

**Cheshire South Methodist Circuit**

**Charity No. 1142234**

**Trustee's Report and Audited Accounts**

**31 August 2020**

**Cheshire South Methodist Circuit**  
**Contents**

	Pages
Trustee's Annual Report	2 to 13
Auditor's Report	14 to 15
Statement of Financial Activities	16
Balance Sheet	17
Statement of Cash flows	18
Notes to the Accounts	19 to 27
Detailed Statement of Financial Activities	28 to 29



**Cheshire South Methodist Circuit**

**REPORT OF THE TRUSTEES FOR THE YEAR ENDED  
31<sup>st</sup> AUGUST 2020**

**The Trustees present their report with the audited financial statements of the charity for the year ended 31<sup>st</sup> August 2020**

**1. STRUCTURE GOVERNANCE & MANAGEMENT**

Cheshire South Methodist Circuit is part of the Methodist Church in Great Britain (Charity Number 1132208). Its status as a charity has historically been derived from the Deed of Union 1932 and the Methodist Church Act 1976. Agreement having been reached with the Charity Commission for the progressive registration of Methodist entities, the Circuit was registered as a charity on 3 June 2011.

We are a part of the Chester & Stoke-on-Trent Methodist District which is registered as a separate charity (Charity Number 1132237)

The Circuit comprises of 25 church organisations. Our churches are separate charitable organisations; 4 are registered with the Charity Commission and the remaining 21 are currently excepted from registration with the Charity Commission as they have annual receipts of less than £100,000. We operate in the administrative council areas of Cheshire East, Cheshire West & Chester, Shropshire and Wrexham.

Our constitutional practices can be found in [www.methodist.org/ministers-and-office-holders/cpd](http://www.methodist.org/ministers-and-office-holders/cpd)

The registered charity named 'Cheshire South Methodist Circuit' is primarily an administration organisation that manages the circuit personnel, housing for ministers, redundant churches whose future is still to be decided, and other properties which are rented out pending future use. The Circuit provides guidance and oversight to the individual churches, on a wide range of matters, which together, comprise the wider 'Circuit'. It also provides co-ordination of discipleship and mission, safeguarding, preaching appointments, training, and circuit wide events etc. It is also a grant making body recycling funds from sale of redundant properties towards new circuit and local church initiatives.

Overarching governance is achieved through the Circuit Meeting. This meets formally three times a year to review all aspects of the Circuit including mission, finance and property matters and to approve strategy and appointments. Trustees are appointed from those individuals holding official positions in the charity and additionally from local church nominations as per our constitutional practices. On 1<sup>st</sup> September 2020 there are 93 trustees. The Trustees accountable during the year to which this report relates are listed later in section 7.

The Circuit Leadership Team (CLT), comprises 7 presbyters, 1 deacon, 1 lay worker coordinator, a local preacher representative and 5 circuit stewards; The CLT meets regularly to review policies and to set in place actions needed to maintain our mission and to ensure good governance between the



## **Cheshire South Methodist Circuit Trustees Report**

Circuit Meetings. There are 3 circuit teams reporting to CLT who assist the local churches and circuit with issues related to property, finance, and staffing.

Local preachers form an important role in the circuit and meet regularly for training and mutual support. There are 67 accredited Local Preachers and also 3 others who are in various stages of their training for this vital ministry.

**Risk management** - the major risks to which the charity is exposed have been identified and mitigating actions are being developed. Appropriate controls are in place to provide reasonable assurance against fraud and financial error.

### **2. OBJECTIVES & ACTIVITIES**

Our aims are those of the Methodist Church in Great Britain and the main one is the advancement of the Christian faith through the witness and worship of all our members. We do this in accordance with the doctrines, standards and disciplines of the Methodist Church. The Circuit produces a quarterly preaching plan to ensure regular acts of worship take place at each of our premises and two Local Ecumenical Partnerships. Worship is open to all people, without charge. Our main focus is to mission to the communities we serve through our local churches. The individual churches are allocated to local 'mission areas' for effectiveness and mutual support.

#### **Public Benefit**

The Trustees confirm that they have complied with the duty in Section 17 of the Charities Act having due regard to public benefit as per guidance published by the Charity Commission.

### **3. ACHIEVEMENTS & PERFORMANCE**

#### **3.1 Discipleship and Mission**

Covid lockdowns have shown where there is true resilience and creativity in the Circuit, and the weaknesses where some churches now face an uncertain future. The Circuit has a policy of ending well and celebrating Mission Complete as appropriate, and supporting Churches deciding that Mission and growth is their chosen way forward.

Much activity moved online during 2020 and the ministers and Lay Workers as well as the Circuit Officers are to be commended on the support and creativity offered. The Lay Workers have been very active this year, moving their work online.

Holiday Bible clubs also took place online. Again a team effort of lay workers, came together to produce the Summer Holiday Club online. With a similar pattern of youtube and zoom on particular days, The Wonder Zone holiday club was aimed at primary school children and attracted around 30 children.

Other innovative work has been online Bedtime story (Bible story and a prayer, including puppets), Lego Church online and Messy Church online.



## **Cheshire South Methodist Circuit Trustees Report**

All of this has taken place in the context of furlough, as most of the lay staff have been either fully furloughed or partially furloughed since the scheme began.

Long Service awards were presented to 6 Lay Preachers at a Circuit Service (online) in August at which the ministry of the Rev Gary Windon was celebrated and Gary thanked for his time in the circuit as he moved on to a new appointment.

The overall strategy for the Circuit for the next decade from the perspective of mission & discipleship which was discussed in three Circuit leadership team away days at local locations gave birth to the Circuit Vision 'A Faithful and Fruitful Future'. This document is informing all decision making and future strategic planning.

Three of the five churches in the market town of Sandbach have decided to form a new Church called Unity.

### **3.2 Safeguarding – The Protection of children and vulnerable adults**

Both the District Safeguarding Officer and Circuit Safeguarding Officer have undertaken briefing sessions to advise Circuit and church safeguarding personnel of updates to the Methodist Church Safeguarding Policy during 2020. Because of the Covid-19 pandemic it has not been possible to run any training sessions for the Advanced, Foundation and Refresher Safeguarding Courses since March. The Connexion has prepared an online Foundation course which has been piloted and currently the District is training potential trainers for its use via the Zoom technology.

Four Safeguarding Contracts are in place in the circuit, supervised by Monitoring and Support Groups led by the appropriate presbyters. Twenty-four churches in the Circuit have Safeguarding Officers, four small churches now have shared safeguarding officers from larger churches taking that responsibility and a presbyter is responsible for overseeing safeguarding at the remaining two chapels.

An audit of compliance with safeguarding policies and practice was carried out during the summer at all circuit churches by the Church Safeguarding Officers in early autumn of 2020 and the results submitted to the District Safeguarding Officer and District Safeguarding Board. Safeguarding is a regular item on the agenda of each Circuit Meeting and Church Safeguarding Policies are reviewed at Church Council Meetings annually.

### **3.3 Fresh Expressions at North Street**

As for other charities and businesses, this year has proved to be very challenging. The year began with a great deal of activity with many groups, such as the Friendship Group, Art Group, Baby Signing, Yoga for children with autism, Thai Chi, Gamers, educational sessions for excluded young people and teenage LGBTQ, all gathering in our multi use space.

26 young people, the majority of whom have additional needs, some requiring support workers, have successfully accessed work placements or volunteering opportunities, giving them opportunities to gain in confidence and life skills, not easily accessed elsewhere.



## **Cheshire South Methodist Circuit Trustees Report**

Our customer base has increased as the local community have found a place of welcome and acceptance, a place to belong as part of our emerging community. The increased needs of our volunteers has led to challenges of space within our existing kitchen. We successfully obtained planning permission to extend the existing kitchen, and £20,000 grant funding from All Churches Trust towards the refurbishment of the kitchen.

From March 2020, the project was required to close its doors due to Covid 19. The forced closure has however provided the opportunity to restructure our staffing and management, helping us to be more resilient to further challenges with a clear vision for the future.

### **3.4 Property**

The sale of Higher Wyche Chapel has continued very slowly during the 2020 due to ongoing local difficulties and the need for professional reports. It is hoped that the sale will be completed early in 2021.

Hough Chapel had been leased to Englesea Brook Primitive Methodist Museum for a number of years for storage purposes, and since the completion of their new archives store on site at the Museum, has been returned to Cheshire South Circuit for determination of future use.

### **3.5 Administration**

Judith Bell was replaced by Daniel Keen as Circuit Administrator in April 20 to support the work of the Circuit and particularly the Superintendent Minister.

## **4 PLANS FOR THE FUTURE PERIOD.**

Due to Covid-19 restrictions the plans described below will be implemented in the 2020/2021 year.

These plans include:

1. Two new ministers have been appointed to serve from September 2021. One has a brief to rationalise a new Mission Area with reference to the Circuit Vision 'A Faithful and Fruitful Future'.
2. The second Minister is a probationer minister who the Circuit will support as they finish their training.
3. A third appointment will not receive a minister as the Circuit has commissioned a Mission Review to look at the future of Methodist work in Crewe.
4. Our North St Fresh Expression has been reviewed and restructured for the future.
5. A Circuit wide review to enable a Mission shaped and viable future has been initiated.



**Cheshire South Methodist Circuit  
Trustees Report**

**5. FINANCIAL REVIEW**

These consolidated accounts incorporate the figures from our North Street Circuit Project,

The assessments levied on our churches and the stipends and salaries payable were all in place prior to the start of the year, and we continued with the same system for calculating assessments as for the previous years. The assessments levied totalled £453,600 of which a small amount goes to our partner denominations (LEPs)

One of our main sources of income was £37,996 (2019 - £42,774) of rental income both from empty manses, two retail shop leases, and the Bowling Club at North Street. This income stream continues to provide valuable revenue to support the circuit mission. The Circuit also received a connexional grant of £15,000 of which £5,000 was for North Street and the other for related costs of mission together with furlough grants of £10,000.

Income from the café in North Street amounted to £32,938 (2019 - £54,742). This included trading income of £24,626 and the rest from lettings. Grants totalling approximately £65,000 were received including a Covid business grant and furlough grant together with a refund of property sale expenditure of £5,000. The reduction in trading income was due to Covid and the closure of the café. The Circuit continues to support this project as part its missionary work.

Staffing costs and travel expenses of the Circuit decreased to £381,85 (2019 - £390,480). The assessment paid to the District to cover their costs and to forward to the national connexion totalled £102,454 (2019 - £103,959). Costs related to manses reduced to £37,902 from £50,992 in the previous year and travel costs reduced to £9,394 from £20,689 again related to less travelling due to the pandemic.

Our net outgoing resources amounted to a deficit of £27,606 compared to a deficit of £98,035 in 2019. The overall Balance Sheet shows assets of £3,901,763 (2019 - £3,929,368), £3.4 million of which represents the valuations of our buildings and land.

**6. RESERVES POLICY**

The reserves policy for 2020-2021 is set at £300,000 in readily available funds, which is sufficient to meet general expenditure for a period of six months. There are currently £81,397 outstanding loans to support church building improvement programmes.



**Cheshire South Methodist Circuit  
Trustees Report**

**7. LEGAL AND ADMINISTRATIVE INFORMATION**

In the 2019/2020 financial year our presbyters, lay employees and circuit stewards were as follows:

**Presbyters**

Revd Rob Hilton – Superintendent (on compassionate leave from April to November 2019)

Revd Jeremy Tresise (Acting Superintendent from April to November 2019)

Revd Denise Harding

Revd Jennifer Matthews

Revd Rob Weir

Revd Gary Windon (to August 20)

Rev David Page Anglican at Ettiley Heath

**Deacon** Jill Taylor

**Lay Workers**

Mrs Heather Staniland (seconded from District)

Ms Kathryn Davies

Ms Sally Graham

Mr Stephen Parker-Aiken

Mr Andy Townsend

Mr Jonathon Newbould

Revd Geoff Etherton (to August 20)

Ms Elizabeth Morris (contractor)

**Property Consultant**

Mr Adam Meredith

**Circuit Administrators**

Mrs Judith Bell (to April 20)

Mr Daniel Keen (from April 20)

Mrs Carol Lindsay (Finance)

**Circuit Stewards**

Dr David Priaux – Senior

Mrs Margaret Keeling

Mrs Pat Maidment

Mrs Isabel Brislen

Mr Gary Cliffe, Circuit Treasurer (contractor  
from June 20)

In addition, there were several supernumerary Presbyters and many Local Preachers helping in the mission of our circuit.

More details about our Circuit and churches can be found at our web site  
<http://www.cheshiresouth.org.uk>



**Cheshire South Methodist Circuit  
Trustees Report**

**Trustees at August 2020**

<b>Title</b>	<b>Surname</b>	<b>First Name</b>
Mrs	Alcock	Yvonne
Mrs	Andrews	Anita
Mr	Appleby	Marcus
Mrs	Barnett	Olwen
Miss	Bell	Alison
Mr	Bourne	Norman
Ms	Brislen	Isabel
Mrs	Bunn	Jayne
Mrs	Bushill	Yvonne
Mr	Butler	Terry
Mrs	Cain	Wendy
Mrs	Cieka	Ellen
Mr	Cliffe	Gary
Mrs	Cliffe	Ruth
Mr	Cooper	Cyril
Mr	Coulter	John
Mrs	Davies	Kathryn
Mrs	Degg	Bronwen
Mr	Degg	Gordon
Dr	Dickinson	Geoff
Miss	Eardley	Jane
Mrs	Ellershaw	Jean
Mrs	Eyre	Nilda
Mr	Faulkner	Brian



**Cheshire South Methodist Circuit**  
**Trustees Report**

Rev'd	Fox	Robin
Mrs	Gleave	Margaret
Mrs	Graham	Sally
Mr	Griffin	Andrew
Mr	Griffith	David
Mrs	Guy	Beryl
Dr	Guy	Michael
Rev'd	Harding	Denise
Mrs	Hellingman	Philippa
Rev'd	Hilton	Rob
Mrs	Holland	Jacqui
Mrs	Holland	Michelle
Mrs	Hollins	Glenys
Ms	Horsfield	Ann
Mrs	Howell	Jill
Mr	Hunt	Roger
Mr	Johnson	David
Mrs	Jones	Brenda
Mrs	Jones	Patricia
Mrs	Keeling	Margaret
Mr	Keen	Daniel
Rev'd	Kirkman	Eric
Mrs	Kirkman	Margaret
Mrs	Lomas	Rosemary
Mrs	Lowndes	Robina
Mrs	Maidment	Pat
Mr	Maidment	David
Mrs	Manning	Doreen



**Cheshire South Methodist Circuit**  
**Trustees Report**

Mrs	Martin	Joyce
Rev'd	Matthews	Jennifer
Mrs	Meredith	Ruth
Mr	Millns	Roger
Mrs	Morris	Elizabeth
Mrs	Myles-Hook	Briony
Mr	Newbould	Jonny
Rev'd	Page	David
Mrs	Page	May
Mr	Parker-Aiken	Stephen
Mrs	Parton	Julia
Mrs	Peake	Lesley
Mrs	Penaluna	Margaret
Mr	Pimlott	Alan
Mr	Priaulx	David
Mrs	Proudlove	Helen
Mr	Proudlove	John
Mr	Ritchie	Tony
Mrs	Robertson	Eileen
Mrs	Robertson	Helen
Mr	Shingler	Peter
Mr	Skaife	Ian
Mrs	Smith	Susan
Mrs	Staniland	Heather
Mr	Stolworthy	Andrew
Mrs	Stolworthy	Norma
Mr	Sutton	Alec
Mrs	Sutton	Sarah



**Cheshire South Methodist Circuit  
Trustees Report**

Mr	Taylor	Clive
Deacon	Taylor	Jill
Mrs	Taylor	Sue
Mr	Townsend	Andy
Rev'd	Tresise	Jeremy
Mr	Vernon	Robert
Rev'd	Weir	Rob
Rev'd	Westhead	David
Mrs	White	Hilda
Mr	White	Ian
Mr	Wright	Michael
Mr	Wright	Fred
Mrs	Wynne	Alison



**Cheshire South Methodist Circuit  
Trustees Report**

**Principal address for Correspondence**

c/o The Senior Circuit Steward  
Cheshire South Circuit  
Broad Lane Methodist Church  
Audlem Road  
Nantwich  
CW5 7EB

**Auditors & Accountants**

Shires Accountants Limited,  
Checkley Grange,  
Checkley Lane,  
Wrinehill  
CW3 9DA

**Solicitors**

Hibberts Solicitors  
25 Barker Street  
Nantwich  
Cheshire  
CW5 5EN

**Bankers**

The Co-operative Bank plc  
PO Box 250  
Skelmersdale  
WN8 6WT

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



## Cheshire South Methodist Circuit Trustees Report

The law applicable to charities requires the charity trustee to prepare financial statements which give a true and fair view of the state of affairs of the charity and of the incoming resources and application of resources of the charity for that period. In preparing these financial statements, the trustee is required to:

- \* select suitable accounting policies and then apply them consistently;
- \* observe the methods and principles in the Charities SORP;
- \* make judgements and estimates that are reasonable and prudent;
- \* state whether applicable UK accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- \* prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charity will continue in business.

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

### Statement of disclosure of information to auditor

So far as the trustees are aware, there is no relevant audit information of which the company's auditors are unaware and each trustee has taken all the steps that he or she ought to have taken as a trustee in order to make himself or herself aware of any relevant information and to establish that the company's auditors are aware of that information.

Signed



Mr Gary Cliffe  
Trustee



## **Cheshire South Methodist Circuit**

### **Audit Report Unqualified**

#### **Independent Auditor's Report to the Trustee of Cheshire South Methodist Circuit**

##### **Opinion**

We have audited the accounts of Cheshire South Methodist Circuit (the 'charity') for the year ended 31 August 2020 which comprise the Statement of Financial Activities, the Balance Sheet, the Statement of Cash Flows and the Notes to the Accounts, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including FRS 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' (United Kingdom Generally Accepted Accounting Practice).

In our opinion the accounts:

- give a true and fair view of the state of the charity's affairs as at 31 August 2020 ,and of its profit/loss for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Charities Act 2011.

##### **Basis for opinion**

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

##### **Conclusions relating to going concern**

We have nothing to report in respect of the following matters in relation to which the ISAs (UK) require us to report to you where:

- the trustee's use of the going concern basis of accounting in the preparation of the accounts is not appropriate; or
- the trustee has not disclosed in the accounts any identified material uncertainties that may cast significant doubt about the charitable company's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the accounts are authorised for issue.

##### **Other information**

The other information comprises the information included in the trustee's report and accounts, other than the accounts and our auditor's report thereon. The trustee is responsible for the other information.

Our opinion on the accounts does not cover the other information and we do not express any form of assurance conclusion thereon.

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



**Cheshire South Methodist Circuit**  
**Audit Report Unqualified**

We have nothing to report in this regard.

**Matters on which we are required to report by exception**

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

We have nothing to report in respect of the following matters in relation to which the Charities (Accounts and Reports) Regulations 2008 requires us to report to you if, in our opinion:

- the information given in the trustee's annual report is inconsistent in any material respect with the accounts; or
- sufficient accounting records have not been kept; or
- the accounts are not in agreement with the accounting records; or
- we have not received all the information and explanations we require for our audit.

**Responsibilities of trustee**

As explained more fully in the trustee's responsibilities statement found in the trustee's report, the trustee is responsible for the preparation of the accounts and for being satisfied that they give a true and fair view, and for such internal control as the trustee determines necessary to enable the preparation of accounts that are free from material misstatement, whether due to fraud or error.

In preparing the accounts, the trustee is responsible for assessing the charity's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the trustee intends to liquidate the charity or to cease operations, or have no realistic alternative but to do so.

**Auditor's responsibilities for the audit of the accounts**

We have been appointed under section 145 of the Charities Act 2011 and report in accordance with the Act and relevant regulations made or having effect thereunder.

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

A further description of our responsibilities for the audit of the accounts is located on the Financial Reporting Council's website at [www.frc.org.uk/auditorsresponsibilities](http://www.frc.org.uk/auditorsresponsibilities). This description forms part of our auditor's report.

**Use of this report**

This report is made solely to the charity's trustees, as a body, in accordance Part 4 of the Charities (Accounts and Reports) Regulations 2008. Our audit work has been undertaken so that we might state to the charity's trustees those matters we are required to state to them in an auditors' report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the charity and the charity's trustees as a body, for our audit work, for this report, or for the opinions we have formed.

Shires Accountants Limited,



**Cheshire South Methodist Circuit**  
**Statement of Financial Activities**  
**for the year ended 31 August 2020**

		<b>Total funds</b>	<b>Total funds</b>
		<b>2020</b>	<b>2019</b>
		<b>£</b>	<b>£</b>
	<b>Notes</b>		
<b>Income and endowments</b>			
<b>from:</b>			
Donations and legacies	3	65,001	16,000
Charitable activities	4	462,413	453,080
Other trading activities	5	37,996	42,774
Investments	6	2,005	2,221
Other	7	37,938	175,742
<b>Total</b>		<b>605,353</b>	<b>689,817</b>
<b>Expenditure on:</b>			
Charitable undertakings	8	108,528	178,311
General Expenditure	10	524,431	616,248
<b>Total</b>		<b>632,959</b>	<b>794,559</b>
Net gains on investments		-	-
<b>Net expenditure</b>	11	<b>(27,606)</b>	<b>(104,742)</b>
Transfers between funds		-	6,707
<b>Net expenditure before other gains/(losses)</b>		<b>(27,606)</b>	<b>(98,035)</b>
<b>Other gains and losses</b>			
<b>Net movement in funds</b>		<b>(27,606)</b>	<b>(98,035)</b>
<b>Reconciliation of funds:</b>			
Total funds brought forward		3,929,369	4,027,404
<b>Total funds carried forward</b>		<b>3,901,763</b>	<b>3,929,369</b>



**Cheshire South Methodist Circuit  
Balance Sheet**

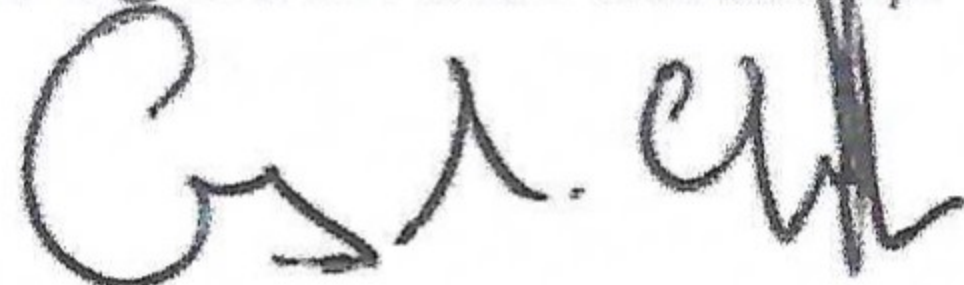
**at 31 August 2020**

**Charity No. 1142234**

		<b>2020</b>	<b>2019</b>
		<b>£</b>	<b>£</b>
<b>Fixed assets</b>			
Tangible assets	13	3,439,872	3,543,541
Investments	14	11,049	11,247
		<u>3,450,921</u>	<u>3,554,788</u>
<b>Current assets</b>			
Debtors	15	118,609	114,646
Cash at bank and in hand		338,063	268,738
		<u>456,672</u>	<u>383,384</u>
Creditors: Amount falling due within one year	16	(5,830)	(8,803)
Net current assets		450,842	374,581
Total assets less current liabilities		<u>3,901,763</u>	<u>3,929,369</u>
Net assets excluding pension asset or liability		<u>3,901,763</u>	<u>3,929,369</u>
Total net assets		<u>3,901,763</u>	<u>3,929,369</u>
<b>The funds of the charity</b>			
<b>Unrestricted funds</b>	17		
General funds		2,813,582	3,169,341
Designated funds		1,088,181	760,028
		<u>3,901,763</u>	<u>3,929,369</u>
<b>Reserves</b>	17		
<b>Total funds</b>		<u>3,901,763</u>	<u>3,929,369</u>

Approved by the trustees on 31 August 2020

And signed on their behalf by:



Mr Gary Cliffe  
Trustee  
31 August 2020



**Cheshire South Methodist Circuit**  
**Statement of Cash flows**  
**for the year ended 31 August 2020**

	<b>2020</b>	<b>2019</b>
	<b>£</b>	<b>£</b>
<b>Cash flows from operating activities</b>		
<b>Net expenditure per Statement of Financial Activities</b>	(27,606)	(98,035)
<b>Adjustments for:</b>		
Depreciation of property, plant and equipment	3,669	3,669
Dividends, interest and rents from investments	(39,943)	(177,963)
Increase in trade and other receivables	(3,963)	(29,989)
Decrease in trade and other payables	(2,974)	(743)
<b>Net cash used in operating activities</b>	<u>(70,817)</u>	<u>(303,061)</u>
<b>Cash flows from investing activities</b>		
Proceeds from sales of property, plant and equipment	100,000	50,000
Dividends, interest and rents from investments	39,943	177,963
<b>Net cash from investing activities</b>	<u>139,943</u>	<u>227,963</u>
<b>Net cash from financing activities</b>	<u>-</u>	<u>-</u>
<b>Net increase/(decrease) in cash and cash equivalents</b>	69,126	(75,098)
<b>Cash and cash equivalents at the beginning of the year</b>	268,738	343,974
<b>Cash and cash equivalents at the end of the year</b>	<u>337,864</u>	<u>268,876</u>
<b>Components of cash and cash equivalents</b>		
Cash and bank balances	338,063	268,738
Bank overdrafts	(1)	-
	<u>338,062</u>	<u>268,738</u>



**Cheshire South Methodist Circuit**  
**Notes to the Accounts**  
**for the year ended 31 August 2020**

**1 Accounting policies**

**Basis of preparation**

The financial statements have been prepared in accordance with 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 (FRS 102) issued on 16 July 2014 and the Financial Reporting Standard applicable in the United Kingdom and Republic of Ireland (FRS 102) and the Charities Act 2011.

**Change in basis of accounting or to previous accounts**

There has been no change to the accounting policies (valuation rules and method of accounting) since last year and no changes have been made to accounts for previous years.

**Fund accounting**

Unrestricted funds	These are available for use at the discretion of the trustees in furtherance of the general objects of the charity.
Designated funds	These are unrestricted funds earmarked by the trustees for particular purposes.
Revaluation funds	These are unrestricted funds which include a revaluation reserve representing the restatement of investment assets at their market values.
Restricted funds	These are available for use subject to restrictions imposed by the donor or through terms of an appeal.

**Income**

Recognition of income	Income is included in the Statement of Financial Activities (SoFA) when the charity becomes entitled to, and virtually certain to receive, the income and the amount of the income can be measured with sufficient reliability.
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Income with related expenditure	Where income has related expenditure the income and related expenditure is reported gross in the SoFA.
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Donations and legacies	Voluntary income received by way of grants, donations and gifts is included in the the SoFA when receivable and only when the Charity has unconditional entitlement to the income.
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Tax reclaims on donations and gifts	Income from tax reclaims is included in the SoFA at the same time as the gift/donation to which it relates.
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Donated services and facilities	These are only included in income (with an equivalent amount in expenditure) where the benefit to the Charity is reasonably quantifiable, measurable and material.
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Volunteer help	The value of any volunteer help received is not included in the accounts.
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Investment income	This is included in the accounts when receivable.
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Gains/(losses) on revaluation of fixed assets	This includes any gain or loss resulting from revaluing investments to market value at the end of the year.
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Gains/(losses) on investment assets	This includes any gain or loss on the sale of investments.
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## Cheshire South Methodist Circuit

### Notes to the Accounts

#### Expenditure

Recognition of expenditure	Expenditure is recognised on an accruals basis. Expenditure includes any VAT which cannot be fully recovered, and is reported as part of the expenditure to which it relates.
Expenditure on raising funds	These comprise the costs associated with attracting voluntary income, fundraising trading costs and investment management costs.
Expenditure on charitable activities	These comprise the costs incurred by the Charity in the delivery of its activities and services in the furtherance of its objects, including the making of grants and governance costs.
Grants payable	All grant expenditure is accounted for on an actual paid basis plus an accrual for grants that have been approved by the trustees at the end of the year but not yet paid.
Governance costs	These include those costs associated with meeting the constitutional and statutory requirements of the Charity, including any audit/independent examination fees, costs linked to the strategic management of the Charity, together with a share of other administration costs.
Other expenditure	These are support costs not allocated to a particular activity.

#### Taxation

The charity is exempt from tax on its charitable activities.

#### Tangible fixed assets and depreciation

Depreciation is provided at the following annual rates in order to write off each asset over its estimated useful life:

Plant	20%% Straight Line
Fixtures	20%% Straight Line

#### Freehold investment property

Investment properties are measured initially at cost and subsequently at fair value at each balance sheet date and are not depreciated. All gains or losses are taken to the Statement of Financial Activities as they arise.

#### Intangible fixed assets and amortisation

Intangible fixed assets (including purchased goodwill, patents and trademarks) are carried at cost less accumulated amortisation and impairment losses.

#### Trade and other debtors

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

#### Cash and cash equivalents

Cash and cash equivalents comprise cash at bank and on hand, demand deposits with banks and other short-term highly liquid investments with original maturities of three months or less and bank overdrafts. In the statement of financial position, bank overdrafts are shown within borrowings or current liabilities. In the Statement of Cash Flows, cash and cash equivalents are shown net of bank overdrafts that are repayable on demand and form an integral part of the company's cash management.



**Cheshire South Methodist Circuit**  
**Notes to the Accounts**

**Trade and other creditors**

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

**Pension costs**

The charity operates a defined contribution plan for its employees. A defined contribution plan is a pension plan under which the charity pays fixed contributions into a separate entity. Once the contributions have been paid the charity has no further payments obligations. The contributions are recognised as expenses when they fall due. Amounts not paid are shown in accruals in the balance sheet. The assets of the plan are held separately from the charity in independently administered funds.

**2 Statement of Financial Activities - prior year**

	Unrestricted funds 2019 £	Restricted funds 2019 £	Total funds 2019 £
<b>Income and endowments from:</b>			
Donations and legacies	16,000	-	16,000
Charitable activities	453,080	-	453,080
Other activities	42,774	-	42,774
Investments	2,221	-	2,221
Other	175,742	-	175,742
<b>Total</b>	<b>689,817</b>	<b>-</b>	<b>689,817</b>
<b>Expenditure on:</b>			
Charitable Undertakings	178,311	-	178,311
General Expenditure	616,248	-	616,248
<b>Total</b>	<b>794,559</b>	<b>-</b>	<b>794,559</b>
<b>Net income</b>	<b>(104,742)</b>	<b>-</b>	<b>(104,742)</b>
Transfers between funds	15,916	(9,209)	6,707
<b>Net income before other gains/(losses)</b>	<b>(88,826)</b>	<b>(9,209)</b>	<b>(98,035)</b>
<b>Other gains and losses:</b>			
<b>Net movement in funds</b>	<b>(88,826)</b>	<b>(9,209)</b>	<b>(98,035)</b>
<b>Reconciliation of funds:</b>			
Total funds brought forward	4,018,195	9,209	4,027,404
<b>Total funds carried forward</b>	<b>3,929,369</b>	<b>-</b>	<b>3,929,369</b>



**Cheshire South Methodist Circuit**  
**Notes to the Accounts**

**3 Income from donations and legacies**

	<b>Total 2020</b>	<b>Total 2019</b>
	<b>£</b>	<b>£</b>
Missions Grant	65,001	16,000
	<u>65,001</u>	<u>16,000</u>

**4 Income from charitable activities**

	<b>Total 2020</b>	<b>Total 2019</b>
	<b>£</b>	<b>£</b>
Assessments	447,406	446,251
Grants	15,007	6,829
	<u>462,413</u>	<u>453,080</u>

**5 Income from other activities**

	<b>Total 2020</b>	<b>Total 2019</b>
	<b>£</b>	<b>£</b>
Lettings	37,996	42,774
	<u>37,996</u>	<u>42,774</u>

**6 Income from investments**

	<b>Total 2020</b>	<b>Total 2019</b>
	<b>£</b>	<b>£</b>
Investment Income	2,005	2,221
	<u>2,005</u>	<u>2,221</u>

**7 Other income**

	<b>Total 2020</b>	<b>Total 2019</b>
	<b>£</b>	<b>£</b>
North Street Cafe	32,938	54,742
Property Sale	5,000	121,000
	<u>37,938</u>	<u>175,742</u>



**Cheshire South Methodist Circuit**  
**Notes to the Accounts**

**8 Expenditure on charitable activities**

*Expenditure on charitable activities*

	<b>Total 2020 £</b>	<b>Total 2019 £</b>
Assessments	102,454	103,959
Youth Mission Costs	1,074	3,552
Grants made	5,000	70,800
	<u>108,528</u>	<u>178,311</u>

**9 Analysis of grants**

**Activity or programme**

	<b>Total 2020 £</b>	<b>Total 2019 £</b>
Donation	-	800
St Johns	-	70,000
	<u>-</u>	<u>70,800</u>

**10 Other expenditure**

North Street Cafe

Manses

Legacy Properties

Employee costs

Motor and travel costs

Premises costs

Amortisation, depreciation,

impairment, profit/loss on

disposal of fixed assets

General administrative costs

Legal and professional costs

	<b>Total 2020 £</b>	<b>Total 2019 £</b>
North Street Cafe	30,915	52,776
Manses	37,902	50,992
Legacy Properties	11,260	17,594
Employee costs	381,185	390,480
Motor and travel costs	9,394	20,689
Premises costs	500	258
Amortisation, depreciation, impairment, profit/loss on disposal of fixed assets	3,669	3,669
General administrative costs	11,189	12,295
Legal and professional costs	38,417	67,495
	<u>524,431</u>	<u>616,248</u>

The average monthly number of employees during the year was as follows:

Presbyters and Supernumeraries	25
Lay Pastoral & Youth Employees	7
Circuit Administrators	2



**Cheshire South Methodist Circuit**  
**Notes to the Accounts**

**11 Net expenditure before transfers**

	<b>2020</b>	<b>2019</b>
	<b>£</b>	<b>£</b>
This is stated after charging:		
Depreciation of owned fixed assets	3,669	3,669

**12 Staff costs**

Salaries and wages	298,766	303,839
Social security costs	19,141	18,235
Pension costs	47,248	47,269
	<u>365,155</u>	<u>369,343</u>

No employee received emoluments in excess of £60,000.

**13 Tangible fixed assets**

	<b>Land and buildings</b>	<b>Plant</b>	<b>Fixtures</b>	<b>Total</b>
	<b>£</b>	<b>£</b>	<b>£</b>	<b>£</b>
<b>Cost or revaluation</b>				
At 1 September 2019	3,532,364	2,847	15,498	3,550,709
Disposals	(100,000)	-	-	(100,000)
At 31 August 2020	<u>3,432,364</u>	<u>2,847</u>	<u>15,498</u>	<u>3,450,709</u>
<b>Depreciation and impairment</b>				
At 1 September 2019	-	2,171	4,997	7,168
Depreciation charge for the year	-	569	3,100	3,669
At 31 August 2020	<u>-</u>	<u>2,740</u>	<u>8,097</u>	<u>10,837</u>
<b>Net book values</b>				
At 31 August 2020	<u>3,432,364</u>	<u>107</u>	<u>7,401</u>	<u>3,439,872</u>
At 31 August 2019	<u>3,532,364</u>	<u>676</u>	<u>10,501</u>	<u>3,543,541</u>



**Cheshire South Methodist Circuit**  
**Notes to the Accounts**

**14 Investments**

	Freehold Investment Property £	Total £
<b>Cost or revaluation</b>		
At 1 September 2019	11,247	11,247
Revaluation	(198)	(198)
At 31 August 2020	<u>11,049</u>	<u>11,049</u>
<b>Net book values</b>		
At 31 August 2020	<u>11,049</u>	<u>11,049</u>
At 31 August 2019	<u>11,247</u>	<u>11,247</u>

**15 Debtors**

	2020 £	2019 £
Trade debtors	16,729	1,534
Other debtors	81,397	85,000
Prepayments and accrued income	20,483	28,112
	<u>118,609</u>	<u>114,646</u>

**16 Creditors:**

amounts falling due within one year

	2020 £	2019 £
Other creditors	3,669	6,644
Accruals and deferred income	2,160	2,159
	<u>5,830</u>	<u>8,803</u>

**17 Movement in funds**

	At 1 September 2019	Incoming resources (including other gains/losses) £	Resources expended £	Gross transfers £	At 31 August 2020 £
<b>General funds</b>	3,169,341	15,624	(436,478)	65,095	2,813,582
<b>Designated funds:</b>					
Assessments	679,902	447,406	(101,604)	-	1,025,704
Grants	-	65,001	-	(65,001)	-
Lettings	-	37,996	-	(37,996)	-
Manses	-	-	(37,902)	37,902	-
North Street Unrestricted	49,791	37,321	(56,975)	-	30,137
Circuit Model Trust Fund	22,739	2,005	-	-	24,744
Legacies	7,596	-	-	-	7,596
<b>Total</b>	<u>760,028</u>	<u>589,729</u>	<u>(196,481)</u>	<u>(65,095)</u>	<u>1,088,181</u>
<b>Revaluation Reserves:</b>					
<b>Total funds</b>	<u>3,929,369</u>	<u>605,353</u>	<u>(632,959)</u>	<u>-</u>	<u>3,901,763</u>



**Cheshire South Methodist Circuit**  
**Notes to the Accounts**

**18 Analysis of net assets between funds**

	Unrestricted funds	Total
	£	£
Fixed assets	3,439,872	3,439,872
Investments		11,049
Net current assets	450,843	450,842
	<u>3,901,764</u>	<u>3,901,763</u>

**19 Reconciliation of net debt**

	At 1 September 2019	Cash flows	At 31 August 2020
	£		£
Cash and cash equivalents	<u>268,738</u>	<u>69,324</u>	<u>338,062</u>

**20 Commitments**

***Pension commitments***

	2020	2019
	£	£
The pension cost charge to the charity amounted to:	<u>47,248</u>	<u>47,269</u>

**Pension v Fund Deficit:**

Due to the historic merger of four Circuits into the Cheshire South Methodist Circuit on 1st September 2010 there needs to be a legal apportionment of the liabilities of each separate Circuits pension fund. Once the liabilities have been apportioned, TPT Retirement Solutions (formerly The Pension Trust) has estimated that the present value of the deficit on the ongoing fund of the Cheshire South Methodist Circuit pension fund is at 2020 £3251 (2019 £3735). The scheme is classified as a "last man standing arrangement". Therefore the Circuit is potentially liable for other participating employers' obligations if those employers are unable to meet their share of the scheme deficit following withdrawal from the scheme. Participating employers are legally required to meet their share of the scheme deficit on an annuity purchase basis on withdrawal from the scheme. The debt is recalculated by the Scheme Actuary annually, and the Circuit is provided with an update of the debt each May.



**Cheshire South Methodist Circuit**  
**Detailed Statement of Financial Activities**  
**for the year ended 31 August 2020**

	<b>Total funds 2020 £</b>	<b>Total funds 2019 £</b>
<b>Income and endowments from:</b>		
Missions Grants for North Street	65,001	16,000
Assessments	447,406	446,251
Other Grants	15,007	6,829
Lettings	37,996	42,774
Investment Income	2,005	2,221
North Street Cafe	32,938	54,742
Refund of Expenditure on property sales	5,000	121,000
<b>Total income and endowments</b>	<b>605,353</b>	<b>689,817</b>
<b>Expenditure on:</b>		
Assessments	102,454	103,959
Youth Mission Costs	1,074	3,552
Grants made	5,000	70,800
North Street Cafe	30,915	52,776
Manses	37,902	50,992
Legacy Properties	11,260	17,594
Salaries/wages	298,766	303,839
Employer's NIC	19,141	18,235
Pension costs	47,248	47,269
Staff entertainment	301	36
Staff recruitment	2,184	4,280
Staff training	(1,286)	1,845
Staff welfare	-	84
Temporary staff	14,831	14,892
Travel and subsistence	9,394	20,689
Rent	500	258
Depreciation of Plant	569	569
Depreciation of Fixtures	3,100	3,100
General insurances	704	808
Information and publications	1,050	1,977
Software, IT support	2,204	4,278
Stationery and printing	3,130	2,038
Subscriptions	2,681	1,482
Sundry expenses	1,121	1,447
Telephone, fax and broadband	299	265
Audit/Independent examination fees	4,713	2,682
Management charges	10,934	17,035
Solicitor's fees	3,288	1,476
Other legal and professional	19,482	46,302
<b>Total expenditure</b>	<b>632,959</b>	<b>794,559</b>



**Cheshire South Methodist Circuit**  
**Detailed Statement of Financial Activities**

Net gains on investments	-	-
	(27,606)	(104,742)
<b>Net expenditure</b>	-	6,707
Transfers between funds		
<b>Net expenditure before other gains/(losses)</b>	(27,606)	(98,035)
Other Gains	-	-
	(27,606)	(98,035)
<b>Net movement in funds</b>		
<b>Reconciliation of funds:</b>		
Total funds brought forward	3,929,369	4,027,404
<b>Total funds carried forward</b>	<u>3,901,763</u>	<u>3,929,369</u>