

Annual Report and Financial Statements for the year ended 31 August 2021

Charity Registration Number 1145485

MINISTERS	Rev Graham Edwards Rev Helen Byrne Rev Ros Watson
TRUSTEES	See main body of the report
CIRCUIT STEWARDS	Mrs Ruth Linde Mr David Dippie Mr Alex Price
CIRCUIT TREASURER	Mrs Jane Walker
ADDRESS	c/o Langley Methodist Church Main Road Langley Macclesfield SK11 0BU
BANKERS	Barclays Bank Cooperative Bank
INVESTMENT MANAGERS	Central Finance Board TMCP
INDEPENDENT EXAMINER	Peter Smith BA FCA DChA HGA Accountants & Financial Consultants Ltd t/a Chittenden Horley -Chartered Accountants 456 Chester Road Old Trafford Manchester M16 9HD

CONTENTS

Trustees' Report	2 – 12
Independent Examiner's Report	13
Statement of Financial Activities	14 - 15
Balance Sheet	16
Cash Flow Statement	17 - 18
Notes to the Financial Statements	19 – 27

Macclesfield Methodist Circuit



TRUSTEES REPORT

INTRODUCTION

The trustees present the annual report together with the financial statements of the charity for the year ended 31 August 2021.

The Circuit consists of eight churches of varying sizes and locations within East Cheshire from Gawsworth in the south to Poynton in the north.

REPORTING FRAMEWORK

The financial statements comply with the Charities Act 2011, and Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS102) (effective 1 January 2019), referred to as the Charities SORP (FRS 102) (second edition – October 2019).

OBJECTIVES AND ACTIVITIES

Charitable Objectives

The Circuit shares the charitable objectives of the Methodist Church, which are set out as follows:

“The purposes of the Methodist Church are and shall be deemed to have been since the date of Union the advancement of –

- (a) the Christian faith in accordance with the doctrinal standards and the discipline of the Methodist Church;
- (b) any charitable purpose for the time being of any Connexional, District, Circuit, local or other organisation of the Methodist Church;
- (c) any charitable purpose for the time being of any society or institution subsidiary or ancillary to the Methodist Church;
- (d) any purpose for the time being of any charity being a charity subsidiary or ancillary to the Methodist Church.”

Circuit Mission Statement

Our mission statement is as follows...

Macclesfield Methodist Circuit



CIRCUIT MISSION STATEMENT

We seek to find and fulfil our place in the mission of God to the world.

The role of the Circuit is to develop approaches to staffing and the use of the resources in supporting the churches as we live out our calling.

The mission of Macclesfield Methodist Circuit is to seek to order our life so that we engage fully with the *Five Marks of Mission* in everything we do. The circuit will give attention to these marks as it considers the complex issues of staffing, grant making and overseeing Circuit initiatives.

1 Tell. *To Proclaim the Good News of the Kingdom*

Our priorities:

- To offer a variety of worship styles, accessible to all, including areas not currently reached by the circuit
- To make effective use of our Children & Families Mission Teams to explore work with demographic 'gaps' across the circuit
- To ensure adequate and sustainable lay and ordained ministry across the circuit.

How?

- ❖ To encourage and develop new and existing varieties of worship styles (e.g. Contemporary, taize, café, breakfast, proclaim, afternoon tea church, midweek services, quiet/sacred spaces, traditional)
- ❖ To develop effective communication through appropriate channels including social media (e.g. Facebook), websites and internal and external publications and places (e.g. Messenger, Local People, Libraries)
- ❖ To enable and equip volunteers in order to address the needs and opportunities for ministry
- ❖ To make best use of financial resources to support ministry across the circuit

2. Teach. *To teach, baptise and nurture believers*

Our priorities:

- To explore ways the circuit might resource the nurture and spiritual development of believers and seekers
- To equip those involved in the preparing and leading of worship including Worship Leaders, Local Preachers, musicians, stewards, IT, those involved in 'Own Arrangements' and leaders of children and young people
- To support the churches' and circuit's evangelistic outreach into the local communities

How?

- ❖ Provide seasonal reflections, quiet days and study groups at circuit level and explore potential for others
- ❖ Provide and signpost opportunities for training and development, allocating appropriate funding
- ❖ To provide/signpost to resources and tools for equipping evangelistic outreach into local communities

3. Tend. *To respond to Human need by loving service*

Our priorities

- To ensure the churches of the circuit are welcoming, inclusive and safer spaces for all people
- To recruit, train and support all those involved in pastoral care (including Pastoral Visitors, Class Leaders and others) at Circuit and Church level
- To increase awareness of human need and possible responses and resources available

Macclesfield Methodist Circuit



How?

- ❖ To enact and review Safeguarding policies and procedures at Circuit and Church level
- ❖ To provide training/signposting for those involved in pastoral care
- ❖ To celebrate and publicise existing work in response to human need and help churches identify other needs not being addressed (e.g. local church initiatives and partnerships like MHA Live at Home, Cancer Care)

4. Transform. *To seek to transform unjust structures of society, to challenge violence of every kind and to pursue peace and reconciliation*

Our priorities

- To encourage engagement with political processes locally and nationally, and to support those active in this work.
- To advise and support churches as they consider their place and role in addressing the unjust structures of society, challenge violence and pursue peace and reconciliation
- To root out prejudice in ourselves.

How?

- ❖ To play our part in the activities and governance of ecumenical and interfaith work, including supporting the work of Hope in North East Cheshire
- ❖ To highlight and support the work of organisations at home and abroad, which help us keep an outward focus (e.g. JPIT, All We Can, Mission in Britain, OneMission, Action for Children)

5. Treasure. *To strive to safeguard the integrity of creation, to sustain and renew the life of the world.*

Our priorities

- To strive to reduce the carbon footprint across the circuit
- To promote fair trade in the life of the circuit
- To be aware of how best we use our resources (buildings, people, finances) across the circuit

How?

- ❖ To up awareness and share best practice on reducing our carbon footprint
- ❖ To encourage circuit led events, activities and groups to strive to be Fair Trade
- ❖ To promote good stewardship of circuit resources

Contribution of Volunteers

The Circuit is heavily dependent upon, and extremely grateful for, the contribution of volunteers as it seeks to carry out its objectives. With the exception of the three stipendiary Ministers, Children & Families Coordinator and Circuit Administrator, all members of the Circuit Leadership Team and all other Charity trustees are unpaid volunteers.

ACHIEVEMENT & PERFORMANCE

The continuing Coronavirus pandemic meant this year has been one unlike any other we have experienced. At the beginning of September 2020, some churches tentatively reopened, having been closed since March 2020 and although services were short, infrequent and subject to many Government and Methodist church restrictions, there were hopes of an end to the situation. Circuit weekly publications went from weekly to monthly to allow churches to communicate their own notices at the services.

Another lockdown in November however, meant closures again and although a few churches reopened for some Christmas services, our online provision was extended to provide a full schedule including Virtual Nativity, Blue Christmas, Christingle, Christmas Eve communion and Christmas Day services. The dial in services and provision of services on DVD also continued along with new initiatives like 'Christingle in a bag' arranged by our Children & Families Coordinator to ensure our outreach continued just in a different way

Macclesfield Methodist Circuit



during this next period of uncertainty. Lockdowns continued to be a feature as we moved into 2021 and it was Easter before we were able to see our church buildings being used for worship once more.

Churches themselves have embraced the use of new technology and 'zoom' coffee mornings, quizzes and church meetings all helped our feelings of togetherness.

Although the loss of rental income has affected our churches throughout the past financial year, we have been fortunate that our churches were able to continue the payment of the assessments to the circuit. This has been due to the generosity of our congregations and also by our churches having sufficient reserves. As a circuit we appreciate the hard work of our church Treasurers and will support them wherever possible.

The circuit will also be reviewing its reserves policy as part of our ongoing financial management.

During the year, the church council of Walker Barn made the difficult decision to cease worship with effect from 1 September 2021. Falling numbers and ill health of worshippers has led to the feel that the work of the chapel has come to end in its current setting and during the coming financial year, the Circuit will take over control of the building. The circuit is extremely grateful to those involved at Walker Barn for their dedication and commitment in providing a place of community and worship over the years and we formally record our thanks and best wishes.

Financial accounts for the circuit have been prepared on an Accruals basis in line with the previous year.

Income trends

The Circuit accounts saw income returning to more normal levels, having been higher the previous year due to the merger of circuits and the addition of a manse property from the Hazel Grove & Poynton circuit.

The circuit did not increase assessments over the transition period and with the pandemic still in evidence, assessments have not been changed for the forthcoming year 2021/2022.

A further capital receipt of £30,100 as was received in September 2020 in relation to the HG & P circuit break up and our financial position has been steadied. In a Covid year the net income on general funds after taking out the capital receipt was £1,525, so we managed to break even. With the capital receipt ex-Poynton more or less offsetting the planned reduction in the family worker reserve, the overall position for the Circuit was just above break even. However we are additionally assured at least a further £40,000 in relation to the HG & P circuit break up, being our share of the net sale proceeds of Offerton church. The sale completed after year end; we have recognised a debtor for £40,000. This pushed the overall surplus for the year to £44,992.

Circuit income is primarily drawn from the assessment paid by the circuit churches. It is hoped that churches will continue to meet their assessment contributions for the 2021/2022 financial year. However, at some point Walker Barn will cease to make assessment contributions and we will have to look at disposal of the building and all that will entail.

There is still uncertainty as many of our churches were well used by the communities in which they serve and are therefore have been affected by the loss of rental income and this may impact on their ability to meet their circuit assessment. We have asked our churches to let us know immediately if they have concerns about meeting their commitments.

The rental income relates to the rental of a manse and with agreement of the Circuit Meeting, the tenancy was renewed for a further 6 months up to 30 September 2021. The property is let to a family in housing need and they may be rehoused by the Local Authority at any time, subject to the circuit being given one month's notice.

Macclesfield Methodist Circuit



Income from the two Graveyards has held up this year as fees were increased and there has been a higher level of burials into new graves. Regular gardening and maintenance work is ongoing.

Over the course of the year quinquennial reports were carried out on all the manses and items of repair and maintenance have been identified. These will be reviewed and organised as appropriate by the Circuit Stewards.

All these issues will be ongoing considerations of Circuit Leadership Team and Circuit Meeting where appropriate.

Expenditure trends

The circuit finances are concentrated on allowing the paid staff (ministers, mission workers and administrator,) to be paid and maintaining the residences of the ministers in good order. Stipend expenditure has increased each financial year in line with conference approved increases.

Over £51,000 of expenditure is the Circuit contribution to the District and Connexion, of which a significant part is used to fund the work of the wider Methodist Church. The other expenditure includes staff costs and maintenance of the manses.

Our work with Children & Families within the circuit has continued by virtual and latterly, we have seen a return to face to face activity including the circuit summer holiday club which was able to take place at the end of July with over 45 children attending over the three days. Numbers were limited and some restrictions were in place, but the club was a great success and followed on with a special themed all age worship on the Sunday morning and a Breakfast church scheduled for early September. The Trustees have committed existing reserves for this purpose with the current funding/appointment due to run until the end of August 2022. This role has enabled us to build on the relationships we have developed with families and schools locally through our previous appointments of Children & Families Workers and is meeting a huge need enhancing children's ministry across the circuit. We are keen to ensure this continues.

The Circuit grants made during the year were as follows:-

£4,494 Prestbury Methodist Church towards the cost of a new carpet

£10,000 Poynton Methodist Church towards the cost of Children & Families work

£5,276 Poynton Methodist Church towards the cost of new chairs in the worship area

£435 Langley Methodist Church for investigation into additional solar panels

£339 Prestbury Methodist Church towards the cost of printing/mailings to members not on email

£277 Poynton Methodist Church towards the cost of printings/mailings to members not on email

£570 Macclesfield Methodist Church towards the cost of printings/mailings to members not on email

During the year, churches made contributions of £765 to the circuit which were subsequently paid over to the Connexion to be split between the Property fund £578 and Fund for Presbyters/Deacons £187. This sum was down from £1,265 the previous year reflecting the difficulties faced by our churches over the period.

Risk management

The Circuit Meeting continues to develop procedures for identifying and addressing the risks facing the charity. The circuit properties are monitored regularly to ensure they are maintained to a good standard and attention is given to the financial situation of our churches and their ability to meet their financial commitments. We have developed robust procedures for safeguarding children, young people, and vulnerable adults including the appointment of a Circuit Safeguarding Officer.

Macclesfield Methodist Circuit



Principal Funding Sources

Contributions from the Churches by way of Circuit Assessment continue to be the main source of funding, accounting for 82% (2020: 84%) of normal unrestricted income. The letting of the manse at Atholl Close is reviewed annually with rental income accounting for 4% (2020: 6%) of normal unrestricted income.

Fund balances

Over the year fund balances increased by the overall surplus of £44,992 to stand at £1,852,213.

Reserves

The Circuit seeks to use all its assets for its charitable purposes, whilst continuing to secure and maintain the Circuit's financial viability. It seeks to set a balanced revenue budget, in order that the ongoing normal costs of ministry, mission and management are met from investment income, grants and donations, and Circuit Assessment.

In order to meet its ongoing financial obligations - including the payment of stipends and of District and Connexional assessments quarterly in advance - and to meet unforeseen circumstances, the Circuit needs to maintain sufficient free reserves. These reserves would enable the Circuit to maintain its mission and ministry in the short term if, for whatever reason, individual Churches encounter difficulties in paying their assessments. Free reserves are defined as unrestricted reserves less the investment in tangible fixed assets.

1. General reserves

At 31st August 2021 general reserves totalled £1,594,312, of which £1,423,200 are tied up in fixed assets (properties), leaving liquid reserves of £171,112. This includes the benefit of the additional capital receipt from the breakup of the Hazel Grove & Poynton circuit.

Our policy is to maintain 6 months of general expenditure in reserves (excluding fixed assets). Expenditure in 2020/21 was £188k thus requiring a reserve of approximately £94k. In addition, we have four manses which need to be maintained and always carry a risk of significant repair or needing significant renewal. A reserve of about £25k is considered prudent for this purpose.

On this basis total general reserves required are approximately £119k compared to £171k available. In view of the Covid pandemic and its potential to impact the ability of churches to meet their assessment obligations in full, we consider it prudent to retain this extra contingency in the shorter term. Longer term, our funding for the children and families coordinator in designated funds (item 3 below), expires by 31st August 2022; it is likely that we will wish to continue with this work and draw on these excess general reserves for that purpose.

2. Circuit Model Trust Fund

This totals £129,174 and represents a further unrestricted fund, held with TMCP, except for £40,000 in debtors. The Circuit has not identified a specific use for this fund at present so it can be considered as a contingency. Each year it attracts a 2.5% District levy. Over the year a sum of £8,534 was brought into the trust following the breaking up of two trust funds previously held by Bollington Methodist church which is closed.

Macclesfield Methodist Circuit



3. Designated funds

These total £34,206 and represent unrestricted funds that the Circuit trustees have agreed to set aside for funding a children and families co-ordinator role. The designation was made in 2019 for three years, there being one year of funding now remaining.

4. Restricted funds

The Circuit owns two graveyards which originally belonged to the former chapels at Over Alderley and Rainow Methodist churches. Access difficulties at Rainow mean the graveyard is rarely used for new graves but the one located at the former Methodist Chapel in Over Alderley is in reasonable demand, particularly as the graveyard at the nearby Prestbury Parish church is full. Income from funerals is added to the fund and the expenditure of funerals and upkeep of the grounds is taken from the fund. The balance of the fund is restricted in its use against the graveyards.

5. Endowment funds

These funds total £34,987 and represent bequests that have been left in favour of former Bollington and Over Alderley churches, the benefit of which has passed to the Circuit. The capital cannot be accessed but the investment income accrues to the Circuit and can be used towards its mission.

Going Concern

The Trustees have reviewed the circumstances of the Circuit and consider that adequate resources continue to be available to fund its activities for the foreseeable future. The Trustees are therefore of the view that the charity is a going concern.

Plans for 2021/2022

Circuit budgets for the coming year assumed a staffing level of 3 ministers, one full time lay employee (Children and Families Coordinator), and a part time lay employee (Administrator).

Our churches have experienced long periods of lockdown and the associated loss of rental income this brought. Whilst cost of living stipend increases and manse expenditure were envisaged, the District assessment is reducing slightly and it was agreed to leave assessments unchanged for the coming year.

As the circuit Children & Families Coordinator role had a three year contract up until 31 August 2022, during the year we will be reviewing this work and a decision will need to be made as to how/if we continue. An extension will need financial provision and allocation of funds would be encompassed within the planning process.

STRUCTURE, GOVERNANCE AND MANAGEMENT

As the circuit is part of the Methodist Church of Great Britain the managing trustees operate within the Methodist Church Connexion and as such, their governing document is the Constitutional Practice and Discipline (CPD) of the Methodist Church. The document is available for inspection via the Superintendent. Macclesfield Circuit is registered as a separate charity, number 1145485.

Connected charities

The Churches forming the Circuit are themselves charities and, as they are responsible for their own financial affairs, they are not reported in these statements.

Macclesfield Methodist Circuit



Macclesfield Circuit Meeting constitution [S.O. 510]

September 2020 [47 members – *currently 1 multiple with qualifications]

(i) The ex officio members (S.O. 552) [9 members]

The Superintendent Minister

The Revd Dr Graham Edwards

All ministers, probationers and persons authorised to serve the church as Presbyters or Deacons:

The Revd Helen Byrne

The Revd Ros Watson

The circuit stewards

Mr David Dippie

Mrs Ruth Linde

Mrs Barbara Ogle

Mr Alex Price

Treasurer - vacant (subsequently filled by Jane Walker appointed September 2021)

Mr Rob Ayerst (continues on Circuit meeting 1 year for continuity reasons)

(ii) Any other persons stationed or residing for the purposes of the stations in, or whose names appear under the number of, the Circuit in accordance with clause (4) of Standing Order 785, and who have informed the Superintendent of their wish to be members of the Circuit Meeting for the ensuing connexional year, except that any person stationed in one circuit but residing in another for the purposes of the stations is eligible to be a member, under this head, of the Circuit Meeting of the latter Circuit only; **[1 member]**

Supernumerary Presbyters or Deacons [S.O. 785 (4) (a) (vi)]

The Revd Shelia Bishop

(iv) such persons, if any, as the Circuit Meeting judges it appropriate to appoint from among those employed by the meeting under Standing Order 510; [1 member]

Mrs Angela Bourne (Circuit Children and Families Coordinator)

(v) the Secretary of the Meeting [1 member]

Mrs Julia Tibbles

(vi) the secretary of the Local Preachers Meeting [1 member]

Mr Steve Oliver

(vii) from each Local Church one church steward and the church treasurer,

(viii) representatives elected by the church council of each local church from its own members in numbers specified by the circuit meeting. [Membership under 100 = 1 representative, membership over 100 = 2 representatives.] 26 members

Broken Cross Methodist Church [3]

Church Steward

Mrs Liz Hammond

Treasurer

Mr John Bird

1 representative

Mr Dai Jones temporarily covering for Joan Green

Gawsworth Methodist Church [3]

Church Steward

Mrs Jillian Longson

Treasurer

Mrs Margaret Parkin

1 representative

Mrs Carolyn Boden

Macclesfield Methodist Circuit



Green Close Methodist Church [3]

Church Steward	Miss Brenda Wainwright
Treasurer	Mrs Shelia Sheldon
1 representative	Mr Stephan Rudolfer

Langley Methodist Church [3]

Church Steward	Mr Alan Chapman
Treasurer	Mr David Bullock
1 representative	Mrs Mavis Nixon

Macclesfield Methodist Church [4]

Church Steward	Mrs Margery Wilson
Treasurer	Mrs Ruth Linde*
2 representatives	Mr Ian Wardle + 1 Vacant

Poynton Methodist Church [4]

Church Steward	Mrs Judy Gibbons
Treasurer	Mrs Jane Robson
2 representatives	Mrs Jean Drinkwater
	Mrs Mandy Hawkyard

Prestbury Methodist Church [3]

Church Steward	Mrs Heather Cann
Treasurer	Mrs Valerie Jones
1 representative	Mr Eddie Jones

Walker Barn Methodist Church [3]

Church Steward	Mrs Janet Dean
Treasurer	Mrs Pat Fisher
1 representative	**Vacant

(ix) Additional Persons as the Circuit Meeting may desire and appoint to ensure that all areas of the life of the circuit are adequately represented, provided that the total number appointed under this head shall not exceed the total of the numbers specified by the circuit meeting for the purposes of head (viii). **[8 Members]**

Circuit Safeguarding Officer	Mrs Pam Childs
Circuit Admin	Mrs Jane Walker
MWiB	Mrs Brenda Chapman
CFW Advisor	Mrs Joan Pritchard
MHA	Mrs Ruth Gunning
Missions	Miss Brenda Bailey
Action for Children	Vacant
Hope in NE Cheshire	**vacant

* Circuit Steward & Church Treasurer

Macclesfield Methodist Circuit



Trustee recruitment, induction and training

As outlined above, the appointment of the majority of the members of the Circuit Meeting is outside the control of the Meeting. We encourage trustees to undertake Governance training when available. In appointing the Circuit Leadership Team and other officers, the Meeting has regard to the balance of skills and gifts that are needed to further the work of the Church. New members of the Leadership Team are inducted by the Leadership Team.

During the year Mrs Barbara Ogle resigned as a Circuit Steward due to family reasons and we thank Barbara for her contribution over the years. If anyone wishes to put themselves forward as a circuit steward that would be welcomed, in the meantime the Circuit Leadership Team will continue in its present number.

Organisation

The Circuit Meeting is convened biannually usually in September and March. The Circuit Leadership Team, appointed by the Circuit Meeting, is responsible for acting on behalf of the Circuit Meeting at other times. The Leadership Team usually meets at least six times per year. The Circuit Meeting retains responsibility for setting the mission priorities of the Circuit, the overall strategy to deliver those priorities, the invitation of ministers, the oversight of local churches, the admission of people to the office of Local Preacher, and decisions on formal explorations of calls to ministry and candidates for the ordained ministry.

The Leadership Team is assisted in the task of financial oversight by the Circuit Treasurer. This position has been vacant during the year. The Circuit wishes to thank the District Treasurer for providing additional guidance and assistance during this time. Subsequent to the year end, at the Circuit Meeting in September Jane Walker was appointed Treasurer and Garrie Naden Assistant Treasurer.

The Methodist Church appoints a minister to be the Superintendent Minister of the Circuit, whose duties are set out in the Standing Orders of the Church.

Pay and Remuneration

Stipends and allowances for presbyters and deacons (collectively ministers) are set annually by the Methodist Conference, and the Circuit is responsible for meeting those costs for all ministers appointed by the Conference to the Circuit. Fuller disclosure is contained in Note 4 to the accounts. Lay employee remuneration is set by the Circuit based on the role specification.

FUTURE PLANS

The circuit will continue to provide a supporting role to its churches and will consider any issues arising through the appropriate channels of Circuit Leadership Team and Circuit Meeting as necessary. In light of the challenges of the previous year the Circuit Leadership Team will give particular attention to reviewing the Mission Plan and agreeing priorities for the continuing work of the circuit.

One focus will be the winding up and disposal of Walker Barn church, and we record our grateful thanks to the present congregation and those who have served in the past to provide witness to the area. The closure of a church is not a failure, instead a completion of mission in that place. The area around Walker Barn is rural and made up of farming communities, an area which the 'Barn' has served well since 1898.

Macclesfield Methodist Circuit



The online Sunday services and weekly zoom prayers were extremely successful in continuing relationships during lockdown and also in establishing new relationships with viewers from outside of the circuit. It has become an effective channel of communication and has been a positive side effect the pandemic. Contact in this way, whilst also providing the option of face to face services allows us to continue outreach to those members who are not able or don't feel ready to return to church just yet. We also hope to be able to develop relationships with those viewers outside of the circuit and as such it is planned to continue with online services for the time being and review in due course.

2021-2022 will be the final year of our Children & Families Coordinator's contract and this work will again be a continued focus, engaging further with the families already in contact and constantly extending our outreach to new families. The success of our social media provision has allowed us to use this as a recognised channel for interacting with our families' long term and use this as a form of two-way communication for our face to face activities such as Toddler Groups, Messy Church, Breakfast Church and Holiday Club. As mentioned previously in this report, we would like to continue this important area of mission and we will be reviewing and making plans for how this will evolve after the expiration of the current contract.

TRUSTEES' RESPONSIBILITIES IN RELATION TO THE FINANCIAL STATEMENTS

The law applicable to charities in England and Wales requires the Circuit Meeting to prepare financial statements for each financial year which give a true and fair view of the state of the Charity and of the surplus or deficit of the Charity for that period. In preparing those financial statements, the Circuit Meeting has to:

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in the Charities SORP (FRS 102) (second edition – October 2019);
- make judgements and estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- prepare the financial statements on the going concern basis

The Circuit Meeting is responsible for keeping records which disclose with reasonable accuracy at any time the financial position of the charity and to enable them to ensure that the financial statements comply with applicable regulations. It is also responsible for safeguarding the assets of the charity and hence for taking steps for the prevention and detection of fraud and other irregularities.

INDEPENDENT EXAMINERS

As it is now necessary to undertake accruals accounting, Chittenden Horley Limited, of Old Trafford have been appointed as Independent Examiners.

REV GRAHAM EDWARDS

DATE 01.04.22

ON BEHALF OF CIRCUIT MEETING

Independent Examiner's Report to the Trustees of the Macclesfield Methodist Circuit for the year ended August 31 2021

I report to the charity trustees on my examination of the accounts of the charity for the year ended August 31 2020 which are set out on pages 14 to 26.

Responsibilities and basis of report

As the charity's trustees you are responsible for the preparation of the accounts in accordance with the requirements of the Charities Act 2011 ('the Act').

I report in respect of my examination of the charity's accounts carried out under section 145 of the Act and in carrying out my examination I have followed all the applicable Directions given by the Charity Commission under section 145(5)(b) of the Act.

Independent examiner's statement

Your attention is drawn to the fact that the charity has prepared financial statements in accordance with Accounting and Reporting by Charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK (FRS 102) in preference to the Accounting and Reporting by Charities: Statement of Recommended Practice issued on 1 April 2005 which is referred to in the extant regulations but has now been withdrawn.

I understand that this has been done in order for financial statements to provide a true and fair view in accordance with Generally Accepted Accounting Practice effective for reporting periods beginning on or after 1 January 2015.

Since the charity's gross income exceeded £250,000 your examiner must be a member of a body listed in section 145 of the Act. I confirm that I am qualified to undertake the examination because I am a member of the ICAEW which is one of the listed bodies.

I have completed my examination. I confirm that no material matters have come to my attention in connection with the examination giving me cause to believe that in any material respect:

1. accounting records were not kept in respect of the charity as required by section 130 of the Act; or
2. the accounts do not accord with those records; or
3. the accounts do not comply with the applicable requirements concerning the form and content of accounts set out in the Charities (Accounts and Reports) Regulations 2008 other than any requirement that the accounts give a 'true and fair view' which is not a matter considered as part of an independent examination.

I have no concerns and have come across no other matters in connection with the examination to which attention should be drawn in this report in order to enable a proper understanding of the accounts to be reached.

Peter Smith BA FCA DChA

For and on behalf of:
HGA Accountants & Financial Consultants Ltd
t/a Chittenden Horley - Chartered Accountants
456 Chester Road
Old Trafford
Manchester M16 9HD

Date: 17/06/22



Macclesfield Methodist Circuit



Statement of Financial Activities

Statement of Financial Activities (SOFA) for the year ended 31 August 2021							
	Notes to the accounts	General Fund (Unrestricted)	Circuit Model Trust (Unrestricted)	Designated Funds (unrestricted)	Restricted Funds	Endowment Funds	Total 2020-21
		£	£	£	£	£	£
Income							
1 Donations and legacies							0
2 Income from monetary investments		635	243	139	230	292	1,539
3 Income from investment properties							0
4 Assessments on Churches		205,010					205,010
5 Capital Receipts		30,200	48,534				78,734
6 Grants received							0
7 Other charitable income		14,544			6,260		20,804
8 Total income		250,389	48,777	139	6,490	292	306,087
Expenditure							
9 Grants and donations		21,391					21,391
10 Salaries and associated costs		112,869		28,072			140,941
11 Property maintenance		14,651					14,651
12 Connexional assessment & model trust levy							0
13 District Assessment & Levy		49,508	704	1,556			51,768
14 Depreciation		9,715					9,715
15 Office expenses		9,815		6,218			16,033
16 Other outgoings		815	56		5,455	270	6,596
17 Total charitable expenditure		218,764	760	35,846	5,455	270	261,095
18 Gains/(losses) on monetary investments							0
19 Gains/(losses) on investment properties							
20 Net income/(expenditure)		31,625	48,017	-35,707	1,035	22	44,992
21 Transfers between funds		- 53,000	53,000				0
22 Other gains/(losses)							
23 Net movement in funds		-21,375	101,017	-35,707	1,035	22	44,992
24 Total funds brought forward		1,615,687	28,157	69,913	58,499	34,965	1,807,221
25 Total funds carried forward		1,594,312	129,174	34,206	59,534	34,987	1,852,213
of which cash & invs (excluding fixed assets):		171,112					

Macclesfield Methodist Circuit



Statement of Financial Activities (SOFA) for the year ended 31 August 2020

	Notes to the accounts	General Fund (Unrestricted)	Circuit Model Trust (Unrestricted)	Designated Funds (unrestricted)	Restricted Funds	Endowment Funds	Total 2019-20
		£	£	£	£	£	£
Income							
Donations and legacies							0
Income from monetary investments		1,120	325	714	551	328	3,038
Income from investment properties							0
Assessments on Churches		195,221					195,221
Capital Receipts		22,632	53,128				75,760
Grants received							0
Other charitable income	12	364,945			6,370		371,315
Total income		583,918	53,453	714	6,921	328	645,334
Expenditure							
Grants and donations							0
Salaries and associated costs		127,383		30,412			157,795
Property maintenance		1,626					1,626
District & Connex. Assessment & Levy		46,628	712	1,585			48,925
Depreciation		9,715					9,715
Office expenses		11,476		127			11,603
Other outgoings		4,015	57		8,404	70	12,546
Total charitable expenditure		200,843	769	32,124	8,404	70	242,210
Gains/(losses) on monetary investments						229	229
Gains/(losses) on investment properties							
Net income/(expenditure)		383,075	52,684	-31,410	-1,483	487	403,353
Transfers between funds	13	52,259	- 53,000	1,000	-	259	0
Other gains/(losses)							
Net movement in funds		435,334	-316	-30,410	-1,483	228	403,353
Total funds brought forward		1,180,353	28,473	100,323	59,982	34,737	1,403,868
Total funds carried forward		1,615,687	28,157	69,913	58,499	34,965	1,807,221

Macclesfield Methodist Circuit



Balance Sheet

Name of Circuit								Circuit No
Balance Sheet as at 31 August 2021								
	Notes to the Accounts	General Fund (Unrestricted) £	Circuit Model Trusts (Unrestricted) £	Designated Funds (Unrestricted) £	Restricted Funds £	Endowment Funds £	Totals 2020/21 £	Totals 2019/20 £
Fixed Assets								
Circuit Manses & Equipment		1,423,200					1,423,200	1,432,915
Investment properties							0	
Investments		38,556	89,174		55,253	34,987	217,970	159,765
Total fixed assets		1,461,756	89,174	0	55,253	34,987	1,641,170	1,592,680
Current Assets								
Debtors		9,420	40,000				49,420	9,293
Loans by the Circuit							0	
Investments with TMCP				690			690	62,232
Central Finance Board Deposits		143,758		33,516			177,274	175,519
Cash at Bank and in hand		31,941			4,281		36,222	19,860
Total current assets		185,119	40,000	34,206	4,281	0	263,606	266,904
Current liabilities								
Creditors (due in under 1 year)		52,563					52,563	52,363
Grants payable within 2018-19							0	
Total current liabilities		52,563	0	0	0	0	52,563	52,363
Net current assets/liabilities		132,556	40,000	34,206	4,281	0	211,043	214,541
Total assets less current liabilities		1,594,312	129,174	34,206	59,534	34,987	1,852,213	1,807,221
Long term liabilities (due after more than one year)								
Grants payable after 2018-19							0	
Loans to the Circuit							0	
							0	
Net assets		1,594,312	129,174	34,206	59,534	34,987	1,852,213	1,807,221
Funds of the Circuit								
General Fund (Unrestricted)		1,594,312					1,594,312	1,615,687
Circuit Model Trust Fund (Unrestricted)			129,174				129,174	28,157
Designated Funds (Unrestricted)				34,206			34,206	69,913
Total Unrestricted Funds							1,757,692	1,713,757
Restricted Funds					59,534		59,534	58,499
Endowment Funds						34,987	34,987	34,965
Total Funds		1,594,312	129,174	34,206	59,534	34,987	1,852,213	1,807,221
of which cash & invs (excluding fixed assets):		171,112						

Macclesfield Methodist Circuit



Cash Flow Statement

							2021		2020
							£		£
Cash used in operating activities			Note 10				13,086		61,345
Cashflows from investing activities									
Interest and dividends							1,539		3,038
Proceeds of disposal of fixed assets							-		-
Transfer in of tangible fixed assets							-		-
Proceeds of sale of investments							3,712		1,712
Reclassification as Current Assets							(53,000)		53,000
Purchase of investments							(8,762)		(54,082)
Cash provided by/(used in) investing activities							(56,511)		3,668
Cashflows from financing activities									
Proceeds from new borrowings							-		-
Repayment of borrowing							-		-
Cash used in financing activities							-		-
Increase/(decrease) in cash & cash equivalents in the year							(43,425)		65,013
Cash and cash equivalents brought forward							257,611		192,598
Cash and cash equivalents carried forward							214,186		257,611

Macclesfield Methodist Circuit



Notes to the Financial Statements

1 ACCOUNTING POLICIES

The following accounting policies have been applied consistently in dealing with items, which are considered material in relation to the charity's financial statements.

Scope of the financial statements

The financial statements relate solely to Macclesfield Methodist Circuit.

Basis of preparation

The accounts (financial statements) have been prepared in accordance with: the Statement of Recommended Practice – Accounting and Reporting by Charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS102) effective January 1 2019 (second edition – October 2019); and the Financial Reporting Standard applicable in the United Kingdom and Republic of Ireland (FRS 102); and the Charities Act 2011 and UK Generally Accepted Practice.

The accounts (financial statements) have been prepared to give a 'true and fair' view and have departed from the Charities (Accounts and Reports) Regulations 2008 only to the extent required to provide a 'true and fair view'. This departure has involved following Accounting and Reporting by Charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) issued on 16 July 2014 rather than the Accounting and Reporting by Charities: Statement of Recommended Practice effective from 1 April 2005 which has since been withdrawn.

The charity constitutes a public benefit entity as defined by FRS102.

Income

Total Incoming Resources as shown in the Statement of Financial Activities represents the net amounts from all sources.

Income is recognised in the accounting period in which it is receivable, except in the following circumstances, when the income is deferred and included in creditors:

- The income relates to a future accounting period
- A sales invoice has been raised ahead of the work being carried out and the charity is not contractually entitled to the income until the work has been done
- Not all the terms and conditions of the grant have been met, including the incurring of expenditure and the grant conditions are such that unspent grant must be refunded.

Income includes grants in respect of revenue and capital items.

Macclesfield Methodist Circuit



Income recognition

All income is recognised once the charity has entitlement to the income, it is probable that the income will be received and the amount of income receivable can be measured reliably. The following applies to particular types of income:

Grants, whether of a capital or revenue nature, are recognised when the charity has entitlement to the funds, any performance conditions have been met and it is probable that the income will be received.

General donations from individuals and other bodies (not being of the nature of a grant) are recognised when receivable.

Church Assessments are recognised in the period for which they have been given and any advance payments are deferred in line with the policy below.

Deferred income

Income is only deferred and included in creditors when:

- The income relates to a future accounting period
- A sales invoice has been raised ahead of the work being carried out and there is no contractual entitlement to the income until the work has been done
- Not all the terms and conditions of the grant have been met, including the incurring of expenditure and the grant conditions are such that unspent grant must be refunded

Expenditure and irrecoverable VAT

Expenditure is recognised once there is a legal or constructive obligation to make a payment to a third party, it is probable that the settlement will be required and the amount of the obligation can be measured reliably. Expenditure is classified under the following activity headings:

Costs of raising funds, including those associated with fundraising activities and investment management cost.

Charitable activities - costs of undertaking the work of the charity.

The charity is not registered for VAT and cannot recover any input tax charged. Costs are stated inclusive of VAT where charged.

Taxation

Macclesfield Methodist Circuit is exempt from Corporation Tax by reason of its charitable status. Income tax suffered on deeds of covenant and gift aid or investment income is reclaimed in full.

Fixed assets and depreciation

The Circuit has capitalised the freehold properties for which it acts as the Managing Trustees at the Trustees' valuation in 2018 or at subsequent purchase price. Depreciation has been provided at the rate of 0.67% per annum. The Circuit has no other fixed assets.

Macclesfield Methodist Circuit



Investments, gains and losses

Fixed asset investments are a form of basic financial instrument and are initially recorded at their transaction value and subsequently measured at their fair value as at the balance sheet date using the closing quoted market price. The SoFA includes the net gains and losses arising on revaluation and on disposals throughout the year.

Gains and losses on are taken to the Statement of Financial Activities as they arise. Realised gains and losses are calculated as the difference between sale proceeds (net of transaction costs) and the opening carrying value or cost, if acquired during the year. Unrealised gains and losses are calculated on the difference between opening and closing fair values.

Financial instruments

The charity has only basic financial instruments which are initially recorded at cost, and with the exception of investments (as set out above) subsequently measured at their settlement value.

Methodist Ministers' Pension Fund

The Circuit is a member of the Connexional pension scheme (MMPS) which covers presbyters and deacons of the Methodist Church. The contribution rates are set each year by the Methodist Conference, and for the year under review the employer contributions were 26.9% of stipend (2019: 26.9%).

The MMPS is a multi-employer scheme, and in accordance with the guidance issued by the Charity Commission, the Circuit accounts for those contributions as if it were a defined contribution scheme. It has done so because it is unable to identify its share of the underlying assets and liabilities on a consistent and reasonable basis. Contributions are charged to the SoFA in the period in which they are payable.

Judgements and key sources of estimation uncertainty

The preparation of the financial statements requires management to make judgements, estimates and assumptions that affect the amounts reported. These estimates and judgements are continually reviewed and are based on experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

Macclesfield Methodist Circuit



Notes 2 – 4

2. Payments to Trustees						This year	Last year
Payments made to trustees for additional services provided to				£	None	None	None
Number of trustees who were paid expenses					None	None	None
Nature of the expenses							
Total amount paid				£	Nil	Nil	Nil
3. Fees for examination or audit of the accounts							
Independent examiner's or auditors' fees for reporting on the accounts				£	1,000	1,000	1,000
Other fees (eg: advice, accountancy services) paid to the examiner/auditor				£	None	None	None

Macclesfield Methodist Circuit



4 STAFF INFORMATION						2021		2020
						£		£
a Staff costs								
Stipends and salaries						109,206		105,457
Employer's NI contributions						9,658		9,161
Pension contributions - Methodist Ministers Scheme						22,077		21,133
						140,941		135,751
No staff member was paid more than £60,000 p.a. in either year.								
b Key management personnel								
The key management of the charity comprise the trustees, which includes the ordained members of staff who are <i>ex officio</i> members of the Circuit Meeting but do not receive any payment specifically for acting as trustees.								
The other trustees do not receive any remuneration for their services.								
						£		£
The total remuneration benefits of the key management								
Stipends						107,845		105,018
c Average staff numbers								
The average number of members of staff was as follows:-								
						2021		2020
						Average		Average
						number		number
Ordained staff (office holders not employees)						3		3
Lay employees						2		2
						5		5

Macclesfield Methodist Circuit



Note 5 – fixed assets

5. Tangible Fixed Assets									
Detail of assets held: 4 Manses - at Marlborough Drive, Tytherington, Moss Brow, Bollington, Atholl Close, Macclesfield and Ivy Road, Poynton									
Cost or valuation									
	Land £	Manses £	Other buildings £	Other fixed assets including motor vehicles £	Fixtures, fittings and equipment £	Payments on account and assets under construction £	Total £		
Balance brought forward	0	1,450,000	0	0	0	0	1,450,000		
Additions							0		
Revaluations & Gain/Loss on Disposal (+/-)							0		
Disposals (-)							0		
Transfers (+/-)							0		
Balance carried forward	0	1,450,000	0	0	0	0	1,450,000		
Accumulated depreciation									
Balance brought forward		17,085					17,085		
Depreciation charge for year (-)		9,715					9,715		
Revaluations (+/-)							0		
Disposals (-)							0		
Transfers* (+/-)							0		
Balance carried forward	0	26,800	0	0	0	0	26,800		
Net book value									
Brought forward	-	1,432,915	-		-	-	1,432,915		
Carried forward	-	1,423,200	-	-	-	-	1,423,200		

Macclesfield Methodist Circuit



Notes 6 – 9

6. FIXED ASSET INVESTMENTS									
							2021		2020
							£		£
Market value brought forward							159,766		160,167
Income re-invested							227		954
Additions at cost							8,534		53,128
Disposals at carrying value							(3,712)		(1,712)
Reclassification as Current Assets							53,000		(53,000)
Net gain/(loss) on revaluation							155		229
Market value carried forward							217,970		159,766
Investments at fair value comprise:									
Cash held within investment portfolio							217,970		159,766
							217,970		159,766
Unrestricted funds (CMTF & Ebenezer)				Restricted funds (Graveyards)			Endowment funds		
	2021		2020		2021		2021		2020
	£		£		£		£		£
Market value brought forward	66,661		66,725		58,139		34,966		34,737
Income re-invested	113		520		114		-		-
Additions at cost	8,534		53,128		-		-		-
Disposals at carrying value	(712)		(712)		(3,000)		-		-
Reclassification as Current Assets	53,000		(53,000)		-		-		-
Net gain/(loss) on revaluation	134		-		-		21		229
Market value carried forward	127,730		66,661		55,253		34,987		34,966

Macclesfield Methodist Circuit



		Macclesfield Methodist Circuit			
7.	Analysis of current assets			This year	Last year
	Debtors and prepayments			£	£
	Prepayments			9,420	9,293
	Other debtors			40,000	Nil
	Total debtors and prepayments			49,420	9,293
8.	Analysis of current liabilities and long term creditors				
	Trade Creditors			Nil	Nil
	Other Creditors (principally assessments received in advance)			52,563	52,363
	Total Current Liabilities			52,563	52,363
9.	Capital Commitments and Contingent Liabilities				
	At the 31st August 2021 the Circuit has no capital commitments (2020: none).				
	No Contingent liabilities were identified at 31st August 2021 or 31st August 2020.				

Macclesfield Methodist Circuit



10 RECONCILIATION OF NET MOVEMENT IN FUNDS TO NET CASHFLOW FROM OPERATING ACTIVITIES								
							2021	2020
							£	£
Net income/(expenditure) before transfers							44,992	403,353
Deduct/(add) gains/(losses) on investments							(155)	(229)
Add back depreciation on fixed assets							9,715	9,715
Deduct interest income shown in investing activities							(1,539)	(3,038)
Deduct non cash income (receipt of manse fixed asset ex Poynton circuit)							-	(350,000)
Decrease/(increase) in debtors							(40,127)	(449)
Increase/(decrease) in creditors							200	1,993
Net cash generated from/(used in) operating activities							13,086	61,345

11 RELATED PARTY TRANSACTIONS

Stipends and allowances for presbyters and deacons (collectively known as ministers) are set out annually by the Methodist Conference, and the Circuit is responsible for meeting those costs for all Ministers appointed annually by the Conference to serve the Circuit.

The following Ministers received the basic stipend £25,524 (2019/20 - £24,852) and were provided with living accommodation in 2020/21: The Revd Dr Graham Edwards, The Revd Helen Byrne and The Revd Ros Watson.

The Revd Graham Edwards received the Connexionally agreed additional superintendents' allowance of £2,552 (2019/20 - £2,485).

12 OTHER CHARITABLE INCOME

Other charitable income in 2020/21 of £14,544 included rental income from letting out a manse of £11,643. The previous year's income of £15,410 included rental income from letting out a manse of £12,960.

13 CIRCUIT MODEL TRUST MONEY

During the year, £53,000 was transferred back into Circuit Model Trust as the project it was earmarked for was cancelled. These Funds now form part of our general reserves and over the coming year, we will review what projects can be supported as part of the Circuit's mission plan. Funds also increased due to the closure of two trusts previously held by Bollington Methodist Church being brought into the circuit.

