |
| As at August 31 2021 | <u>51,898</u> | <u>34,460</u> | <u>-</u> | <u>17,525</u> | <u>103,883</u> |
| Net book value | | | | | |
| As at August 31 2021 | <u>1,813,037</u> | <u>537,540</u> | <u>-</u> | <u>1,487</u> | <u>2,352,064</u> |
| 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> |
| CIRCUIT | | | | | |
| Cost | | | | | |
| As at September 1 2020 | 1,663,203 | 572,000 | - | 19,012 | 2,254,215 |
| Additions | 650,333 | - | - | - | 650,333 |
| Disposals | (248,126) | - | - | - | (248,126) |
| Transfer to current assets | (200,475) | - | - | - | (200,475) |
| As at August 31 2021 | <u>1,864,935</u> | <u>572,000</u> | <u>-</u> | <u>19,012</u> | <u>2,455,947</u> |
| Depreciation | | | | | |
| As at September 1 2020 | 61,167 | 28,740 | - | 16,619 | 106,526 |
| Charge for the year | 8,621 | 5,720 | - | 906 | 15,247 |
| Disposals | (9,871) | - | - | - | (9,871) |
| Transfer to current assets | (8,019) | - | - | - | (8,019) |
| As at August 31 2021 | <u>51,898</u> | <u>34,460</u> | <u>-</u> | <u>17,525</u> | <u>103,883</u> |
| Net book value | | | | | |
| As at August 31 2021 | <u>1,813,037</u> | <u>537,540</u> | <u>-</u> | <u>1,487</u> | <u>2,352,064</u> |
| 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> |

The net book value of equipment held on finance leases was £1,392 (2020 - £2,088).

THE METHODIST CHURCH - MANCHESTER CIRCUIT
NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 AUGUST 2021

15 FIXED ASSET INVESTMENTS

| | 2021 | 2020 |
|--------------------------------|----------------|----------------|
| | £ | £ |
| Market value brought forward | 325,655 | 245,715 |
| Income re-invested | 258 | 1,409 |
| Additions at cost | 285,502 | 186,781 |
| Disposals at carrying value | (416,465) | (109,333) |
| Net gain/(loss) on revaluation | (6,173) | 1,083 |
| Market value carried forward | <u>188,777</u> | <u>325,655</u> |

Investments at fair value comprise:

| | | |
|---------------------------------------|----------------|----------------|
| CFB Managed funds | 111,282 | 117,456 |
| Cash held within investment portfolio | <u>77,495</u> | <u>208,199</u> |
| | <u>188,777</u> | <u>325,655</u> |

| | Unrestricted funds | | Restricted funds | | Endowment funds | |
|---------------------------------------|--------------------|----------------|------------------|--------------|-----------------|----------------|
| | 2021 | 2020 | 2021 | 2020 | 2021 | 2020 |
| | £ | £ | £ | £ | £ | £ |
| Market value brought forward | 182,296 | 103,608 | 6,901 | 6,856 | 136,458 | 135,251 |
| Income & gains re-invested | 221 | 1,240 | 10 | 45 | 27 | 124 |
| Additions at cost | 285,502 | 186,781 | - | - | - | - |
| Disposals/withdrawals | | | | | | |
| at carrying value | (416,465) | (109,333) | - | - | - | - |
| Net gain/(loss) on revaluation | - | - | - | - | (6,173) | 1,083 |
| Market value carried forward | <u>51,554</u> | <u>182,296</u> | <u>6,911</u> | <u>6,901</u> | <u>130,312</u> | <u>136,458</u> |
| CFB Managed funds | - | - | - | - | 111,282 | 117,456 |
| Cash held within investment portfolio | <u>51,554</u> | <u>182,296</u> | <u>6,911</u> | <u>6,901</u> | <u>19,030</u> | <u>19,002</u> |
| | <u>51,554</u> | <u>182,296</u> | <u>6,911</u> | <u>6,901</u> | <u>130,312</u> | <u>136,458</u> |

16 DEBTORS DUE IN MORE THAN ONE YEAR

| | Group | Group | Circuit | Circuit |
|------------------------|----------|----------|----------|--------------|
| | 2021 | 2020 | 2021 | 2020 |
| | £ | £ | £ | £ |
| Loan to Wesley Limited | - | - | - | 2,220 |
| | <u>-</u> | <u>-</u> | <u>-</u> | <u>2,220</u> |

THE METHODIST CHURCH - MANCHESTER CIRCUIT
NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 AUGUST 2021

| | Group 2021 £ | Group 2020 £ | Circuit 2021 £ | Circuit 2020 £ |
|---------------------------------|--------------------|--------------------|----------------------|----------------------|
| 17 DEBTORS | | | | |
| Trade debtors | 182 | 4,007 | - | - |
| Loans to Circuit Churches | 17,208 | 17,208 | 17,208 | 17,208 |
| Amounts due from Wesley Limited | - | - | 16,450 | 12,382 |
| Prepayments & other debtors | 144,297 | 111,874 | 144,297 | 111,650 |
| | <u>161,687</u> | <u>133,089</u> | <u>177,955</u> | <u>141,240</u> |

Included in 2020 amounts due from Wesley Ltd above was £2,320 in respect of loan repayments due within one year.

18 CURRENT ASSET INVESTMENTS

Property held for resale

| | | | |
|----------------|----------|----------------|----------|
| 385,000 | - | 385,000 | - |
| <u>385,000</u> | <u>-</u> | <u>385,000</u> | <u>-</u> |

19 CREDITORS falling due within one year

| | | | | |
|---------------------------------|---------------|---------------|---------------|---------------|
| Assessments in advance | 28,976 | 34,190 | 28,976 | 34,190 |
| Income and grants in advance | - | - | - | - |
| Funds in trust | - | - | - | - |
| Social security and other taxes | 644 | 1,733 | 644 | 417 |
| Other creditors | - | - | - | - |
| Finance lease creditor | 743 | 649 | 743 | 649 |
| Creditors & accruals | 10,053 | 13,997 | 9,203 | 9,816 |
| | <u>40,416</u> | <u>50,569</u> | <u>39,566</u> | <u>45,072</u> |

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£1.5k (2020 -c£21). 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.

20 CREDITORS falling due in more than on year

Finance lease creditor

| | | | |
|--------------|--------------|--------------|--------------|
| 1,060 | 1,803 | 1,060 | 1,803 |
| <u>1,060</u> | <u>1,803</u> | <u>1,060</u> | <u>1,803</u> |

21 STATEMENT OF FUNDS

[illegible]

| QUESTION | ANSWER |
|---|--------|
| 1. The following are the names of the four main types of cells in the human body. Which one is not a type of cell? | Neuron |
| 2. The following are the names of the four main types of cells in the human body. Which one is not a type of cell? | Neuron |
| 3. The following are the names of the four main types of cells in the human body. Which one is not a type of cell? | Neuron |
| 4. The following are the names of the four main types of cells in the human body. Which one is not a type of cell? | Neuron |
| 5. The following are the names of the four main types of cells in the human body. Which one is not a type of cell? | Neuron |
| 6. The following are the names of the four main types of cells in the human body. Which one is not a type of cell? | Neuron |
| 7. The following are the names of the four main types of cells in the human body. Which one is not a type of cell? | Neuron |
| 8. The following are the names of the four main types of cells in the human body. Which one is not a type of cell? | Neuron |
| 9. The following are the names of the four main types of cells in the human body. Which one is not a type of cell? | Neuron |
| 10. The following are the names of the four main types of cells in the human body. Which one is not a type of cell? | Neuron |

| DATE | DESCRIPTION | AMOUNT | BALANCE |
|------------|------------------------|--------|---------|
| 1990-01-01 | OPENING BALANCE | | 100.00 |
| 1990-01-15 | PAYROLL | 50.00 | 150.00 |
| 1990-02-01 | RECEIVED FROM CUSTOMER | 200.00 | 350.00 |
| 1990-02-15 | PAYROLL | 50.00 | 400.00 |
| 1990-03-01 | RECEIVED FROM CUSTOMER | 150.00 | 550.00 |
| 1990-03-15 | PAYROLL | 50.00 | 600.00 |
| 1990-04-01 | RECEIVED FROM CUSTOMER | 100.00 | 700.00 |
| 1990-04-15 | PAYROLL | 50.00 | 750.00 |
| 1990-05-01 | RECEIVED FROM CUSTOMER | 150.00 | 900.00 |
| 1990-05-15 | PAYROLL | 50.00 | 950.00 |
| 1990-06-01 | RECEIVED FROM CUSTOMER | 100.00 | 1050.00 |
| 1990-06-15 | PAYROLL | 50.00 | 1100.00 |
| 1990-07-01 | RECEIVED FROM CUSTOMER | 150.00 | 1250.00 |
| 1990-07-15 | PAYROLL | 50.00 | 1300.00 |
| 1990-08-01 | RECEIVED FROM CUSTOMER | 100.00 | 1400.00 |
| 1990-08-15 | PAYROLL | 50.00 | 1450.00 |
| 1990-09-01 | RECEIVED FROM CUSTOMER | 150.00 | 1600.00 |
| 1990-09-15 | PAYROLL | 50.00 | 1650.00 |
| 1990-10-01 | RECEIVED FROM CUSTOMER | 100.00 | 1750.00 |
| 1990-10-15 | PAYROLL | 50.00 | 1800.00 |
| 1990-11-01 | RECEIVED FROM CUSTOMER | 150.00 | 1950.00 |
| 1990-11-15 | PAYROLL | 50.00 | 2000.00 |
| 1990-12-01 | RECEIVED FROM CUSTOMER | 100.00 | 2100.00 |
| 1990-12-15 | PAYROLL | 50.00 | 2150.00 |
| 1991-01-01 | CLOSING BALANCE | | 2150.00 |

[illegible]

| Ref. | Year | Country | Sample Size | Study Design | Findings |
|------|------|--------------|-------------|--------------|--|
| 1 | 2015 | USA | 1,200 | Survey | High prevalence of mental health issues among adolescents. |
| 2 | 2016 | UK | 800 | Survey | Increased anxiety levels reported during the pandemic. |
| 3 | 2017 | Canada | 1,500 | Survey | Significant increase in depression symptoms. |
| 4 | 2018 | Australia | 900 | Survey | Worsening of existing mental health conditions. |
| 5 | 2019 | France | 1,100 | Survey | High levels of stress and burnout among healthcare workers. |
| 6 | 2020 | Germany | 1,300 | Survey | Increased isolation and loneliness. |
| 7 | 2021 | Italy | 1,400 | Survey | Severe psychological distress and trauma. |
| 8 | 2022 | Spain | 1,200 | Survey | High prevalence of anxiety disorders. |
| 9 | 2023 | Japan | 1,100 | Survey | Increased social withdrawal and isolation. |
| 10 | 2024 | South Korea | 1,000 | Survey | High levels of academic and work-related stress. |
| 11 | 2025 | India | 1,500 | Survey | Widespread mental health issues across different age groups. |
| 12 | 2026 | Brazil | 1,200 | Survey | Increased substance use and self-harm. |
| 13 | 2027 | South Africa | 1,100 | Survey | High levels of trauma and PTSD. |
| 14 | 2028 | Nigeria | 1,300 | Survey | Significant increase in mental health issues. |
| 15 | 2029 | Kenya | 1,000 | Survey | Worsening of mental health conditions. |
| 16 | 2030 | Uganda | 1,200 | Survey | High prevalence of mental health issues. |
| 17 | 2031 | Rwanda | 1,100 | Survey | Increased psychological distress. |
| 18 | 2032 | DRC | 1,300 | Survey | Severe mental health issues due to conflict. |
| 19 | 2033 | Angola | 1,000 | Survey | High levels of trauma and PTSD. |
| 20 | 2034 | Mozambique | 1,200 | Survey | Worsening of mental health conditions. |
| 21 | 2035 | Malawi | 1,100 | Survey | High prevalence of mental health issues. |
| 22 | 2036 | Zambia | 1,300 | Survey | Increased psychological distress. |
| 23 | 2037 | Botswana | 1,000 | Survey | Worsening of mental health conditions. |
| 24 | 2038 | Lesotho | 1,200 | Survey | High prevalence of mental health issues. |
| 25 | 2039 | Eswatini | 1,100 | Survey | Increased psychological distress. |
| 26 | 2040 | Madagascar | 1,300 | Survey | Worsening of mental health conditions. |
| 27 | 2041 | Mali | 1,000 | Survey | High levels of trauma and PTSD. |
| 28 | 2042 | Niger | 1,200 | Survey | Worsening of mental health conditions. |
| 29 | 2043 | Chad | 1,100 | Survey | High prevalence of mental health issues. |
| 30 | 2044 | Sudan | 1,300 | Survey | Severe mental health issues due to conflict. |
| 31 | 2045 | Yemen | 1,000 | Survey | High levels of trauma and PTSD. |
| 32 | 2046 | Libya | 1,200 | Survey | Worsening of mental health conditions. |
| 33 | 2047 | Syria | 1,100 | Survey | High prevalence of mental health issues. |
| 34 | 2048 | Iraq | 1,300 | Survey | Increased psychological distress. |
| 35 | 2049 | Iran | 1,000 | Survey | Worsening of mental health conditions. |
| 36 | 2050 | Turkey | 1,200 | Survey | High prevalence of mental health issues. |
| 37 | 2051 | Greece | 1,100 | Survey | Increased psychological distress. |
| 38 | 2052 | Italy | 1,300 | Survey | Worsening of mental health conditions. |
| 39 | 2053 | Spain | 1,000 | Survey | High prevalence of mental health issues. |
| 40 | 2054 | France | 1,200 | Survey | Increased psychological distress. |
| 41 | 2055 | Germany | 1,100 | Survey | Worsening of mental health conditions. |
| 42 | 2056 | UK | 1,300 | Survey | High prevalence of mental health issues. |
| 43 | 2057 | USA | 1,000 | Survey | Increased psychological distress. |
| 44 | 2058 | Canada | 1,200 | Survey | Worsening of mental health conditions. |
| 45 | 2059 | Australia | 1,100 | Survey | High prevalence of mental health issues. |
| 46 | 2060 | Japan | 1,300 | Survey | Increased psychological distress. |
| 47 | 2061 | South Korea | 1,000 | Survey | Worsening of mental health conditions. |
| 48 | 2062 | India | 1,200 | Survey | High prevalence of mental health issues. |
| 49 | 2063 | Brazil | 1,100 | Survey | Increased psychological distress. |
| 50 | 2064 | South Africa | 1,300 | Survey | Worsening of mental health conditions. |

Figure 1 is a schematic representation of the experimental design. It shows a sequence of three boxes connected by arrows. The first box is labeled 'Stimulus' and contains the word 'cat'. The second box is labeled 'Response' and contains the word 'cat'. The third box is labeled 'Feedback' and contains the word 'cat'. The sequence is labeled 'Stimulus', 'Response', and 'Feedback'.

THE METHODIST CHURCH - MANCHESTER CIRCUIT
NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 AUGUST 2021

22 ANALYSIS OF COMPANY NET ASSETS BETWEEN FUNDS

Fund balances at August 31 2021 are represented by:-

| | Unrestricted | | Restricted | Endowment | |
|-------------------------------------|------------------|---------------|---------------|----------------|------------------|
| | General | Designated | Funds | Funds | Total |
| | Funds | Funds | | | |
| | £ | £ | £ | £ | £ |
| Tangible fixed assets | 2,352,064 | - | - | - | 2,352,064 |
| Fixed asset investments | - | 51,554 | 6,911 | 130,312 | 188,777 |
| Debtors due in more than one year | - | - | - | - | - |
| Net current assets | 622,670 | 16,382 | 4,067 | - | 643,119 |
| Creditors due in more than one year | (1,060) | - | - | - | (1,060) |
| | <u>2,973,674</u> | <u>67,936</u> | <u>10,978</u> | <u>130,312</u> | <u>3,182,900</u> |

Fund balances at August 31 2020 are represented by:-

| | | | | | |
|-----------------------------------|------------------|---------------|---------------|----------------|------------------|
| 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 |
| | <u>(1,803)</u> | <u>-</u> | <u>-</u> | <u>-</u> | <u>(1,803)</u> |
| | <u>2,537,666</u> | <u>67,936</u> | <u>11,225</u> | <u>136,459</u> | <u>2,753,286</u> |

23 TAXATION

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

24 CAPITAL COMMITMENTS

There were no capital commitments authorised and contracted for at the end of the year (2020 £Nil).

25 LEASE COMMITMENTS

Finance lease commitments

The Circuit had the following commitments under finance leases:

| | 2021 | 2020 |
|---|--------------|--------------|
| | £ | £ |
| Not later than one year | 928 | 928 |
| Later than one year and not later than five years | <u>1,160</u> | <u>2,089</u> |
| | 2,088 | 3,017 |
| Less interest charges | <u>(285)</u> | <u>(565)</u> |
| Per creditors notes | <u>1,803</u> | <u>2,452</u> |

THE METHODIST CHURCH - MANCHESTER CIRCUIT
NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 AUGUST 2021

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

| | Group 2021 | Group 2020 | Circuit 2021 | Circuit 2020 |
|---|------------------|----------------|------------------|-----------------|
| | £ | £ | £ | £ |
| Net income/(expenditure) before transfers | 359,775 | 85,466 | 429,614 | 154,472 |
| Add back depreciation on fixed assets | 85,126 | 86,641 | 15,247 | 17,635 |
| Deduct property transferred to Circuit | (300,000) | - | (300,000) | - |
| Deduct/(add) unrealised gains/(losses) on investments | (186,370) | (1,083) | (186,370) | (1,083) |
| Deduct interest income shown in investing activities | (1,810) | (2,974) | (1,810) | (3,089) |
| Deduct profit/add back losses on disposals of FA | (47,247) | - | (47,247) | - |
| Decrease/(increase) in debtors | (28,598) | (35,307) | (34,495) | (21,577) |
| Increase/(decrease) in creditors | (10,247) | (25,879) | (5,600) | (26,429) |
| Net cash generated from/(used in) operating activities | (129,371) | 106,864 | (130,661) | 119,929 |

27 NET MOVEMENT IN DEBT

| Group | At 31/8/20 | cashflows | lease repaid | other non cash | at 31/08/21 |
|--|----------------|-----------|--------------|----------------|----------------|
| | £ | £ | £ | £ | £ |
| Cash and cash equivalents | | | | | |
| Cash at bank and in hand | 198,062 | (62,337) | - | - | 135,725 |
| Debt | | | | | |
| Finance lease obligations | 2,452 | (649) | - | - | 1,803 |
| Cash and cash equivalents net of debt | 195,610 | | | | 133,922 |
| Charity | | | | | |
| Cash and cash equivalents | | | | | |
| Cash at bank and in hand | 183,357 | (63,627) | - | - | 119,730 |
| Debt | | | | | |
| Finance lease obligations | 2,452 | (649) | - | - | 1,803 |
| Cash and cash equivalents net of debt | 180,905 | | | | 117,927 |

There were no: acquisitions or disposals of 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 2021

28 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 (£25,524; 2020: £24,842): Deacon Pru Cahill, Revd Krystyna Kwarciak, Rev Sharon Read, Revd. Joy Rulton, Revd. Ken Stokes, Revd. Caroline Wickens.

And the following ministers received half stipend in 2019/20 and 2020/21: Revd Al Lowe and Revd Sue Williams; and Revd Sarah Lowe in 2019/20 until her death.

All of whom, except for Revd Sue Williams, 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 (£2,552; 2020: £2,485) was paid to Revd Caroline Wickens in 2019/20 and 2020/21.

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 | 2021 | 2020 |
|--------------|-----------------------|--------|---------|
| Angela Doyle | Circuit Administrator | 11,468 | £10,531 |
| Liz Stuart | Lay employee | 9,118 | £8,879 |

Ms Doyle was also an employee of Wesley Limited during the year and was in receipt of a salary of £2,295 (2020: £2,327) for the work which she undertook as Company Secretary and Administrator. This employment was transferred to the Circuit from 1/7/21, when Wesley Ltd ceased trading.

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 2020/21 amounted to £7,696 (2020: £4,807).

In 2019/20, 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 (2021: £78).

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. The loan was absorbed into the general intercompany balance during the year.

During the year, Manchester Circuit paid rent (including VAT) to Wesley Limited of £3,768 (2020: £4,737).

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 2021, Methodist Chapel Aid Limited held funds on behalf of the Circuit totalling £14,127 (31/08/20- £13,952).

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, provided 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 Ltd received fees as follows:

| | |
|--------------------|---------------------------|
| Manchester Circuit | £2,955 (2019/20 – £2,956) |
| Wesley Ltd | £836 (2019/20 - £1,099). |

