

Charity registration number 1142234 (England and Wales)

**CHESHIRE SOUTH METHODIST CIRCUIT**  
**ANNUAL REPORT AND FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 AUGUST 2024**

# CHESHIRE SOUTH METHODIST CIRCUIT

## LEGAL AND ADMINISTRATIVE INFORMATION

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### Trustees

Mr G Cliffe  
Mrs B C Myles-Hook  
Mrs E D Cieka  
Mr G J Dickinson  
Mrs I Brislen  
Mr R P Jackson  
Rev R O Hilton  
Mrs P A Maidment  
Miss D A Milner  
Mrs H J Staniland  
Mrs D M Broadbent-Kelly  
Mr N Bourne  
Mrs J Bunne  
Mrs Y Bushill  
Mrs Y Alcock  
Mrs A Andrews  
Rev'd S Butcher  
Mrs W Cain  
Mr C Cooper  
Miss A Crompton  
Mr D Crompton  
Mr M Crook  
Mrs K Davies  
Mr G Dimelow  
Miss J Eardley  
Mrs J Ellershaw  
Dr K Evans  
Rev'd R Fox  
Mrs S Graham  
Mrs L Grundy  
Mr D Griffith  
Dr M Guy  
Mr G Hassall  
Mrs P Hellingman  
Mrs J Holland  
Mrs M Holland  
Mrs G Hollins  
Mrs P Jones  
Mrs R Lowndes  
Mrs M Lumb  
Mr D Maidment  
Mrs G Merry  
Mr R Millns  
Mr J Newbould  
Mrs J Parker Aiken  
Mr S Parker Aiken  
Mrs J Parton  
Mrs M Penaluna  
Mr A Pimlott  
Mrs S Scragg  
Miss S Simpson  
Mr D Smith  
Mrs J Smith  
Mrs S Smith

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# CHESHIRE SOUTH METHODIST CIRCUIT

## LEGAL AND ADMINISTRATIVE INFORMATION

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Mrs N Stolworthy  
Mr A Sutton  
Mr C Taylor  
Mrs S Taylor  
Mr A Townsend  
Mr R Twydell  
Mr F Wright  
Mrs A Wynne  
Mrs S Young  
Mrs C Crowther  
Mrs E Gollins  
Mrs J Martin  
Mrs A Horsfield  
Mrs J Howell  
Mr R Hunt  
Mr P Jackson  
Mr D Johnson  
Mrs B Jones  
Rev'd C Lawrence  
Mrs C Lawson  
Mrs R Lomas  
Mrs H Robertson  
Mrs S Sutton  
Rev'd D Westhead

**Charity number (England and Wales)** 1142234

**Auditor** Champion Accountants LLP  
2nd Floor Refuge House  
33-37 Watergate Row  
Chester  
CH1 2LE

**Solicitors** Sintons LLP  
The Cube  
Barrack Road  
Newcastle Upon Tyne  
NE4 6DB

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# CHESHIRE SOUTH METHODIST CIRCUIT

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# CHESHIRE SOUTH METHODIST CIRCUIT

## TRUSTEES' REPORT

### FOR THE YEAR ENDED 31 AUGUST 2024

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The trustees present their annual report and financial statements for the year ended 31 August 2024.

The financial statements have been prepared in accordance with the accounting policies set out in note 1 to the financial statements and comply with the charity's governing document, the Charities Act 2011, FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" and the Charities SORP "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)".

#### **Objectives and activities**

Our aims are those of the Methodist Church in Great Britain and the main one is the advancement of the Christian faith through the witness and worship of all our members. We do this in accordance with the doctrines, standards and disciplines of the Methodist Church. The Circuit produces a quarterly preaching plan to ensure regular acts of worship take place at each of our premises. 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 Networks' for effectiveness and mutual support.

#### *Public benefit*

The trustees have paid due regard to guidance issued by the Charity Commission in deciding what activities the charity should undertake.

#### **Achievements and performance**

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

The key development in this period has been the development of a five-year Circuit Mission Plan in line with our Circuit Vision "A Faithful and Fruitful Future". This identifies seven priorities, summarised as follows:

- i) developing worship and equipping people for mission;
- ii) supporting governance across the Circuit;
- iii) enabling mission through sustainable resourcing;
- iv) creating places of belonging and encounter for those outside the traditional church;
- v) supporting churches to discern their future and mission;
- vi) enabling mission through caring; and
- vii) enabling churches to support local community needs.

The Mission Networks have continued to reflect on mission priorities in their areas. Work in the areas highlighted in the previous report have continued — i.e. the Food Pantry at Sandbach, the Food Hub established in Alsager in October 2022, and in Whitchurch the Clothing Hub and More on Mondays/Thursdays offering a warm space.

The Sandbach and Alsager Network has undertaken an external audit of their churches and surrounding communities and continue to prayerfully discern where to focus mission activities. In Nantwich, plans have been developed to implement a 3-year mission plan to develop activities such as a "Drop and Shop" club and look for other ways that they can use the church centre for outreach. A role for a centre development manager has been advertised. In the Crewe and Rope Green Network the focus has been on working together and the churches developing their own mission plans.

An additional Lay Pastor has been deployed in the Crewe churches to promote discipleship and outreach within those churches.

# CHESHIRE SOUTH METHODIST CIRCUIT

## TRUSTEES' REPORT (CONTINUED)

**FOR THE YEAR ENDED 31 AUGUST 2024**

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### **Safeguarding – The Protection of Children and Vulnerable Adults**

All Cheshire South churches completed the 2023 Safeguarding Audit and submitted them to the District Safeguarding Officer, indicating areas where further work was necessary to strengthen safeguarding of children and vulnerable adults in all church-run activities.

Further training sessions, both Advanced and Foundation, took place during the year, both online and face-to-face, and training records held by churches show most training is up to date, though more will be needing training in 2024/25.

The Circuit currently maintains three Safeguarding Contracts and initiated a fourth in July 2024. The Circuit Officers took part in the planning of the first District Safeguarding Conference held in October 2024, to raise key issues for discussion and consideration by both the clergy and church safeguarding officers.

### **Circuit Mission Project – The Haven: Building a Community of Hope, Inclusivity and Faith**

The first thing you will notice as you come through the door is the welcoming atmosphere. It is like a personal hug from God. Many of the groups which were new in the last year have become an integral part of the support network provided to the family of people who gather here. The second thing you may notice is the sound of laughter. In a world with so many problems and a place where so many who first come through the door have been broken, there is an immediate sense of hope and love.

The catering manager and her team are at the heart of this busy hub.

The difference that can be seen over time in the volunteers (many of whom have special needs or struggle with neurodivergence) is a testament to the nurturing of Rachel and her team of colleagues. But look a little closer and you realise that this care and nurturing takes place on both sides of the counter.

Some of the activities and groups have gone from strength to strength, with some having run their course. Games day has become Monday, where Mexican Train has been superseded by Mahjong. CAMEO, started once a month by Deacon Jill, is going from strength to strength, again with the broken becoming the fixers.

We endeavour to respond to the needs of the community. Some of our service users were seeking bereavement support but couldn't find anything local and appropriate, so we began "CAMEO" in April, an informal group for those who are bereaved, meeting monthly over coffee in a relaxed setting to support one another and share experiences.

The Haven also hosts Crewe Veterans' Breakfast meetings every Wednesday – a self-supporting meeting for those who have left the armed forces to support one another adjusting to civilian life, a number of whom have mental health issues including PTSD. The Veterans have become an integral part of our community.

A monthly "Café Church" is held, offering informal worship and conversation, particularly targeting people who do not regularly attend church from our local community.

A Lent study group based on the film The King's Speech was very well received.

We have made good links with a local private hospital supporting women with personality and eating disorders. A number of their patients regularly attend groups or simply come for coffee to what has become for them "a safe space."

One long-term patient studying for a music degree has helped establish our "Havenly Choir". The choir began in July and within a couple of weeks was attracting 30 people of all ages and abilities to enjoy the opportunity to sing together. It has become the highlight of the week for many, greatly improving people's mental well-being.

The project remains a missional priority within the Circuit.

# CHESHIRE SOUTH METHODIST CIRCUIT

## TRUSTEES' REPORT (CONTINUED)

### FOR THE YEAR ENDED 31 AUGUST 2024

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#### Property

There continues to be a programme of repairs, maintenance and refurbishment of manses that are lived in by Ministers, used by the District and let out to tenants.

This is guided by the Quinquennial Inspections and Manse Inspections as well as feedback from the tenants. New Assured Shorthold Tenancy Agreements have been drawn up for two sets of tenants by a Connexional approved solicitor, and a new letting agent was appointed to manage these properties in February 2024. There was a change of Minister at the Sandbach Manse for September 2024.

All properties are being reviewed to ensure that ownership is compatible with our Vision for the Circuit. As a result, following permission from TMCP, the manse in Nantwich went on the market in July 2023 and was sold in February 2024.

Permission was also granted to sell the former Chapel at Hough, and extensive work was needed to prepare it for sale at auction in October 2023. In June 2024, permission was given to sell the adjoining Cottage to the life tenants, and this sale is scheduled to be completed by the end of 2024.

Permission was also granted to sell the former Chapel at Baddiley & Ravensmoor, and this was successfully sold at auction in February 2024.

The issue with non-payment of rent from one tenant and arrears that have built up since their tenancy began in December 2019 has been addressed. After seeking legal advice from Solicitors recommended by TMCP, Connexional consent under SO 931(5)(i) was given to begin possession proceedings. Notice was served to the tenants on 12 August 2023 in accordance with Section 21 of the 1988 Housing Act and, after a ruling by Crewe County Court, the Circuit regained possession of the property in April 2024 on the grounds of rent arrears.

A Serious Incident Report was voluntarily submitted to the Charity Commission, on behalf of the trustees, on 6 September 2023. Following extensive maintenance, the property went on the market in June 2024 as previously agreed but no offers had been received by the end of the financial year.

#### Financial review

During the 12-month period to 31 August 2024 the Circuit was able to replenish the cash in hand to a figure well beyond the figure required in the reserves policy after selling a number of properties as described in the property section.

The profit and loss outturn very much matched the budget that had been set and the year-end loss was much less than in the last few years. This was partly due to the return of £50,000 plus interest that was gifted to the Connexional pension fund that was eventually actuarially calculated as not being necessary.

The Circuit has been looking closely at its financial future and has not replaced a Deacon who left in August 2024 as a means to reduce its outgoings. The Circuit wishes to concentrate on mission as outlined above.

The mission plans are to be funded mainly through the sales of property. The day-to-day income/expenditure picture is being worked on over the next few years as it is unfair on existing Ministerial staff to be taking on extra work to support so many geographically spread churches should we try to reduce the number of ministers.

However, the paying of the assessment is falling on fewer and fewer members. Increasing the amount of assessment is also not possible without causing financial and emotional distress to an ageing population. This conundrum is being faced head-on with longer-term mission plans that will afford opportunities to achieve external funding whilst churches look to do more to work together.

# CHESHIRE SOUTH METHODIST CIRCUIT

## TRUSTEES' REPORT (CONTINUED)

**FOR THE YEAR ENDED 31 AUGUST 2024**

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### *Reserves policy*

It is the policy of the charity that unrestricted funds which have not been designated for a specific use should be maintained at a level equivalent to between three and six month's expenditure. The trustees consider that reserves at this level will ensure that, in the event of a significant drop in funding, they will be able to continue the charity's current activities while consideration is given to ways in which additional funds may be raised. This level of reserves has been maintained throughout the year.

### **Plans for future periods**

During 2024–2025, focus within the Circuit will be on delivering the five-year Mission Plan, including appropriate review in the spring of 2025. The Mission Networks will continue to support the local churches in their mission in line with our Circuit Vision "A Faithful and Fruitful Future".

The Circuit is firmly committed to resourcing and enabling mission; however, this will need to be tempered with concerns about sustainability as Circuit membership is expected to continue to decline in the short term.

In thinking about working towards Net Zero Carbon, the Circuit will be undertaking a review of the Circuit Manses to ensure that they all meet the required standards for energy efficiency. The Property Sub-Group of the CLT has seconded a person with recent experience on climate issues and church buildings to advise on these issues.



# CHESHIRE SOUTH METHODIST CIRCUIT

## TRUSTEES' REPORT (CONTINUED)

**FOR THE YEAR ENDED 31 AUGUST 2024**

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### Structure, governance and management

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

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

The Circuit comprises 22 church organisations. Our churches are separate charitable organisations; 4 are registered with the Charity Commission and the remaining 18 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 at [www.methodist.org.uk/ministers-and-office-holders/cpd](http://www.methodist.org.uk/ministers-and-office-holders/cpd)

The registered charity named 'Cheshire South Methodist Circuit' is primarily an administrative 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 coordination 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 1 September 2024 there were 79 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 57 Local Preachers plus 1 on trial (i.e. in training for this vital ministry).

The trustees who served during the year and up to the date of signature of the financial statements were:

Mr G Cliffe  
Mrs B C Myles-Hook  
Mrs E D Cieka  
Mr G J Dickinson  
Mrs I Brislen  
Mr R P Jackson  
Rev R O Hilton  
Mrs P A Maidment  
Miss D A Milner  
Mrs H J Staniland  
Mrs D M Broadbent-Kelly  
Mr N Bourne  
Mrs J Bunne  
Mrs Y Bushill  
Mrs Y Alcock  
Mrs A Andrews  
Rev'd S Butcher

# CHESHIRE SOUTH METHODIST CIRCUIT

## TRUSTEES' REPORT (CONTINUED)

***FOR THE YEAR ENDED 31 AUGUST 2024***

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Mrs W Cain  
Mr C Cooper  
Miss A Crompton  
Mr D Crompton  
Mr M Crook  
Mrs K Davies  
Mr G Dimelow  
Miss J Eardley  
Mrs J Ellershaw  
Dr K Evans  
Rev'd R Fox  
Mrs S Graham  
Mrs L Grundy  
Mr D Griffith  
Dr M Guy  
Mr G Hassall  
Mrs P Hellingman  
Mrs J Holland  
Mrs M Holland  
Mrs G Hollins  
Mrs P Jones  
Mrs R Lowndes  
Mrs M Lumb  
Mr D Maidment  
Mrs G Merry  
Mr R Millns  
Mr J Newbould  
Mrs J Parker Aiken  
Mr S Parker Aiken  
Mrs J Parton  
Mrs M Penaluna  
Mr A Pimlott  
Mrs S Scragg  
Miss S Simpson  
Mr D Smith  
Mrs J Smith  
Mrs S Smith  
Mrs N Stolworthy  
Mr A Sutton  
Mr C Taylor  
Mrs S Taylor  
Mr A Townsend  
Mr R Twydell  
Mr F Wright  
Mrs A Wynne  
Mrs S Young  
Mrs C Crowther  
Mrs E Gollins  
Mrs J Martin  
Mrs A Horsfield  
Mrs J Howell  
Mr R Hunt  
Mr P Jackson

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# CHESHIRE SOUTH METHODIST CIRCUIT

## TRUSTEES' REPORT (CONTINUED)

**FOR THE YEAR ENDED 31 AUGUST 2024**

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Mr D Johnson  
Mrs B Jones  
Rev'd C Lawrence  
Mrs C Lawson  
Mrs R Lomas  
Mrs H Robertson  
Mrs S Sutton  
Rev'd D Westhead

### *Recruitment and appointment of trustees*

Trustees are appointed in accordance with the constitutional practices of the Methodist Church. Members of the Circuit Meeting are automatically trustees under the Methodist Church governance structure. Additional trustees may be nominated by the local churches and are approved at the Circuit Meeting. New trustees are provided with induction materials outlining their responsibilities and are encouraged to attend safeguarding and governance training organised by the Circuit and the District.

### **Trustees**

In the 2023/2024 financial year our presbyters, lay employees and Circuit stewards were as follows:

### **Presbyters**

Revd Rob Hilton - Superintendent  
Revd Sarah Butcher  
Revd Robin Fox  
Revd Donna Broadbent -Kelly  
Revd Carolyn Lawrance (from Sep 23)  
Deacon Jill Henderson (left 30th Aug 24)  
Lay Workers  
Mr Stephen Parker-Aiken  
Mr Andy Townsend  
Ms Kathryn Davies  
Mr Jonathon Newbould  
Ms Elizabeth Morris (contractor)  
Mrs Heather Staniland (seconded from District)  
Mrs Jane Parker-Aiken

### **Circuit Administrators**

Ms Dorothy Milner  
Mrs Joanne Reeves (Finance)

### **Circuit Stewards**

Mrs Isabel Brislen (Senior Steward)  
Dr Geoff Dickinson  
Mrs Ellen Cieka  
Mrs Pat Maidment  
Mr Gary Cliffe, Circuit Treasurer  
Mrs Briony Myles-Hook

# CHESHIRE SOUTH METHODIST CIRCUIT

## TRUSTEES' REPORT (CONTINUED)

**FOR THE YEAR ENDED 31 AUGUST 2024**

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### **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.

### **Custodian Trusteeship**

All property held by the Circuit is held on the Model Trusts of the Methodist Church Act 1976. Legal title to these properties is vested in The Trustees for Methodist Church Purposes (TMCP), who act as Custodian Trustees. The Cheshire South Methodist Circuit acts as the Managing Trustees and is responsible for the day-to-day management, maintenance, and use of the properties in accordance with Methodist Church law and policy.

### **Property and asset valuation**

The way we account for Circuit properties was reset during the year. We now differentiate between investment properties that are not used for day-to-day Circuit purposes and these have been revalued in line with accounting requirements and Methodist guidance. Other properties, such as manses occupied by Ministers, continue to be held at their original values, subject to annual impairment reviews.

### **Statement of Trustees' responsibilities**

The trustees are responsible for preparing the Trustees' Report 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 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 of the charity for that year.

In preparing these financial statements, the trustees are required to:

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

The trustees are responsible for keeping sufficient accounting records that disclose with reasonable accuracy at any time the financial position of the charity and 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.

The Trustees' report was approved by the Board of Trustees.

.....  
Mr G Cliffe  
**Trustee**

Date: .....

# CHESHIRE SOUTH METHODIST CIRCUIT

## INDEPENDENT AUDITOR'S REPORT

### TO THE TRUSTEES OF CHESHIRE SOUTH METHODIST CIRCUIT

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#### Opinion

We have audited the financial statements of Cheshire South Methodist Circuit (the 'charity') for the year ended 31 August 2024 which comprise the statement of financial activities, the balance sheet, the statement of cash flows and notes to the financial statements, including significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 *The Financial Reporting Standard applicable in the UK and Republic of Ireland* (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 2024 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 Charities Act 2011.

#### Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the *Auditor's responsibilities for the audit of the 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 other information comprises the information included in the annual report other than the financial statements and our auditor's report thereon. The trustees are responsible for the other information contained within the annual report. Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon. 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 course of 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 in relation to which the Charities (Accounts and Reports) Regulations 2008 requires us to report to you if, in our opinion:

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

# CHESHIRE SOUTH METHODIST CIRCUIT

## INDEPENDENT AUDITOR'S REPORT (CONTINUED)

### TO THE TRUSTEES OF CHESHIRE SOUTH METHODIST CIRCUIT

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#### **Responsibilities of trustees**

As explained more fully in the statement of Trustees' responsibilities, the trustees are responsible for the preparation of the financial statements and for being satisfied that they 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 cease operations, or have no realistic alternative but to do so.

#### **Auditor's responsibilities for the audit of the financial statements**

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

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, is detailed below.

#### **Extent to which the audit is considered capable of detecting irregularities, including fraud**

The responsibility for the prevention and detection of irregularities, including fraud, lies with the trustees and with those charged with governance. The objectives of our audit in respect of irregularities and fraud are to assess the risk of material misstatement of the financial statements due to fraud, to obtain sufficient, appropriate audit evidence regarding the assessed risks and to respond appropriately to fraud or suspected fraud identified during the audit.

#### **Audit procedures**

We determine significant applicable laws and regulations through discussion with those charged with governance and our own knowledge of the industry and design audit procedures to help identify instances of non-compliance with those laws and regulations that may have a material effect on the financial statements.

We have identified the key risks of non-compliance with laws and regulations to be related to the financial reporting framework, FRS 102, the Charities Act 2011 and the Constitutional Practice and Discipline of the Methodist Church.

We consider the control environment and the procedures in place to address identified risks, including management override, non-compliance with laws and regulations and to prevent and detect fraud or irregularity. Our procedures are designed to provide reasonable assurance that the financial statements are free from material misstatement or error and include: enquiries of management and of staff in key compliance functions; review of reported incidents and reports from regulators; review of minutes of meetings of those charged with governance; review and testing of manual journals, relevant nominals and significant transactions outside the normal course of business; review of financial statement disclosures and testing to supporting documentation; performance of analytical procedures.

We are not responsible for preventing non-compliance and due to the inherent limitations of an audit, as described above, the audit cannot be relied upon to detect all instances of non-compliance with laws and regulations.

A further description of our responsibilities is available on the Financial Reporting Council's website at: <https://www.frc.org.uk/auditorsresponsibilities>. This description forms part of our auditor's report.

# **CHESHIRE SOUTH METHODIST CIRCUIT**

## **INDEPENDENT AUDITOR'S REPORT (CONTINUED)**

### **TO THE TRUSTEES OF CHESHIRE SOUTH METHODIST CIRCUIT**

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#### **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 auditor's 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.

#### **Susan Harris MA ACA (Senior Statutory Auditor)**

For and on behalf of Champion Accountants LLP, Statutory Auditor

Chartered Accountants

2nd Floor Refuge House

33-37 Watergate Row

Chester

CH1 2LE

Date: .....

Champion Accountants LLP is eligible for appointment as auditor of the charity by virtue of its eligibility for appointment as auditor of a company under section 1212 of the Companies Act 2006.

# CHESHIRE SOUTH METHODIST CIRCUIT

## STATEMENT OF FINANCIAL ACTIVITIES INCLUDING INCOME AND EXPENDITURE ACCOUNT

**FOR THE YEAR ENDED 31 AUGUST 2024**

	Notes	Unrestricted funds 2024 £	Restricted funds 2024 £	Total 2024 £	Unrestricted funds 2023 £
<b>Income and endowments from:</b>					
Donations and legacies	3	14,470	13,724	28,194	8,706
Charitable activities	4	479,199	-	479,199	369,207
Other trading activities	5	2,548	-	2,548	795
Investments	6	91,149	-	91,149	83,875
Other income	7	-	-	-	615
<b>Total income</b>		<b>587,366</b>	<b>13,724</b>	<b>601,090</b>	<b>463,198</b>
<b>Expenditure on:</b>					
Charitable activities	8	1,224,760	2,845	1,227,605	699,500
Other expenditure	14	57,986	-	57,986	14,578
<b>Total expenditure</b>		<b>1,282,746</b>	<b>2,845</b>	<b>1,285,591</b>	<b>714,078</b>
Net gains/(losses) on investments	15	405,520	-	405,520	(312)
<b>Net income/(expenditure) and movement in funds</b>		<b>(289,860)</b>	<b>10,879</b>	<b>(278,981)</b>	<b>(251,192)</b>
<b>Reconciliation of funds:</b>					
Fund balances at 1 September 2023		4,987,575	-	4,987,575	5,238,767
<b>Fund balances at 31 August 2024</b>		<b>4,697,715</b>	<b>10,879</b>	<b>4,708,594</b>	<b>4,987,575</b>

The statement of financial activities includes all gains and losses recognised in the year. All income and expenditure derive from continuing activities.



# CHESHIRE SOUTH METHODIST CIRCUIT

## BALANCE SHEET

AS AT 31 AUGUST 2024

		2024		2023	
	Notes	£	£	£	£
<b>Fixed assets</b>					
Tangible assets	18		1,885,707		4,855,083
Investment property	19		2,286,344		-
			<u>4,172,051</u>		<u>4,855,083</u>
<b>Current assets</b>					
Debtors	20	96,562		81,003	
Cash at bank and in hand		704,690		118,794	
		<u>801,252</u>		<u>199,797</u>	
<b>Creditors: amounts falling due within one year</b>	21	(264,709)		(67,305)	
<b>Net current assets</b>			<u>536,543</u>		<u>132,492</u>
<b>Total assets less current liabilities</b>			<u>4,708,594</u>		<u>4,987,575</u>
<b>The funds of the charity</b>					
Restricted income funds	24		10,879		-
Unrestricted funds	25		4,697,715		4,987,575
			<u>4,708,594</u>		<u>4,987,575</u>

The financial statements were approved by the trustees on .....

.....  
Mr G Cliffe  
Trustee

# CHESHIRE SOUTH METHODIST CIRCUIT

## STATEMENT OF CASH FLOWS

**FOR THE YEAR ENDED 31 AUGUST 2024**

	Notes	2024 £	£	2023 £	£
<b>Cash flows from operating activities</b>					
Cash absorbed by operations	28		(303,963)		(287,450)
<b>Investing activities</b>					
Purchase of tangible fixed assets		(13,575)		(73)	
Proceeds from disposal of tangible fixed assets		812,285		-	
Proceeds from disposal of investments		-		11,944	
Investment income received		91,149		83,875	
<b>Net cash generated from investing activities</b>			889,859		95,746
<b>Net cash generated from financing activities</b>			-		-
<b>Net increase/(decrease) in cash and cash equivalents</b>			585,896		(191,704)
Cash and cash equivalents at beginning of year			118,794		310,498
<b>Cash and cash equivalents at end of year</b>			704,690		118,794

# CHESHIRE SOUTH METHODIST CIRCUIT

## NOTES TO THE FINANCIAL STATEMENTS

**FOR THE YEAR ENDED 31 AUGUST 2024**

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### **1 Accounting policies**

#### **Charity information**

Cheshire South Methodist Circuit is a Circuit within the Methodist Church in Great Britain and is governed by the Deed of Union, the Model Trusts and the Standing Orders contained in the Constitutional Practice and Discipline of the Methodist Church. The registered office is Broad Lane Methodist Church, Audlem Road, Nantwich, CW5 7EB.

#### **1.1 Basis of preparation**

The financial statements have been prepared in accordance with the charity's governing document, the Charities Act 2011, FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" and the Charities SORP "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)". The charity is a Public Benefit Entity as defined by FRS 102.

The financial statements have departed from the Charities (Accounts and Reports) Regulations 2008 only to the extent required to provide a true and fair view. This departure has involved following the Statement of Recommended Practice for charities applying FRS 102 rather than the version of the Statement of Recommended Practice which is referred to in the Regulations but which has since been withdrawn.

The financial statements are prepared in sterling, which is the functional currency of the charity. Monetary amounts in these financial statements are rounded to the nearest £.

The financial statements have been prepared under the historical cost convention, modified to include the revaluation of freehold properties and to include investment properties and certain financial instruments at fair value. The principal accounting policies adopted are set out below.

#### **1.2 Going concern**

At the time of approving the financial statements, the trustees have a reasonable expectation that the charity has adequate resources to continue in operational existence for the foreseeable future. Thus the trustees continue to adopt the going concern basis of accounting in preparing the financial statements.

#### **1.3 Charitable funds**

Unrestricted funds are available for use at the discretion of the trustees in furtherance of their charitable objectives.

Restricted funds are subject to specific conditions by donors or grantors as to how they may be used. The purposes and uses of the restricted funds are set out in the notes to the financial statements.

#### **1.4 Income**

Voluntary income including donations, gifts, legacies and grants that provide core funding or are of a general nature is recognised when the charity is legally entitled to it after any performance conditions have been met, the amounts can be measured reliably, and it is probable that income will be received.

Cash donations are recognised on receipt. Other donations are recognised once the charity has been notified of the donation, unless performance conditions require deferral of the amount. Income tax recoverable in relation to donations received under Gift Aid or deeds of covenant is recognised at the time of the donation.

The charity earns income from the letting of property not currently required for its own use. These properties are mainly leased to commercial tenants, private individuals, and other charities. Such lettings are treated as investment activities as they generate income to support the Circuit's charitable work.

# CHESHIRE SOUTH METHODIST CIRCUIT

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2024

### 1 Accounting policies

(Continued)

#### 1.5 Expenditure

Expenditure is recognised once there is a legal or constructive obligation to transfer economic benefit to a third party, 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 classified by activity. The costs of each activity are made up of the total of direct costs and shared costs, including support costs involved in undertaking each activity. Direct costs attributable to a single activity are allocated directly to that activity. Shared costs which contribute to more than one activity and support costs which are not attributable to a single activity are apportioned between those activities on a basis consistent with the use of resources. Central staff costs are allocated on the basis of time spent, and depreciation charges are allocated on the portion of the asset's use.

#### 1.6 Tangible fixed assets

Tangible fixed assets are initially measured at cost and subsequently measured at cost or valuation, net of depreciation and any impairment losses.

Depreciation is recognised so as to write off the cost or valuation of assets less their residual values over their useful lives on the following bases:

Freehold land and buildings	Not depreciated
Plant and equipment	Straight line over 5 years
Fixtures and fittings	Straight line over 5 years

The gain or loss arising on the disposal of an asset is determined as the difference between the sale proceeds and the carrying value of the asset, and is recognised in the statement of financial activities.

#### 1.7 Investment property

Investment property, which is property held to earn rentals and/or for capital appreciation, is initially recognised at cost, which includes the purchase cost and any directly attributable expenditure. Subsequently it is measured at fair value at the reporting end date. The surplus or deficit on revaluation is recognised in profit or loss.

#### 1.8 Impairment of fixed assets

At each reporting end date, the charity reviews the carrying amounts of its tangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any).

#### 1.9 Cash and cash equivalents

Cash and cash equivalents include cash in hand, deposits held at call with banks, other short-term liquid investments with original maturities of three months or less, and bank overdrafts. Bank overdrafts are shown within borrowings in current liabilities.

#### 1.10 Financial instruments

The charity has elected to apply the provisions of Section 11 'Basic Financial Instruments' and Section 12 'Other Financial Instruments Issues' of FRS 102 to all of its financial instruments.

Financial instruments are recognised in the charity's balance sheet when the charity becomes party to the contractual provisions of the instrument.

Financial assets and liabilities are offset, with the net amounts presented in the financial statements, when there is a legally enforceable right to set off the recognised amounts and there is an intention to settle on a net basis or to realise the asset and settle the liability simultaneously.

# CHESHIRE SOUTH METHODIST CIRCUIT

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2024

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### 1 Accounting policies

(Continued)

#### **Basic financial assets**

Basic financial assets, which include debtors and cash and bank balances, are initially measured at transaction price including transaction costs and are subsequently carried at amortised cost using the effective interest method unless the arrangement constitutes a financing transaction, where the transaction is measured at the present value of the future receipts discounted at a market rate of interest. Financial assets classified as receivable within one year are not amortised.

#### **Basic financial liabilities**

Basic financial liabilities, including creditors and bank loans are initially recognised at transaction price unless the arrangement constitutes a financing transaction, where the debt instrument is measured at the present value of the future payments discounted at a market rate of interest. Financial liabilities classified as payable within one year are not amortised.

Debt instruments are subsequently carried at amortised cost, using the effective interest rate method.

Trade creditors are obligations to pay for goods or services that have been acquired in the ordinary course of operations from suppliers. Amounts payable are classified as current liabilities if payment is due within one year or less. If not, they are presented as non-current liabilities. Trade creditors are recognised initially at transaction price and subsequently measured at amortised cost using the effective interest method.

#### **Derecognition of financial liabilities**

Financial liabilities are derecognised when the charity's contractual obligations expire or are discharged or cancelled.

#### **1.11 Employee benefits**

The cost of any unused holiday entitlement is recognised in the period in which the employee's services are received.

Termination benefits are recognised immediately as an expense when the charity is demonstrably committed to terminate the employment of an employee or to provide termination benefits.

#### **1.12 Retirement benefits**

Payments to defined contribution retirement benefit schemes are charged as an expense as they fall due.

### 2 Critical accounting estimates and judgements

In the application of the charity's accounting policies, the trustees are required to make judgements, estimates and assumptions about the carrying amount of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised where the revision affects only that period, or in the period of the revision and future periods where the revision affects both current and future periods.

# CHESHIRE SOUTH METHODIST CIRCUIT

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 AUGUST 2024

### 3 Income from donations and legacies

	Unrestricted funds 2024 £	Restricted funds 2024 £	Total 2024 £	Unrestricted funds 2023 £	Restricted funds 2023 £	Total 2023 £
Donations and gifts	5,716	-	5,716	800	-	800
Grants Received for Mission	8,754	13,724	22,478	7,906	-	7,906
	<u>14,470</u>	<u>13,724</u>	<u>28,194</u>	<u>8,706</u>	<u>-</u>	<u>8,706</u>

### 4 Income from charitable activities

	Unrestricted funds 2024 £	Unrestricted funds 2023 £
<b>Mission &amp; Ministry</b>		
Assessments Received	418,129	316,441
North St - Lettings & Room hire	8,847	8,434
North St - Café Sales Income	52,223	44,332
	<u>479,199</u>	<u>369,207</u>

#### Charitable Activities

Income from charitable activities includes assessments received from local churches and income generated through The Haven project. This includes Café sales and room hire used for community engagement and mission activities, all of which directly further the charity's charitable purpose of advancing the Christian faith and supporting the local community.

### 5 Income from other trading activities

	Unrestricted funds 2024 £	Unrestricted funds 2023 £
North St - Fundraising Income	<u>2,548</u>	<u>795</u>

# CHESHIRE SOUTH METHODIST CIRCUIT

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 AUGUST 2024

### 6 Income from investments

	Unrestricted funds 2024 £	Unrestricted funds 2023 £
Rental income	68,171	78,826
Interest receivable	22,978	5,049
	<u>91,149</u>	<u>83,875</u>

#### Rental Income

This includes rental income from properties not used in ministry, including former manse, legacy church buildings, and commercial or residential properties held to generate income. As these assets are held for investment rather than for charitable use, related income and expenditure are treated as investment activities.

### 7 Other income

	Unrestricted funds 2024 £	Unrestricted funds 2023 £
Other income	-	444
Insurance claims	-	171
	<u>-</u>	<u>615</u>

# CHESHIRE SOUTH METHODIST CIRCUIT

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 AUGUST 2024

### 8 Expenditure on charitable activities

	Mission & Ministry 2024 £	Mission & Ministry 2023 £
<b>Direct costs</b>		
Staff costs	148,642	133,508
Depreciation and impairment	261,997	3,643
Temporary Staff	6,210	8,849
District Assessment	118,405	108,224
Ministers Stipends	195,879	234,370
Manse Costs	38,045	39,040
Quinquennial Costs	3,050	2,770
Youth Mission Costs	5,648	2,594
Englesea Brook Chapel & Museum Costs	5,035	3,572
North Street Café Costs	33,286	38,493
Legacy Properties Costs	626	17,126
Circuit Mission Costs	17,414	-
Ministers' Housing Costs	14,486	-
Ministry Travel & Mileage	12,340	10,877
Connexional Property Levy	254,664	-
District Levy on Model Trust Fund	17,134	398
	<u>1,132,861</u>	<u>603,464</u>
Grant funding of activities (see note 9)	2,000	56,269
<b>Share of support and governance costs (see note 10)</b>		
Support	57,951	25,307
Governance	34,793	14,460
	<u>1,227,605</u>	<u>699,500</u>
<b>Analysis by fund</b>		
Unrestricted funds	1,224,760	699,500
Restricted funds	2,845	-
	<u>1,227,605</u>	<u>699,500</u>

#### The Haven Café

The Haven café operates as part of the Circuit's mission and community outreach. All related running costs, including supplies, utilities, and staffing, are recognised as charitable expenditure as they directly support the charity's objectives.



# CHESHIRE SOUTH METHODIST CIRCUIT

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 AUGUST 2024

### 9 Grants payable

	Mission & Ministry 2024 £	Mission & Ministry 2023 £
Grants to institutions:		
Alsager Wesley Place Church	2,000	-
Audlem Church	-	20,000
Unity Methodist Church	-	15,769
Hatherton Church	-	20,000
Tallarn Green (Peters Memorial) Chapel	-	500
	<u>2,000</u>	<u>56,269</u>

### 10 Support costs allocated to activities

	Mission & Ministry 2024 £	Total 2023 £
Staff costs	14,563	13,080
Finance and administration	7,812	3,701
IT and communications	3,884	2,540
Postage, printing and stationery	1,927	1,221
Other general admin	(501)	4,727
Bank charges	24	38
Irrecoverable debts	30,242	-
Governance	34,793	14,460
	<u>92,744</u>	<u>39,767</u>

	2024 £	2023 £
<b>Governance costs comprise:</b>		
Audit fees	10,800	4,560
Legal and professional	16,655	2,966
Management and administration	7,338	6,934
	<u>34,793</u>	<u>14,460</u>

# CHESHIRE SOUTH METHODIST CIRCUIT

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 AUGUST 2024

11	Net movement in funds	2024 £	2023 £
	The net movement in funds is stated after charging/(crediting):		
	Fees payable for the audit of the charity's financial statements	10,800	4,560
	Depreciation of owned tangible fixed assets	1,997	3,643
	Impairment of owned tangible fixed assets	260,000	-
	Loss on disposal of tangible fixed assets	27,845	-
		<u>          </u>	<u>          </u>

## 12 Trustees

During the year, seven trustees were employed by the charity in roles connected to the administration and delivery of the charity's activities. These trustees were remunerated in accordance with the charity's governing document, and their employment was approved through the appropriate Methodist Church governance procedures. All payments relate to services provided in connection with the charitable activities of the Circuit and not for duties carried out in their capacity as trustees.

The total remuneration paid to these trustees during the year amounted to £110,463. Employer National Insurance contributions amounted to £5,987, and employer pension contributions amounted to £6,562.

In addition, trustees were reimbursed £5,770 for expenses incurred on behalf of the charity (2023: £7,618). No other trustees received remuneration for their role as trustees.

During the year the charity made payments totalling £7,338 (2023: £6,934) to Inclusive Community Development CIC (ICD), an organisation controlled by trustee Gary Cliffe (Treasurer), in respect of the provision of treasury/financial support services to the charity. At 31 August 2024, an amount of £1,653 was outstanding (2023: £551). The costs have been included within support costs (governance) in the Statement of Financial Activities.

The charity also engaged suppliers owned by other trustees/layworkers during the year; these transactions are disclosed in the Related party transactions note.

## 13 Employees

The average monthly number of employees during the year was:

	2024 Number	2023 Number
Lay pastoral & Youth employees	7	6
Circuit administrators	5	3
	<u>          </u>	<u>          </u>
Total	12	9
	<u>          </u>	<u>          </u>

Employment costs	2024 £	2023 £
Wages and salaries	148,853	137,877
Social security costs	6,838	2,880
Other pension costs	7,514	5,831
	<u>          </u>	<u>          </u>
	163,205	146,588
	<u>          </u>	<u>          </u>

# CHESHIRE SOUTH METHODIST CIRCUIT

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 AUGUST 2024

### 13 Employees

(Continued)

There were no employees whose annual remuneration was more than £60,000.

### 14 Other expenditure

	Unrestricted funds 2024 £	Unrestricted funds 2023 £
Net loss on disposal of tangible fixed assets	27,845	-
Investment property costs	28,137	14,251
Property management fees	2,004	327
	<u>57,986</u>	<u>14,578</u>

### 15 Gains and losses on investments

	Unrestricted funds 2024 £	Unrestricted funds 2023 £
Gains/(losses) arising on:		
Revaluation of investments	405,520	(312)
	<u>405,520</u>	<u>(312)</u>

### 16 Taxation

The charity is exempt from taxation on its activities because all its income is applied for charitable purposes.

### 17 Impairments

Impairment tests have been carried out where appropriate and the following impairment losses have been recognised in profit or loss:

	2024 £	2023 £
In respect of:		
Property, plant and equipment	260,000	-
	<u>260,000</u>	<u>-</u>

# CHESHIRE SOUTH METHODIST CIRCUIT

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 AUGUST 2024

### 18 Tangible fixed assets

	Freehold land and buildings £	Plant and equipment £	Fixtures and fittings £	Total £
<b>Cost</b>				
At 1 September 2023	4,853,205	2,847	20,908	4,876,960
Additions	-	-	13,575	13,575
Disposals	(840,130)	-	-	(840,130)
Transfer to investment property	(1,880,824)	-	-	(1,880,824)
At 31 August 2024	2,132,251	2,847	34,483	2,169,581
<b>Depreciation and impairment</b>				
At 1 September 2023	-	2,847	19,030	21,877
Depreciation charged in the year	-	-	1,997	1,997
Impairment losses	260,000	-	-	260,000
At 31 August 2024	260,000	2,847	21,027	283,874
<b>Carrying amount</b>				
At 31 August 2024	1,872,251	-	13,456	1,885,707
At 31 August 2023	4,853,205	-	1,878	4,855,083

### 19 Investment property

	2024 £
<b>Fair value</b>	
At 1 September 2023	-
Reclassification from tangible fixed assets (at cost)	1,880,824
Net gains or losses through fair value adjustments	405,520
At 31 August 2024	2,286,344

Investment property comprises freehold land and buildings held to generate rental income. During the year, the charity obtained formal valuations for properties which were previously rented out but had historically been classified as tangible fixed assets. These properties met the definition of investment property in prior periods but were not previously measured at fair value.

Accordingly, the properties were reclassified as investment properties during the year and recognised at their carrying amount at the date of reclassification (being cost), and subsequently remeasured to fair value. The resulting fair value movement has been recognised in the Statement of Financial Activities in the year.

# CHESHIRE SOUTH METHODIST CIRCUIT

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 AUGUST 2024

### 20 Debtors

	2024 £	2023 £
<b>Amounts falling due within one year:</b>		
Trade debtors	23,676	23,905
Other debtors	53,357	28,782
Prepayments and accrued income	19,529	28,316
	<u>96,562</u>	<u>81,003</u>

### 21 Creditors: amounts falling due within one year

	Notes	2024 £	2023 £
Other taxation and social security		3,687	8,235
Deferred income	22	15,500	-
Trade creditors		17,296	43,335
Other creditors		194,465	3,975
Accruals		33,761	11,760
		<u>264,709</u>	<u>67,305</u>

### 22 Deferred income

	2024 £	2023 £
Arising from Deferred restricted grants	<u>15,500</u>	<u>-</u>

Deferred income is included in the financial statements as follows:

	2024 £	2023 £
Deferred income is included within:		
Current liabilities	<u>15,500</u>	<u>-</u>
Movements in the year:		
Deferred income at 1 September 2023	-	-
Resources deferred in the year	<u>15,500</u>	<u>-</u>
Deferred income at 31 August 2024	<u>15,500</u>	<u>-</u>

### 23 Retirement benefit schemes

	2024 £	2023 £
<b>Defined contribution schemes</b>		
Charge to profit or loss in respect of defined contribution schemes	<u>7,514</u>	<u>5,831</u>

# CHESHIRE SOUTH METHODIST CIRCUIT

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

### FOR THE YEAR ENDED 31 AUGUST 2024

#### 23 Retirement benefit schemes

(Continued)

The charity operates a defined contribution pension scheme for all qualifying employees. The assets of the scheme are held separately from those of the charity in an independently administered fund.

#### 24 Restricted funds

The restricted funds of the charity comprise the unexpended balances of donations and grants held on trust subject to specific conditions by donors as to how they may be used.

	At 1 September 2023	Incoming resources	Resources expended	At 31 August 2024
	£	£	£	£
CCF - Veterans allotment project	-	2,005	(2,005)	-
Cheshire East BC - Grant for Solar Panels	-	8,789	(630)	8,159
Chester & Stoke District - Grant for Solar Panels	-	2,930	(210)	2,720
	-	13,724	(2,845)	10,879

#### 25 Unrestricted funds

The unrestricted funds of the charity comprise the unexpended balances of donations and grants which are not subject to specific conditions by donors and grantors as to how they may be used. These include designated funds which have been set aside out of unrestricted funds by the trustees for specific purposes.

	At 1 September 2023	Incoming resources	Resources expended	Gains and losses	At 31 August 2024
	£	£	£	£	£
General funds	4,987,575	587,366	(1,282,746)	405,520	4,697,715
Previous year:	At 1 September 2022	Incoming resources	Resources expended	Gains and losses	At 31 August 2023
	£	£	£	£	£
General funds	5,238,767	463,198	(714,078)	(312)	4,987,575

# CHESHIRE SOUTH METHODIST CIRCUIT

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 AUGUST 2024

### 26 Analysis of net assets between funds

	Unrestricted funds 2024 £	Restricted funds 2024 £	Total 2024 £
<b>At 31 August 2024:</b>			
Tangible assets	1,874,828	10,879	1,885,707
Investment properties	2,286,344	-	2,286,344
Current assets/(liabilities)	536,543	-	536,543
	<u>4,697,715</u>	<u>10,879</u>	<u>4,708,594</u>
	Unrestricted funds 2023 £	Restricted funds 2023 £	Total 2023 £
<b>At 31 August 2023:</b>			
Tangible assets	4,855,083	-	4,855,083
Current assets/(liabilities)	132,492	-	132,492
	<u>4,987,575</u>	<u>-</u>	<u>4,987,575</u>

### 27 Related party transactions

Gary Cliffe is a trustee of the charity and acts as Treasurer. Inclusive Community Development CIC (ICD) is an organisation controlled by Gary Cliffe. During the year the charity was charged £7,338 (2023: £6,934) for treasury/financial support services provided by ICD. The arrangement was established following a full and open recruitment process and the contract was approved by the Circuit Leadership Team; in accordance with the charity's conflict of interest procedures, Gary Cliffe took no part in the decision-making. At 31 August 2024, £1,653 was due to ICD (2023: £551).

During the year the charity made payments to Sandbach Carpet and Upholstery, a business owned by trustee/layworker Stephen Parker-Aiken, totalling £nil (2023: £340) in respect of carpet cleaning services for the Manse and North Street Café. Appropriate quotes were obtained and the work was approved by the relevant governance body; the connected trustee took no part in the decision-making. At 31 August 2024, £nil was outstanding (2023: £nil).

During the year the charity made payments to Ansen Building Services, a business owned by trustee/layworker Ansen Townsend, totalling £651 (2023: £1,069) in respect of repairs and maintenance work (2024: investment property; 2023: Manse). Appropriate quotes were obtained and the work was approved by the Property Committee; the connected trustee took no part in the decision-making. At 31 August 2024, £nil was outstanding (2023: £nil).

# CHESHIRE SOUTH METHODIST CIRCUIT

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 AUGUST 2024

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28	Cash absorbed by operations	2024 £	2023 £
	Deficit for the year	(278,981)	(251,192)
	<b>Adjustments for:</b>		
	Investment income recognised in statement of financial activities	(91,149)	(83,875)
	Loss on disposal of tangible fixed assets	27,845	-
	Fair value gains and losses on investments	(405,520)	312
	Depreciation and impairment of tangible fixed assets	261,997	3,643
	<b>Movements in working capital:</b>		
	(Increase)/decrease in debtors	(15,559)	22,495
	Increase in creditors	181,904	21,167
	Increase in deferred income	15,500	-
	<b>Cash absorbed by operations</b>	<b>(303,963)</b>	<b>(287,450)</b>

## 29 Analysis of changes in net funds

The charity had no material debt during the year.