

**REPORT OF THE TRUSTEES AND
FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2021
FOR
CHESHIRE SOUTH METHODIST CIRCUIT**

Heywood Shepherd
Chartered Accountants
1 Park Street
Macclesfield
Cheshire
SK11 6SR

CHESHIRE SOUTH METHODIST CIRCUIT

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FOR THE YEAR ENDED 31 AUGUST 2021**

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CHESHIRE SOUTH METHODIST CIRCUIT

REPORT OF THE TRUSTEES FOR THE YEAR ENDED 31 AUGUST 2021

The trustees present their report with the financial statements of the charity for the year ended 31 August 2021. The trustees have adopted the provisions of Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (effective 1 January 2019).

OBJECTIVES AND ACTIVITIES

Objectives and aims

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. 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.

**REPORT OF THE TRUSTEES
FOR THE YEAR ENDED 31 AUGUST 2021**

ACHIEVEMENT AND PERFORMANCE

Charitable activities

Discipleship and Mission

Covid lockdowns continued throughout the period of this report and one church closed its doors but 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.

Cheshire South continues to be blessed with a committed team of layworkers, who work with volunteers in their localities, often ecumenically, and frequently as a team. Later in the year some work resumed in churches and schools rather than online, although now these skills have been gained, some work does remain online, with attendees able to zoom in from well beyond circuit boundaries. We are immensely grateful to the team of layworkers who are all enthusiasts and who each bring a range of gifts and skills to their roles. In particular they reach out to many children and families, who may otherwise not hear the Good News. Many pre-covid activities have resumed eg toddler groups and some worthy new ones eg Worship in Wellies and a new Lego Church have started.

All layworkers access training both from the Methodist region and district and from other sources such as Cheshire East (eg First Aid) to enable them to grow further in their roles and to serve others.

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 2020/21. Online and face-to-face training sessions for the Advanced, Foundation/Refresher Safeguarding Courses have been run throughout the past year.

Three Safeguarding Contracts are in place in the circuit, supervised by Monitoring and Support Groups led by the appropriate presbyters. Twenty-two churches in the Circuit have Safeguarding Officers, three small churches now have shared safeguarding officers from larger churches taking that responsibility.

An audit of compliance with safeguarding policies and practice was carried out during the autumn of 2021 at all circuit churches by the Church Safeguarding Officers 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. Fresh Expressions at North Street

At the beginning of the financial year in September 2020, we were very busy preparing for the reopening of the café following the first Covid lockdown. Activities included bringing staff back after furlough, Covid risk assessments, management of social distancing and embedding new ways of working etc. After a short period of limited opening, we again were closed during a further lockdown during which time we took the opportunity to carry out kitchen alterations so as to accommodate the disability needs of several of our volunteers. During this period, we also obtained approval from grant providers for modification to the change of use of the grants already awarded. The Board reviewed the mission and values of the project and approved a regular weekly programme of activities to be introduced when, once again, we reopened. The Project was rebranded as 'The Haven @ North Street' to better reflect our core purpose to create a caring community and provide a space to address individual needs and develop spirituality in whatever form was appropriate. We opened again in May 2021 with some new staff and volunteers and gradually introduced our regular menus and activities. In August we held a very successful summer fair. We are very grateful to Cheshire East Council who provided Covid 19 business grants to meet ongoing costs during this difficult year. We are very positive about the future period when we can realise the vision to develop a real caring community and meet some of the very many needs identified around the local area and we look forward to reporting this in the next annual report.

Property

The sale of Higher Wyche Chapel went through for a sale price of £117,000. Costs related to manse increased to £74,780 (2020-£37,902) with £39,448 in repairs and maintenance. There continues to be a programme of repairs, maintenance & refurbishment of manse that are both lived in by Ministers and let out to tenants.

Administration

Two new ministers were appointed to serve from September 2021. One had a brief to rationalise a new Mission Area with reference to the Circuit Vision 'A Faithful and Fruitful Future'. The second Minister was a probationer minister who the Circuit will support as they finish their training.

CHESHIRE SOUTH METHODIST CIRCUIT

REPORT OF THE TRUSTEES FOR THE YEAR ENDED 31 AUGUST 2021

FINANCIAL REVIEW

Financial position

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

Due to a change in one church's assessment and the closure of another, the final assessment income was £440,000 (budget £452,000). Thanks go to churches who continued to pay their assessments during a very difficult year.

A Finance Sub Committee was reconvened during the year to look at the assessment formula and it was decided to keep the formula and amounts the same for 20/21

The Circuit held reserves of £3.9million at the end of Aug 2021 and current assets (those not held in property or long term investments) were approximately £450k.

One of our main sources of income was £40,501 (2020 - £37,996) 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.

Income from the café in North Street amounted to £50,467 (2020 - £32,938). This included trading income of £10,840 and £4,662 lettings. Grants totalling approximately £35,000 were received including a Covid grant. 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 had little change over the year £395,283 (2020 - £381,850). The assessment paid to the District to cover their costs and to forward to the national connexion totalled £105,212 (2020 - £102,454).

Our net outgoing resources amounted to a deficit before investment gains of £78,767 compared to a deficit of £27,606 in 2020.

Investment policy and objectives

Listed investments are stated at market value at the balance sheet date. The SOFA includes the net gains and losses arising on revaluations and disposals throughout the year. Cash at bank is held to meet the day to day running costs of the charity as they fall due.

Reserves policy

The reserves policy for 2021-2022 is set at £300,000 in readily available funds, which is sufficient to meet general expenditure for a period of six months. There is currently £94,397 outstanding loans to support church building improvement programmes.

FUTURE PLANS

A series of webinars were held by a newly formed sub group of the Circuit Leadership Team called "Mission In Love Unites Us" (MILUU). This was to implement a focus on mission following the development of the Circuit Vision 'A Faithful and Fruitful Future'. The workshops included examples from our own and other Circuits that had done new things (and old things in new ways) to bring the love of God to our communities. This work continues and there are exciting green shoots to be found as we come out of the pandemic. Work was started to engage more with our communities through a new relationship with Community Development workers in our Local Authority areas and in local Care Communities. We also did a piece of work to look at where the needs in our communities are. This will be used to inform the sorts of work we will do to understand and get closer to our local communities.

STRUCTURE, GOVERNANCE AND MANAGEMENT

Governing document

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

CHESHIRE SOUTH METHODIST CIRCUIT

REPORT OF THE TRUSTEES FOR THE YEAR ENDED 31 AUGUST 2021

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 23 church organisations. Our churches are separate charitable organisations; 4 are registered with the Charity Commission and the remaining 19 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

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 1st September 2021 there were 80 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 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 were 60 Local preachers plus 1 on note and 2 on trial (i.e. in 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.

REFERENCE AND ADMINISTRATIVE DETAILS

Registered Charity number
1142234

Principal address
Broad Lane Methodist Chapel
Audlem Road
NANTWICH
Cheshire
CW5 7EB

CHESHIRE SOUTH METHODIST CIRCUIT

REPORT OF THE TRUSTEES FOR THE YEAR ENDED 31 AUGUST 2021

Trustees

In the 2020/2021 financial year our presbyters, lay employees and circuit stewards were as follows:

Presbyters

Revd Rob Hilton - Superintendent
Revd Jeremy Tresise
Revd Denise Harding (to Aug 21)
Revd Jennifer Matthews (to Aug 21)
Revd Rob Weir (to Aug 21)

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
Ms Elizabeth Morris (contractor)

Circuit Administrators

Mr Daniel Keen
Mrs Joanne Reeves (Finance)

Circuit Stewards

Dr David Priaulx - Senior (to Aug 21)
Mrs Margaret Keeling (to Aug 21)
Mrs Pat Maidment
Mrs Isabel Brislen
Mr Gary Cliffe, Circuit Treasurer

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

Trustees at 1st September 2021

Rev'd Sarah Butcher
Rev'd Donna Broadbent-Kelly
Rev'd Rob Hilton
Rev'd Robin Fox
Deacon Jill Henderson
Rev'd Jeremy Tresise
Mrs Isabel Brislen
Mrs Pat Maidment
Mrs Ellen Cieka
Mrs Briony Myles-Hook
Dr Geoff Dickinson
Mr Gary Cliffe
Mr Daniel Keen
Mrs Kathryn Davies
Mrs Elizabeth Morris

CHESHIRE SOUTH METHODIST CIRCUIT

REPORT OF THE TRUSTEES FOR THE YEAR ENDED 31 AUGUST 2021

Mr Jonathon Newbould
Mr Stephen Parker-Aiken
Mrs Heather Staniland
Mr Andy Townsend
Dr Malcolm Crook
Mr Paul Jackson
Mr Roger Hunt
Mrs Jenny Smith
Mrs Sue Taylor
Mrs Hilda White
Dr Michael Guy
Mrs Wendy Cain
Mrs Glenys Hollins
Mr Roger Millns
David Maidment
Mrs Jayne Bunn
Mr Brian Faulkner
Mrs Norma Stolorworthy
Mrs Hilda White
Mrs Anita Andrews
Mr Norman Bourne
Mrs Yvonne Bushill
Mr Graham Dimelow
Mr David Griffith
Mrs Liz Grundy
Mrs Philippa Hellingman
Mrs Michelle Holland
Mrs Jill Howell
Mrs Patricia Jones
Mrs Gill Merry
Mrs Julia Parton
Mrs Lesley Peake
Mr Tony Ritchie
Mrs Sheila Scragg
Mr David Smith
Mr Alec Sutton
Mrs Linda Twydell
Mr David Crompton
Mr Cyril Cooper
Miss Jane Eardley
Mrs Jean Ellershaw
Mr Andrew Griffin
Mrs Ann Horsfield
Mr David Johnson
Mrs Brenda Jones
Mrs Robina Lowndes
Mrs Doreen Manning
Mrs Margaret Penaluna
Mr David Priaux
Mr Peter Shingler
Mrs Sarah Sutton
Mr Roland Twydell
Rev'd David Westhead
Mr Fred Wright
Mrs Alison Wynne
Nilda Eyre
Mrs Jackie Holland
Mrs Margaret Kirkman

**REPORT OF THE TRUSTEES
FOR THE YEAR ENDED 31 AUGUST 2021**

Mrs Christina Lawson
Mrs Joyce Martin
Mr Alan Pimlott
Sarah Simpkin
Mrs Susan Smith
Mr Andrew Stolworthy

Auditors

Heywood Shepherd
Chartered Accountants
1 Park Street
Macclesfield
Cheshire
SK11 6SR

STATEMENT OF TRUSTEES' RESPONSIBILITIES

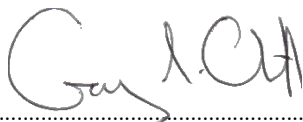
The trustees are responsible for preparing the Report of the Trustees and the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

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

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in the Charity SORP;
- make judgements and estimates that are reasonable and prudent;
- state whether applicable 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 trustees are responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the charity and to enable them to ensure that the financial statements comply with the Charities Act 2011, the Charity (Accounts and Reports) Regulations 2008 and the provisions of the trust deed. They are also responsible for safeguarding the assets of the charity and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Approved by order of the board of trustees on 14th November 2023 and signed on its behalf by:



.....
G Cliffe - Trustee

REPORT OF THE INDEPENDENT AUDITORS TO THE TRUSTEES OF CHESHIRE SOUTH METHODIST CIRCUIT

Opinion

We have audited the financial statements of CHESHIRE SOUTH METHODIST CIRCUIT (the 'charity') for the year ended 31 August 2021 which comprise the Statement of Financial Activities, the Balance Sheet, the Cash Flow Statement and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

Basis for qualified opinion

This is our first year of auditing the financial statements.

The auditor in the previous year was not a statutory auditor. They were also unable to provide the necessary documentation for us to corroborate last years working and so therefore verify this years opening position.

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

Basis for opinion

Conclusions relating to going concern

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

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

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

Other information

The trustees are responsible for the other information. The other information comprises the information included in the Annual Report, other than the financial statements and our Report of the Independent Auditors thereon.

Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether this gives rise to a material misstatement in the financial statements themselves. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Matters on which we are required to report by exception

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

- the information given in the Report of the Trustees is inconsistent in any material respect with the financial statements; or
- sufficient accounting records have not been kept; or
- the financial statements are not in agreement with the accounting records and returns; or
- we have not received all the information and explanations we require for our audit.

REPORT OF THE INDEPENDENT AUDITORS TO THE TRUSTEES OF CHESHIRE SOUTH METHODIST CIRCUIT

Responsibilities of trustees

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

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

Our responsibilities for the audit of the financial statements

We have been appointed as auditors under Section 144 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 financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue a Report of the Independent Auditors that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below:

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud, are detailed below.

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

- The engagement partner ensured that the engagement team collectively had the appropriate competence, capabilities and skills to identify or recognise non-compliance with applicable laws and regulations;
- We identified the laws and regulations applicable to the company through discussions with directors and other management, and from our commercial knowledge and experience of the computer component manufacturing and supply sector;
- We focused on specific laws and regulations which we considered may have a direct material effect on the financial statements or the operations of the company, including the Companies Act 2006, Charities SORP FRS102, taxation legislation, data protection, anti-bribery, employment, environmental and health and safety legislation;
- We assessed the extent of compliance with the laws and regulations identified above through making enquiries of management and inspecting legal correspondence; and
- Identified laws and regulations were communicated within the audit team regularly and the team remained alert to instances of non-compliance throughout the audit.

REPORT OF THE INDEPENDENT AUDITORS TO THE TRUSTEES OF CHESHIRE SOUTH METHODIST CIRCUIT

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

- Making enquiries of management as to where they considered there was susceptibility to fraud, their knowledge of actual, suspected and alleged fraud; and
- Considering the internal controls in place to mitigate risks of fraud and non-compliance with laws and regulations.

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

- Performed analytical procedures to identify any unusual or expected relationships;
- Tested journal entries to identify unusual transactions; and
- Investigate the rationale behind significant or unusual transactions.

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

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

There are inherent limitations in our audit procedures described above. The more removed that laws and regulations are from financial transactions, the less likely it is that we would become aware of non-compliance. Auditing standards also limit the audit procedures required to identify non-compliance with laws and regulations to enquiry of the directors and other management and the inspection of regulatory and legal correspondence, if any.

Material misstatements that arise due to fraud can be harder to detect than those that arise from errors as they may involve deliberate concealment or collusion.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at www.frc.org.uk/auditorsresponsibilities. This description forms part of our Report of the Independent Auditors.

Other Matters

We draw your attention to the fact that the comparative figures have not been audited.

Use of our report

This report is made solely to the charity's trustees, as a body, in accordance with 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.

Heywood Shepherd
Chartered Accountants
1 Park Street
Macclesfield
Cheshire
SK11 6SR

Date: 14th November 2023

CHESHIRE SOUTH METHODIST CIRCUIT

**STATEMENT OF FINANCIAL ACTIVITIES
FOR THE YEAR ENDED 31 AUGUST 2021**

		2021	2020
		Unrestricted fund	Total funds
	Notes	£	£
INCOME AND ENDOWMENTS FROM			
Donations and legacies	2	39,145	65,001
Charitable activities	5		
Charitable Activities		517,183	500,409
Other trading activities	3	12,047	32,938
Investment income	4	610	2,005
Other income		43,732	5,000
Total		612,717	605,353
 EXPENDITURE ON			
Raising funds	6	19,481	30,915
Charitable activities	7		
Charitable Activities		672,003	602,044
Total		691,484	632,959
 Net gains on investments		225,570	-
 NET INCOME/(EXPENDITURE)		146,803	(27,606)
 RECONCILIATION OF FUNDS			
Total funds brought forward		3,901,764	3,929,370
 TOTAL FUNDS CARRIED FORWARD		4,048,567	3,901,764

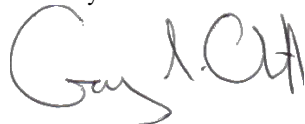
The notes form part of these financial statements

CHESHIRE SOUTH METHODIST CIRCUIT

BALANCE SHEET
31 AUGUST 2021

		2021	2020
		Unrestricted	Total funds
		fund	£
	Notes	£	£
FIXED ASSETS			
Tangible assets	13	3,599,657	3,439,872
Investments	14	13,077	11,049
		3,612,734	3,450,921
CURRENT ASSETS			
Debtors	15	110,883	118,609
Cash at bank		347,807	338,063
		458,690	456,672
CREDITORS			
Amounts falling due within one year	16	(22,857)	(5,829)
NET CURRENT ASSETS		435,833	450,843
TOTAL ASSETS LESS CURRENT LIABILITIES		4,048,567	3,901,764
NET ASSETS		4,048,567	3,901,764
FUNDS			
Unrestricted funds	17	4,048,567	3,901,764
TOTAL FUNDS		4,048,567	3,901,764

The financial statements were approved by the Board of Trustees and authorised for issue on 14th November 2023 and were signed on its behalf by:



.....
G Cliffe - Trustee

The notes form part of these financial statements

CHESHIRE SOUTH METHODIST CIRCUIT

**CASH FLOW STATEMENT
FOR THE YEAR ENDED 31 AUGUST 2021**

	Notes	2021 £	2020 £
Cash flows from operating activities			
Cash generated from operations	1	<u>(95,818)</u>	<u>(30,675)</u>
Net cash used in operating activities		<u>(95,768)</u>	<u>(30,675)</u>
Cash flows from investing activities			
Purchase of tangible fixed assets		(237,008)	-
Sale of tangible fixed assets		117,000	100,000
Sale of fixed asset investments		2,028	-
Sale of investment property		<u>223,542</u>	<u>-</u>
Net cash provided by/(used in) investing activities		<u>105,562</u>	<u>100,000</u>
Change in cash and cash equivalents in the reporting period		9,744	69,325
Cash and cash equivalents at the beginning of the reporting period		<u>338,063</u>	<u>268,738</u>
Cash and cash equivalents at the end of the reporting period		<u><u>347,807</u></u>	<u><u>338,063</u></u>

The notes form part of these financial statements

**NOTES TO THE CASH FLOW STATEMENT
FOR THE YEAR ENDED 31 AUGUST 2021**

1. RECONCILIATION OF NET INCOME/(EXPENDITURE) TO NET CASH FLOW FROM OPERATING ACTIVITIES

	2021 £	2020 £
Net income/(expenditure) for the reporting period (as per the Statement of Financial Activities)	146,803	(27,606)
Adjustments for:		
Depreciation charges	3,955	3,669
Losses on investments	(227,598)	-
Profit on disposal of fixed assets	(43,732)	-
Decrease/(increase) in debtors	7,726	(3,963)
Increase in creditors	<u>17,028</u>	<u>(2,775)</u>
Net cash used in operations	<u>(95,818)</u>	<u>(30,675)</u>

2. ANALYSIS OF CHANGES IN NET FUNDS

	At 1.9.20 £	Cash flow £	At 31.8.21 £
Net cash			
Cash at bank	<u>338,063</u>	<u>9,744</u>	<u>347,807</u>
	<u>338,063</u>	<u>9,744</u>	<u>347,807</u>
Total	<u>338,063</u>	<u>9,744</u>	<u>347,807</u>

1. ACCOUNTING POLICIES

Basis of preparing the financial statements

The financial statements of the charity, which is a public benefit entity under FRS 102, have been prepared in accordance with the Charities SORP (FRS 102) 'Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (effective 1 January 2019)', Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' and the Charities Act 2011. The financial statements have been prepared under the historical cost convention, with the exception of investments which are included at market value, as modified by the revaluation of certain assets.

The presentation currency of the financial statements is the Pound Sterling and rounded to the nearest £1.

Incoming resources and debtors

All income is recognised in the Statement of Financial Activities once the charity has entitlement to the funds, it is probable that the income will be received and the amount can be measured reliably.

Debtors are recognised at settlement value.

Resources expended and creditors

Liabilities are recognised as expenditure as soon as there is a legal or constructive obligation committing the charity to that expenditure, it is probable that a transfer of economic benefits will be required in settlement and the amount of the obligation can be measured reliably. Expenditure is accounted for on an accruals basis and has been classified under headings that aggregate all cost related to the category. Where costs cannot be directly attributed to particular headings they have been allocated to activities on a basis consistent with the use of resources.

Creditors are recognised at their settlement value.

Tangible fixed assets

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

Freehold property	- not depreciated
Plant and machinery	- Straight line over 5 years
Fixtures and fittings	- Straight line over 5 years

Taxation

The charity is exempt from tax on its charitable activities.

Fund accounting

Unrestricted funds can be used in accordance with the charitable objectives at the discretion of the trustees.

Restricted funds can only be used for particular restricted purposes within the objects of the charity. Restrictions arise when specified by the donor or when funds are raised for particular restricted purposes.

Further explanation of the nature and purpose of each fund is included in the notes to the financial statements.

Pension costs and other post-retirement benefits

The charity participates in the TPT Retirement Solutions - The Growth Plan scheme, a multi-employer scheme which provides benefits to some 638 non-associated participating employers. The scheme is a defined benefit scheme in the UK. It is not possible for the company to obtain sufficient information to enable it to account for the scheme as a defined benefit scheme. Therefore it accounts for the scheme as a defined contribution scheme.

All Ministers are part of the Methodist Ministers Pension Scheme, the contributions to this scheme are accounted for as a defined contribution scheme.

The charity operates a defined contribution pension scheme. Contributions payable to the charity's pension scheme are charged to the Statement of Financial Activities in the period to which they relate.

NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 AUGUST 2021

1. ACCOUNTING POLICIES - continued**Going concern**

The financial statements have been prepared on a going concern basis as the trustees believe that no material uncertainties exist. The trustees have considered the level of funds held and the expected level of income and expenditure for 12 months from authorising these financial statements. The budgeted income and expenditure is sufficient with the level of reserves to be able to continue as a going concern.

2. DONATIONS AND LEGACIES

	2021	2020
	£	£
Mission grants - North Street	18,025	65,001
Furlough Income	<u>21,120</u>	<u>-</u>
	<u>39,145</u>	<u>65,001</u>

3. OTHER TRADING ACTIVITIES

	2021	2020
	£	£
Cafe income	10,911	32,938
Other income	<u>1,136</u>	<u>-</u>
	<u>12,047</u>	<u>32,938</u>

4. INVESTMENT INCOME

	2021	2020
	£	£
Investment Income	<u>610</u>	<u>2,005</u>

5. INCOME FROM CHARITABLE ACTIVITIES

		2021	2020
	Activity	£	£
Assessments	Charitable Activities	438,995	447,406
Rental Income	Charitable Activities	51,984	37,996
Grants	Charitable Activities	<u>26,204</u>	<u>15,007</u>
		<u>517,183</u>	<u>500,409</u>

Grants received this year of £26,204 were from the governments job retention scheme.

NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 AUGUST 2021**6. RAISING FUNDS****Other trading activities**

	2021	2020
	£	£
Purchases	<u>19,481</u>	<u>30,915</u>

7. CHARITABLE ACTIVITIES COSTS

	Direct Costs £	Support costs (see note 8) £	Totals £
Charitable Activities	<u>638,178</u>	<u>33,825</u>	<u>672,003</u>

8. SUPPORT COSTS

	Finance £	Governance costs £	Totals £
Charitable Activities	<u>51</u>	<u>33,774</u>	<u>33,825</u>

9. AUDITORS' REMUNERATION

	2021	2020
	£	£
Fees payable to the charity's auditors for the audit of the charity's financial statements	<u>5,000</u>	<u>4,713</u>

10. TRUSTEES' REMUNERATION AND BENEFITS

Twenty five trustees' received remuneration for the year ended 31 August 2021, the total paid to them was £298,174. This is included in salary costs in the accounts.

Trustees' expenses

There were twenty five trustees' who received expenses paid for the year ended 31 August 2021, the total paid to them was £35,589.

11. STAFF COSTS

	2021	2020
	£	£
Wages and salaries	330,017	298,766
Social security costs	16,797	19,141
Other pension costs	<u>50,711</u>	<u>47,248</u>
	<u>397,525</u>	<u>365,155</u>

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

	2021	2020
Ministers and supernumeraries	8	8
Lay pastoral & Youth employees	6	7
Circuit administrators	<u>3</u>	<u>2</u>
	<u>17</u>	<u>17</u>

NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 AUGUST 2021

11. STAFF COSTS - continued

No employees or trustees received emoluments in excess of £60,000.

12. COMPARATIVES FOR THE STATEMENT OF FINANCIAL ACTIVITIES

	Unrestricted fund £
INCOME AND ENDOWMENTS FROM	
Donations and legacies	65,001
Charitable activities	
Charitable Activities	500,409
Other trading activities	32,938
Investment income	2,005
Other income	<u>5,000</u>
Total	<u>605,353</u>
EXPENDITURE ON	
Raising funds	30,915
Charitable activities	
Charitable Activities	<u>602,044</u>
Total	<u>632,959</u>
NET INCOME/(EXPENDITURE)	(27,606)
RECONCILIATION OF FUNDS	
Total funds brought forward	3,929,370
TOTAL FUNDS CARRIED FORWARD	<u><u>3,901,764</u></u>

NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 AUGUST 2021**13. TANGIBLE FIXED ASSETS**

	Freehold property £	Plant and machinery £	Fixtures and fittings £	Totals £
COST				
At 1 September 2020	3,432,364	2,847	15,498	3,450,709
Additions	231,671	-	5,337	237,008
Disposals	(73,268)	-	-	(73,268)
At 31 August 2021	<u>3,590,767</u>	<u>2,847</u>	<u>20,835</u>	<u>3,614,449</u>
DEPRECIATION				
At 1 September 2020	-	2,740	8,097	10,837
Charge for year	-	106	3,849	3,955
At 31 August 2021	<u>-</u>	<u>2,847</u>	<u>11,946</u>	<u>14,792</u>
NET BOOK VALUE				
At 31 August 2021	<u>3,590,767</u>	<u>-</u>	<u>8,889</u>	<u>3,599,657</u>
At 31 August 2020	<u>3,432,364</u>	<u>107</u>	<u>7,401</u>	<u>3,439,872</u>

No depreciation is charged on the Land and Buildings

14. FIXED ASSET INVESTMENTS

	Listed investments £
MARKET VALUE	
At 1 September 2020	11,049
Revaluations	<u>2,028</u>
At 31 August 2021	<u>13,077</u>
NET BOOK VALUE	
At 31 August 2021	<u>13,077</u>
At 31 August 2020	<u>11,049</u>

There were no investment assets outside the UK.

Cost or valuation at 31 August 2021 is represented by:

	Listed investments £
Valuation in 2021	<u>13,077</u>

NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 AUGUST 2021

15. DEBTORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2021	2020
	£	£
Trade debtors	5,404	16,729
Other debtors	87,357	81,397
Prepayments and accrued income	18,122	20,483
	<u>110,883</u>	<u>118,609</u>

16. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2021	2020
	£	£
Other creditors	<u>22,857</u>	<u>5,829</u>

17. MOVEMENT IN FUNDS

	At 1.9.20	Net movement in funds	At 31.8.21
	£	£	£
Unrestricted funds			
General fund	3,901,764	146,803	4,048,567
	<u>3,901,764</u>	<u>146,803</u>	<u>4,048,567</u>
TOTAL FUNDS	<u>3,901,764</u>	<u>146,803</u>	<u>4,048,567</u>

Net movement in funds, included in the above are as follows:

	Incoming resources	Resources expended	Gains and losses	Movement in funds
	£	£	£	£
Unrestricted funds				
General fund	612,717	(691,484)	225,570	146,803
	<u>612,717</u>	<u>(691,484)</u>	<u>225,570</u>	<u>146,803</u>
TOTAL FUNDS	<u>612,717</u>	<u>(691,484)</u>	<u>225,570</u>	<u>146,803</u>

Comparatives for movement in funds

	At 1.9.19	Net movement in funds	At 31.8.20
	£	£	£
Unrestricted funds			
General fund	3,929,370	(27,606)	3,901,764
	<u>3,929,370</u>	<u>(27,606)</u>	<u>3,901,764</u>
TOTAL FUNDS	<u>3,929,370</u>	<u>(27,606)</u>	<u>3,901,764</u>

NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 AUGUST 2021

17. MOVEMENT IN FUNDS - continued

Comparative net movement in funds, included in the above are as follows:

	Incoming resources £	Resources expended £	Movement in funds £
Unrestricted funds			
General fund	605,353	(632,959)	(27,606)
	<hr/>	<hr/>	<hr/>
TOTAL FUNDS	<u>605,353</u>	<u>(632,959)</u>	<u>(27,606)</u>

A current year 12 months and prior year 12 months combined position is as follows:

	At 1.9.19 £	Net movement in funds £	At 31.8.21 £
Unrestricted funds			
General fund	3,929,370	119,197	4,048,567
	<hr/>	<hr/>	<hr/>
TOTAL FUNDS	<u>3,929,370</u>	<u>119,197</u>	<u>4,048,567</u>

A current year 12 months and prior year 12 months combined net movement in funds, included in the above are as follows:

	Incoming resources £	Resources expended £	Gains and losses £	Movement in funds £
Unrestricted funds				
General fund	1,218,070	(1,324,443)	225,570	119,197
	<hr/>	<hr/>	<hr/>	<hr/>
TOTAL FUNDS	<u>1,218,070</u>	<u>(1,324,443)</u>	<u>225,570</u>	<u>119,197</u>

18. EMPLOYEE BENEFIT OBLIGATIONS

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 pensions trust) has estimated that the present value of the deficit on the ongoing fund of the Cheshire South Methodist pension fund is at 2021 £14,484 (2020 £3,251). 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 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 year. This liability is not reserved for in the accounts.

There are three pension schemes in total, the other two are also treated as defined contribution schemes.

The total employer contributions in the year were £50,711 (£47,248 in 2020).

19. RELATED PARTY DISCLOSURES

There were no related party transactions for the year ended 31 August 2021.

20. PRIOR YEAR

The 2020 comparative figures are unaudited.

CHESHIRE SOUTH METHODIST CIRCUIT

**DETAILED STATEMENT OF FINANCIAL ACTIVITIES
FOR THE YEAR ENDED 31 AUGUST 2021**

	2021 £	2020 £
INCOME AND ENDOWMENTS		
Donations and legacies		
Mission grants - North Street	18,025	65,001
Furlough Income	<u>21,120</u>	<u>-</u>
	39,145	65,001
Other trading activities		
Cafe income	10,911	32,938
Other income	<u>1,136</u>	<u>-</u>
	12,047	32,938
Investment income		
Investment Income	610	2,005
Charitable activities		
Assessments	438,995	447,406
Rental Income	51,984	37,996
Grants	<u>26,204</u>	<u>15,007</u>
	517,183	500,409
Other income		
Gain on sale of tangible fixed assets	<u>43,732</u>	<u>5,000</u>
Total incoming resources	612,717	605,353
EXPENDITURE		
Other trading activities		
North Street Cafe	19,481	30,915
Charitable activities		
Wages	330,017	298,766
Social security	16,797	19,141
Pensions	50,711	47,248
Staff recruitment	5,396	898
Telephone	982	299
Postage and stationery	4,491	4,180
Sundries	46	1,422
Assessments	105,503	102,454
Youth mission Costs	450	1,074
Grants made	2,800	5,000
Manses	69,285	37,902
Legacy properties	5,050	11,260
Carried forward	591,528	529,644

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CHESHIRE SOUTH METHODIST CIRCUIT

**DETAILED STATEMENT OF FINANCIAL ACTIVITIES
FOR THE YEAR ENDED 31 AUGUST 2021**

	2021 £	2020 £
Charitable activities		
Brought forward	591,528	529,644
Rent	-	500
Temporary staff	9,246	14,831
IT support and software	13,268	2,204
Subscriptions	583	2,681
Travel and subsistence	13,937	9,394
Management fees	2,184	10,934
Insurance	322	704
Quinquennial costs	3,155	1,000
Plant and machinery	106	569
Fixtures and fittings	3,849	3,100
	638,178	575,561
Support costs		
Finance		
Bank charges	51	-
Governance costs		
Auditors' remuneration	5,000	4,713
Legal and professional fees	28,774	21,770
	33,774	26,483
Total resources expended	691,484	632,959
Net expenditure before gains and losses	(78,767)	(27,606)
Realised recognised gains and losses		
Realised gains/(losses) on fixed asset investments	2,028	-
Realised gains/(losses) on investment property	223,542	-
Net income/(expenditure)	146,803	(27,606)

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