

**REPORT OF THE TRUSTEES AND
AUDITED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2022
FOR
CHESHIRE SOUTH METHODIST CIRCUIT**

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

CHESHIRE SOUTH METHODIST CIRCUIT

**CONTENTS OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2022**

	Page
Report of the Trustees	1 to 8
Report of the Independent Auditors	9 to 11
Statement of Financial Activities	12
Balance Sheet	13
Cash Flow Statement	14
Notes to the Cash Flow Statement	15
Notes to the Financial Statements	16 to 23
Detailed Statement of Financial Activities	24 to 25

CHESHIRE SOUTH METHODIST CIRCUIT

REPORT OF THE TRUSTEES FOR THE YEAR ENDED 31 AUGUST 2022

The trustees present their report with the financial statements of the charity for the year ended 31 August 2022. 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 mission to the communities we serve through our local churches.

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 2022**

ACHIEVEMENT AND PERFORMANCE

Charitable activities

Discipleship and Mission

This period saw churches increasingly opening and welcoming people back together after the COVID-19 lockdowns. However, due to the risks still posed by the virus some activities were slow to recommence, and measures to mitigate these risks were in place. Despite this, many of the skills learned during the pandemic have offered useful tools for mission, e.g., the use of Zoom and Telephone Services that have increased opportunities for people to meet for worship and fellowship, including the housebound. Some meetings have continued to meet on Zoom, or have been in hybrid form. This has both enabled more people to participate, and offers environmental advantages by reducing the need for people to drive to meetings.

In Summer 2022, in line with the Circuit Vision of 'A Faithful and Fruitful Future', the Circuit started a new initiative to nurture faith and encourage mission by increasing the work that is shared by churches. For this, the Circuit has been divided into three "Mission Hubs": the Alsager and Sandbach Hub; the Crewe and Rope Green Hub; and the Nantwich, Whitchurch and Rural Hub. Within these Hubs, churches are encouraged to work together to pool ideas, resources and efforts for mission. To this end, each Hub will be resourced with a full-time lay worker. This is in addition to the excellent Cheshire South lay workers already in post, who frequently work in collaborative ways with volunteers and ecumenically in outreach work with local communities.

The Haven on North Street

"What's Happening at North Street" was changed to the new name "The Haven" that better reflected the safe and welcoming space that this has become.

The Haven on North Street sits on the former site of North Street Methodist Church in Cheshire, in the Crewe West Ward. In the early 2000s two churches merged, leaving the building in which The Haven was born. Land adjacent to the Church was sold to develop supported housing, which then funded the re-development of the Church building. The Haven is now a thriving community outreach project, which is part of the Cheshire South Methodist Circuit but is self-funding.

In various socio-economic data sets Crewe's data is awash with red, meaning that for many of these measures Crewe is in the bottom 20% of wards in the country and could be described as an area of deprivation. Six wards in Cheshire East are in the top 10% Index of Multiple Deprivation in the UK; all are in Crewe, including Crewe West.

The Haven consists of two large rooms, one of which is a coffee shop, and another room which can be sub-divided. It is a safe, inclusive and welcoming space, offering support, activities and signposting to all in the local community. Open Monday to Friday 9:00 - 3:00, it operates as a drop-in centre, but also runs the following activities:

Tai Chi - 2 sessions a week

Chatty Crafts

Bingo and Board Games

Knit and Natter

Friendship Friday

Veterans' Group

Bereavement Group - CAMEO

Safer Opportunities - a tuition provider for excluded pupils.

The coffee shop is run by a manager and a team of 18 volunteers, 13 of whom have a range of disabilities and are supported and developed by the Manager. There are also currently 2 volunteers on a Community Payback scheme. The Haven is known for its inclusivity and is fully accessible, so social care staff often arrange to attend with groups of disabled adults for lunch. Over a week there are generally around 300 visitors.

Since the Covid pandemic, The Haven has recovered well and continues to adapt and provide activities that meet the local community's needs. However, with the recent rises in costs of food, supplies and utilities, remaining financially sustainable is becoming harder and external financial support will be investigated.

Property

There continues to be a programme of repairs, maintenance and refurbishment of manses that are both lived in by Ministers and let out to tenants. There was an issue with non-payment of rent from one tenant and arrears have built up, but action to remedy this situation is being taken. Hatherton Chapel came into Circuit hands during 2021 and was sold for £118,000 in October 2021. The process to sell the former chapel at Hough is underway. St Mark's Church came into Circuit hands and was the host for a District Project for a few months, including being used for storage of emergency items for Ukraine. After this discussions were underway to work with Autism Inclusive who now rent the premises working with autistic young people. Baddiley & Ravensmoor Chapel came into Circuit hands in March 2022 and is currently being prepared for sale.

CHESHIRE SOUTH METHODIST CIRCUIT

REPORT OF THE TRUSTEES FOR THE YEAR ENDED 31 AUGUST 2022

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 £424,000 (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 2021 to look at the assessment formula and it was decided to keep the formula and amounts the same for 21/22

The Circuit held reserves of £5.2 million at the end of August 2022 (£4 million 2021) and current assets (those not held in property or long-term investments) were approximately £367k. (£435k 2021)

One of our main sources of income was £55k (2021 - £51k) 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 £37,807 (2021 - £10,911). Also included are grants totalling approximately £4,000. The increase in trading income was due to reopening post 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 £403k (2021- £397k). The assessment paid to the District to cover their costs and to forward to the national connexion totalled £107k (2021 - £105k).

Our net outgoing resources amounted to a deficit of £189k compared to a deficit of £78k in 2021.

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 £80k of outstanding loans to support church building improvement programmes included in this.

FUTURE PLANS

Work will continue to develop the newly-formed Mission Hubs. It is hoped that meetings across each Mission Hub can start the conversation about what sort of lay worker will best further mission. This work needs to be prayerful, seeking to notice where God is already at work, and we are being called to act. These discussions will be held within each individual Mission Hub, recognising the different context of each area, each with their own characteristics and needs. Smaller 'steering groups' will be formed in each Mission Hub, but communication with the wider membership of the Mission Hub churches is vital.

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 2022

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 3rd 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 and Chester, Shropshire and Wrexham.

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 the 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 2022 there were 82 trustees. The Trustees accountable during the year to which this report relates are listed later in section 7.

The Circuit Leadership Team (CLT), comprises 6 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).

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 2022

Trustees

In the 2021/2022 financial year our presbyters, lay employees and Circuit stewards were as follows:

Presbyters

Revd Rob Hilton - Superintendent
Revd Jeremy Tresise
Revd Robin Fox
Revd Donna-Marie Broadbent-Kelly
Revd Sarah Butcher
Revd Ian Duffy

Deacon Jill Henderson

Lay Workers

Mrs Heather Staniland (seconded from District)
Ms Kathryn Davies
Mr Stephen Parker-Aiken
Mr Andy Townsend
Mr Jonathon Newbould
Ms Elizabeth Morris (contractor)

Circuit Administrators

Mr Daniel Keen (Circuit Administrator)
Mrs Joanne Reeves (Finance)

Circuit Stewards

Mrs Pat Maidment
Mrs Isabel Brislen
Mr Gary Cliffe, Circuit Treasurer
Mrs Briony Myles-Hook
Mrs Ellen Cieka

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

Trustees at 1st September 2022

Revd Sarah Butcher
Revd Donna Broadbent-Kelly
Revd Rob Hilton
Revd Robin Fox
Deacon Jill Henderson
Revd 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
Mr Jonathon Newbould
Mr Stephen Parker-Aiken
Mrs Heather Staniland
Mr Andy Townsend
Dr Malcolm Crook
Mr Paul Jackson

CHESHIRE SOUTH METHODIST CIRCUIT

REPORT OF THE TRUSTEES FOR THE YEAR ENDED 31 AUGUST 2022

Mr Roger Hunt
Mrs Jenny Smith
Mrs Sue Taylor
Mrs Hilda White
Dr Michael Guy
Mrs Wendy Cain
Mrs Glenys Hollins
Mr Roger Millns
Mr David Maidment
Mrs Jayne Bunn
Mr Brian Faulkner
Mrs Norma Stolworthy
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
Revd David Westhead
Mr Fred Wright
Mrs Alison Wynne
Mrs Nilda Eyre
Mrs Jackie Holland
Mrs Margaret Kirkman
Mrs Christina Lawson
Mrs Joyce Martin
Mr Alan Pimlott
Ms Sarah Simpkin
Mrs Susan Smith
Mr Andrew Stolworthy

CHESHIRE SOUTH METHODIST CIRCUIT

**REPORT OF THE TRUSTEES
FOR THE YEAR ENDED 31 AUGUST 2022**

Mr Clive Taylor
Mrs Yvonne Alcock

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

Auditors & Accountants
Heywood Shepherd
1 Park Street
Macclesfield
Cheshire
SK11 6SR

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

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).

**REPORT OF THE TRUSTEES
FOR THE YEAR ENDED 31 AUGUST 2022**

STATEMENT OF TRUSTEES' RESPONSIBILITIES - continued

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 14 November 2023 and signed on its behalf by:

A handwritten signature in dark ink, appearing to read 'G Cliffe', is written over a horizontal line.

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 2022 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).

In our opinion the financial statements:

- give a true and fair view of the state of the charity's affairs as at 31 August 2022 and of its incoming resources and application of resources, 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 Auditors' responsibilities for the audit of the financial statements section of our report. We are independent of the charity in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

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

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the charity's ability to continue as a going concern for a period of at least twelve months from when the 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 charity through discussions with trustees and other management, and from our knowledge and experience of the charity sector
- We focused on specific laws and regulations which we considered may have a direct material effect on the financial statements or the operations of the charity, including 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 charity'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 trustees 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.

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

14 November 2023

CHESHIRE SOUTH METHODIST CIRCUIT

**STATEMENT OF FINANCIAL ACTIVITIES
FOR THE YEAR ENDED 31 AUGUST 2022**

		2022	2021
		Unrestricted	Total funds
		fund	
		£	£
INCOME AND ENDOWMENTS FROM	Notes		
Donations and legacies	2	34,145	39,145
Charitable activities	5		
Charitable Activities		483,575	517,183
Other trading activities	3	39,266	12,047
Investment income	4	1,426	610
Other income		-	43,732
Total		558,412	612,717
EXPENDITURE ON			
Raising funds	6	37,136	19,481
Charitable activities	7		
Charitable Activities		710,692	672,003
Total		747,828	691,484
Net gains on investments		1,379,616	225,570
NET INCOME		1,190,200	146,803
RECONCILIATION OF FUNDS			
Total funds brought forward		4,048,567	3,901,764
TOTAL FUNDS CARRIED FORWARD		5,238,767	4,048,567

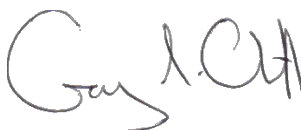
The notes form part of these financial statements

CHESHIRE SOUTH METHODIST CIRCUIT

BALANCE SHEET 31 AUGUST 2022

		2022 Unrestricted fund £	2021 Total funds £
FIXED ASSETS	Notes		
Tangible assets	13	4,858,653	3,599,657
Investments	14	12,256	13,077
		4,870,909	3,612,734
CURRENT ASSETS			
Debtors	15	103,497	110,883
Cash at bank		310,498	347,807
		413,995	458,690
CREDITORS			
Amounts falling due within one year	16	(46,137)	(22,857)
NET CURRENT ASSETS		367,858	435,833
TOTAL ASSETS LESS CURRENT LIABILITIES		5,238,767	4,048,567
NET ASSETS		5,238,767	4,048,567
FUNDS	17		
Unrestricted funds		5,238,767	4,048,567
TOTAL FUNDS		5,238,767	4,048,567

The financial statements were approved by the Board of Trustees and authorised for issue on 14 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 2022**

	Notes	2022 £	2021 £
Cash flows from operating activities			
Cash generated from operations	1	(154,487)	(95,818)
Net cash used in operating activities		(154,487)	(95,818)
Cash flows from investing activities			
Purchase of tangible fixed assets		(1,380,438)	(237,008)
Sale of tangible fixed assets		118,000	117,000
Sale of fixed asset investments		(822)	2,028
Sale of investment property		1,380,438	223,542
Net cash provided by investing activities		117,178	105,562
Change in cash and cash equivalents in the reporting period		(37,309)	9,744
Cash and cash equivalents at the beginning of the reporting period		347,807	338,063
Cash and cash equivalents at the end of the reporting period		310,498	347,807

The notes form part of these financial statements

CHESHIRE SOUTH METHODIST CIRCUIT

**NOTES TO THE CASH FLOW STATEMENT
FOR THE YEAR ENDED 31 AUGUST 2022**

1. RECONCILIATION OF NET INCOME TO NET CASH FLOW FROM OPERATING ACTIVITIES

	2022	2021
	£	£
Net income for the reporting period (as per the Statement of Financial Activities)	1,190,200	146,803
Adjustments for:		
Depreciation charges	3,441	3,955
Gain on investments	(1,378,794)	(227,598)
Profit on disposal of fixed assets	-	(43,732)
Decrease in debtors	7,386	7,726
Increase in creditors	23,280	17,028
Net cash used in operations	(154,487)	(95,818)

2. ANALYSIS OF CHANGES IN NET FUNDS

	At 1.9.21	Cash flow	At 31.8.22
	£	£	£
Net cash			
Cash at bank	347,807	(37,309)	310,498
	347,807	(37,309)	310,498
Total	347,807	(37,309)	310,498

The notes form part of these financial statements

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2022

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.

NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 AUGUST 2022

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

	2022	2021
	£	£
Donations	12,538	-
Mission grants - North Street	15,000	18,025
Furlough Income	602	21,120
Insurance claim	6,005	-
	<u>34,145</u>	<u>39,145</u>

3. OTHER TRADING ACTIVITIES

	2022	2021
	£	£
Fundraising events	840	-
Cafe income	37,807	10,911
Other income	619	1,136
	<u>39,266</u>	<u>12,047</u>

4. INVESTMENT INCOME

	2022	2021
	£	£
Investment Income	1,426	610
	<u>1,426</u>	<u>610</u>

5. INCOME FROM CHARITABLE ACTIVITIES

	Activity	2022	2021
		£	£
Assessments	Charitable Activities	424,022	438,995
Rental Income	Charitable Activities	55,553	51,984
Grants	Charitable Activities	4,000	26,204
		<u>483,575</u>	<u>517,183</u>

Grants received this year of £4,000 (£26,204 2021) were from the governments job retention scheme.

NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 AUGUST 2022

6. RAISING FUNDS**Other trading activities**

	2022	2021
	£	£
Purchases	<u>37,136</u>	<u>19,481</u>

7. CHARITABLE ACTIVITIES COSTS

	Direct Costs £	Support costs (see note 8) £	Totals £
Charitable Activities	<u>673,870</u>	<u>36,822</u>	<u>710,692</u>

8. SUPPORT COSTS

	Finance £	Governance costs £	Totals £
Charitable Activities	<u>(13)</u>	<u>36,835</u>	<u>36,822</u>

9. AUDITORS' REMUNERATION

	2022 £	2021 £
Fees payable to the charity's auditors for the audit of the charity's financial statements	<u>5,091</u>	<u>5,000</u>

10. TRUSTEES' REMUNERATION AND BENEFITS

Twenty four trustees' received remuneration for the year ended 31 August 2022, the total paid to them was £282,750 (2021- £298,174). This is included in salary costs in the accounts

Trustees' expenses

There were twenty four trustees' who received expenses paid for the year ended 31 August 2022, the total paid to them was £43,329 (2021- £35,589).

11. STAFF COSTS

	2022 £	2021 £
Wages and salaries	288,889	330,017
Social security costs	18,828	16,797
Other pension costs	<u>96,109</u>	<u>50,711</u>
	<u>403,826</u>	<u>397,525</u>

NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 AUGUST 2022

11. STAFF COSTS - continued

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

	2022	2021
Ministers and supernumeraries	8	8
Lay pastoral & Youth employees	6	6
Circuit administrators	3	3
	<u>17</u>	<u>17</u>

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

12. COMPARATIVES FOR THE STATEMENT OF FINANCIAL ACTIVITIES

	Unrestricted fund £
INCOME AND ENDOWMENTS FROM	
Donations and legacies	39,145
Charitable activities	
Charitable Activities	517,183
Other trading activities	12,047
Investment income	610
Other income	43,732
Total	<u>612,717</u>
EXPENDITURE ON	
Raising funds	19,481
Charitable activities	
Charitable Activities	672,003
Total	<u>691,484</u>
Net gains on investments	<u>225,570</u>
NET INCOME	146,803
RECONCILIATION OF FUNDS	
Total funds brought forward	3,901,764
TOTAL FUNDS CARRIED FORWARD	<u><u>4,048,567</u></u>

NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 AUGUST 2022

13. TANGIBLE FIXED ASSETS

	Freehold property £	Plant and machinery £	Fixtures and fittings £	Totals £
COST				
At 1 September 2021	3,590,767	2,847	20,835	3,614,449
Additions	1,380,438	-	-	1,380,438
Disposals	(118,000)	-	-	(118,000)
At 31 August 2022	4,853,205	2,847	20,835	4,876,887
DEPRECIATION				
At 1 September 2021	-	2,847	11,946	14,793
Charge for year	-	-	3,441	3,441
At 31 August 2022	-	2,847	15,387	18,234
NET BOOK VALUE				
At 31 August 2022	4,853,205	-	5,448	4,858,653
At 31 August 2021	3,590,767	-	8,889	3,599,656

14. FIXED ASSET INVESTMENTS

	Listed investments £
MARKET VALUE	
At 1 September 2021	13,077
Revaluations	(821)
At 31 August 2022	12,256
NET BOOK VALUE	
At 31 August 2022	12,256
At 31 August 2021	13,077

There were no investment assets outside the UK.

Cost or valuation at 31 August 2022 is represented by:

	Listed investments £
Valuation in 2022	12,256

CHESHIRE SOUTH METHODIST CIRCUIT

**NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 AUGUST 2022**

15. DEBTORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2022	2021
	£	£
Trade debtors	1,496	5,404
Other debtors	76,782	87,357
Prepayments and accrued income	25,219	18,122
	<u>103,497</u>	<u>110,883</u>

16. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2022	2021
	£	£
Other creditors	<u>46,137</u>	<u>22,857</u>

17. MOVEMENT IN FUNDS

	At 1.9.21 £	Net movement in funds £	At 31.8.22 £
Unrestricted funds			
General fund	4,048,567	1,190,200	5,238,767
TOTAL FUNDS	<u>4,048,567</u>	<u>1,190,200</u>	<u>5,238,767</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	558,412	(747,828)	1,379,616	1,190,200
TOTAL FUNDS	<u>558,412</u>	<u>(747,828)</u>	<u>1,379,616</u>	<u>1,190,200</u>

Comparatives for 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
TOTAL FUNDS	<u>3,901,764</u>	<u>146,803</u>	<u>4,048,567</u>

NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 AUGUST 2022

17. MOVEMENT IN FUNDS - continued

Comparative 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> </u>	<u> </u>	<u> </u>	<u> </u>
TOTAL FUNDS	<u>612,717</u>	<u>(691,484)</u>	<u>225,570</u>	<u>146,803</u>

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

	At 1.9.20 £	Net movement in funds £	At 31.8.22 £
Unrestricted funds			
General fund	3,901,764	1,337,003	5,238,767
	<u> </u>	<u> </u>	<u> </u>
TOTAL FUNDS	<u>3,901,764</u>	<u>1,337,003</u>	<u>5,238,767</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	1,171,129	(1,439,312)	1,605,186	1,337,003
	<u> </u>	<u> </u>	<u> </u>	<u> </u>
TOTAL FUNDS	<u>1,171,129</u>	<u>(1,439,312)</u>	<u>1,605,186</u>	<u>1,337,003</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 2022 £7,680 (2021 £14,484). 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 £96,109 (£50,711 in 2021. This included a payment of £50,000 towards the deficit in the Methodist Ministers pension scheme.

Methodist Ministers Pension Scheme (MMPS)

NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 AUGUST 2022

18. EMPLOYEE BENEFIT OBLIGATIONS - continued

The economic shocks of 2022 have had a profound impact on the funding position of the MMPS. More information can be found in the report to the Methodist Conference Conf Report 26. Pension Schemes.

The Conference confirmed that the increase in circuit contribution rates planned for September 2023 was to be cancelled. It also confirmed that should circumstances allow over the coming years, the voluntary contributions to the Pension Reserve Fund it had appealed for in 2021 be returned to the donors with interest paid at the Central Finance Board Deposit Rate. The next triennial valuation of the scheme is due as at 1 September 2023. Once the valuation has been signed off in 2024 it is hoped a decision about return of the voluntary contributions can be made.

19. RELATED PARTY DISCLOSURES

There were no related party transactions for the year ended 31 August 2022.

CHESHIRE SOUTH METHODIST CIRCUIT**DETAILED STATEMENT OF FINANCIAL ACTIVITIES
FOR THE YEAR ENDED 31 AUGUST 2022**

	2022 £	2021 £
INCOME AND ENDOWMENTS		
Donations and legacies		
Donations	12,538	-
Mission grants - North Street	15,000	18,025
Furlough Income	602	21,120
Insurance claim	6,005	-
	34,145	39,145
Other trading activities		
Fundraising events	840	-
Cafe income	37,807	10,911
Other income	619	1,136
	39,266	12,047
Investment income		
Investment Income	1,426	610
Charitable activities		
Assessments	424,022	438,995
Rental Income	55,553	51,984
Grants	4,000	26,204
	483,575	517,183
Other income		
Gain on sale of tangible fixed assets	-	43,732
Total incoming resources	558,412	612,717
EXPENDITURE		
Other trading activities		
North Street Cafe	37,136	19,481
Charitable activities		
Wages	288,889	330,017
Social security	18,828	16,797
Pensions	96,109	50,711
Staff recruitment	6,888	5,396
Telephone	1,275	982
Postage and stationery	2,599	4,491
Sundries	1,369	46
Assessments	107,324	105,503
Youth mission Costs	2,812	450
Carried forward	526,093	514,393

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CHESHIRE SOUTH METHODIST CIRCUIT

**DETAILED STATEMENT OF FINANCIAL ACTIVITIES
FOR THE YEAR ENDED 31 AUGUST 2022**

	2022 £	2021 £
Charitable activities		
Brought forward	526,093	514,393
Grants made	4,880	2,800
Manses	90,566	69,285
Legacy properties	10,011	5,050
Temporary staff	5,149	9,246
IT support and software	11,694	13,268
Subscriptions	325	583
Travel and subsistence	10,947	13,937
Management fees	4,640	2,184
Insurance	429	322
Quinquennial costs	5,695	3,155
Plant and machinery	-	106
Fixtures and fittings	3,441	3,849
	<u>673,870</u>	<u>638,178</u>
Support costs		
Finance		
Bank charges	(13)	51
Governance costs		
Auditors' remuneration	5,091	5,000
Legal and professional fees	31,744	28,774
	<u>36,835</u>	<u>33,774</u>
Total resources expended	<u>747,828</u>	<u>691,484</u>
Net expenditure before gains and losses	(189,416)	(78,767)
Realised recognised gains and losses		
Realised gains/(losses) on fixed asset investments	(822)	2,028
Realised gains/(losses) on investment property	1,380,438	223,542
Net income	<u>1,190,200</u>	<u>146,803</u>

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