

EAST SOLENT AND DOWNS METHODIST CIRCUIT

England & Wales · Charity number 1153209

Details

Status	Registered
Legal form	Previously excepted
Registered	2013-08-02
Register	View on the Charity Commission register

Contact

Address	Circuit Office 19 High Street Emsworth Hampshire PO10 7AQ
Phone	01243371806
Email	superintendent@esanddcircuit.org.uk
Website	www.ESandDCircuit.org.uk

Activities

Objects: 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.

Activities: The provision of public religious worship in the Methodist tradition.

Classification

- **How:** Acts As An Umbrella Or Resource Body
- **What:** Religious Activities
- **Who:** The General Public/mankind

Geography

- Hampshire
- Surrey
- West Sussex

Finances

Period end	Income	Expenditure	Assets	Employees
2025-08-31	£541,232	£794,261	£4,761,747	11
2024-08-31	£1,380,802	£939,598	£5,014,763	11
2023-08-31	£713,993	£863,655	£4,573,065	11
2022-08-31	£559,791	£714,522	£4,377,480	9
2021-08-31	£522,838	£529,480	£4,087,195	11

Trustees

Name	Role	Appointed
Rev Elizabeth Christina Catharina Van Aardt Goddess	Chair	2020-09-01
ALISON LYNDALL GRIFFITHS		2016-09-01
Alan John Dabbs		2021-04-26
Alison Rice		2024-03-02
Angela Steinhäusen		2021-09-01
Arpan Painter BEng MSc		2017-09-01
BRENDA ROSS		2014-09-01
BRIAN ROBERT DYER		2017-09-01
Barbara Janet McAleer		2024-07-11
Barbara Lesley Keefe		2024-06-04
Brian James		2018-03-01
Christopher James Parker		2025-09-01
DAWN BEESLEY		2014-09-01
DEREK WILLIAM BEESLEY		2014-09-01
David Hall		2024-09-01
David Sawyer		2017-04-18
Deacon Janice Hacon		2022-09-01
Doreen Sales		2024-02-27
Dr Denise Elizabeth Thomas		2025-09-01
Edwin Richard Strankalis		2023-09-01
George Smithers		2024-03-01
HUMPHREY MARCUS JAMES NIGHTINGALE		2013-09-06
Heather Karen Murphy		2024-01-29
Ingrid Corrigan		2024-07-08
Ivan Huntingdon-Thresher		2024-09-01
JANE MINNELL		2013-09-06

Name	Role	Appointed
Jean Petter		2025-02-25
Jillian Mary Martyn		2023-09-01
Kate Elizabeth Brown		2025-05-14
Kumbirai Kephass Chilongo		2025-02-19
LYNDA MARGARET COLLINS		2013-09-06
MARGARET EILEEN TRAVELL		2013-09-06
MICHAEL JOHN PETTER		2016-05-01
Margaret Ann Shepherd		2025-06-18
Margaret Jane Wheeler		2019-06-04
Marilyn Jane Carroll		2025-03-28
Mark Wade		2023-09-01
Matthew Norman Thomas		2014-02-25
Mavis Anne Bowthorpe		2025-06-18
PAMELA MARION DIMMICK		2013-09-06
Pat Cuckow REN RM		2018-03-01
REV DAVID FRANK COOTE		2013-09-06
REV DAVID JOHN RICE		2013-09-06
Rev David Duncan Faulkner		2023-09-01
Rev David John Muskett		2013-09-06
Rev Dr John Alexander Illsley FCMA		2019-09-17
Rev Martin John Stillwell		2025-03-23
Rev Pauline Annette Crispin		2023-09-01
Rev Ray Hampden Goddess		2021-09-14
Richard Hollingbery		2024-02-12
Rodney Douglas Smith		2024-09-01
Rosemary Standford		2021-03-01
SIAN WYN MITCHELL		2024-06-24
SUSAN JOYCE CALVERT		2013-09-06

Name	Role	Appointed
Sally Ann Dewberry BAHonsPGCE		2017-09-01
Shelia Bond		2023-09-01
Shirley Haynes		2025-09-01
Sue Mann		2024-05-25
Theo De-Graft Eshun		2023-09-12

EAST SOLENT AND DOWNS METHODIST CIRCUIT

England & Wales - Charity number 1153209

Accounts



**EAST SOLENT AND DOWNS
METHODIST CIRCUIT**

Registered Charity Number 1153209

TRUSTEES' ANNUAL REPORT

for the year ended

31 AUGUST 2025

1 Objectives and activities

In setting our objectives and planning our activities, the Circuit Meeting (under the leadership of the Circuit Leadership Team), which meets three times in each year, has given careful consideration to the Charity Commissioners' general guidance on public benefit and, in particular, to its supplementary public benefit guidance on advancing our objectives and conforms to the Charities Act 2011.

Our Mission is to resource and enable the Local Churches of the Circuit to pursue the mission of God through worship, learning and caring, service and evangelism.

This is done for as many people as possible within the geographical area the Circuit serves through the provision of staff, preachers, education and pastoral oversight. This enables the local Methodist Churches to provide Christian worship, spiritual development, and pastoral care both to church members and to the wider communities in which they are located.

The Circuit supports the advancement of the Christian Faith through ecumenical liaison with other Christian groups.

There is a significant increase in general house building and accommodation for older people within the Circuit footprint. This is seen to be a growing opportunity for Mission and Outreach.

2 Achievements and performance

In common with other Circuits and churches of other denominations, this has again been a year with both challenges and encouragements.

Digital Church continues to provide a service online for (almost) all Sundays of the year and subscriber numbers have increased. We are pleased to see a small increase in responses online. These services enable individuals to access a worship service on Sundays if they are unable to get to a church building. It also provides a service which congregations can use on occasions when it is not possible to provide a preacher. In addition to the weekly services, we have developed some 'shorts', especially as Lent Reflections.

One major challenge is filling the appointments on the Preaching Plan. The availability of several resources, including our own Digital Church services, encouraged the development of members of local congregations in leading worship.

Whilst we were not in stationing for the 2024-5 Connexional Year there has been some change in responsibilities. Our part-time Supernumerary Minister responsible for one church came to the end of the appointment and that church was added to the responsibilities of another Minister. One diaconal stationing ended with the Deacon being stationed in another Circuit. Our remaining Deacon's ministry focus is now in the south of the Circuit where it has been in the north for the last 3 years. There will always be more than enough to do for the ministry time available, and it remains a challenge to distribute different forms of ministry as most appropriate to the needs across the Circuit.

We note the rapidly expanding population in several areas of the Circuit and continue to discern when, where and how to include and offer ministry to those areas. We continue to work with our ecumenical partners, including Bordon, Drayton and Hart Plain.

EAST SOLENT AND DOWNS METHODIST CIRCUIT

Year ended 31 August 2025

The District's Compass Project launched in Portsmouth, September 2024, is a Pioneer Ministry as an alternative form of ministry with real potential to impact the younger generation and their families in the Copnor area. This ministry is currently mainly done with the Boys and Girls Brigades in that area.

The Circuit's Vision and Mission Plans have come together and now move into the phase of enabling local churches to form their own Mission Plans alongside the reflection and exploration of appropriate forms of ministry in each part of a diverse Circuit. We have been encouraged by a third individual with a call to Anna Chaplaincy ministry among older people.

2.1 Plans for future years

- To continue to resource and enable the local churches to focus on worship and spiritual development.
- To continue to focus on mission activity that will lead new people into faith and so grow the number of Christians.
- To continue to work with our ecumenical partners in the Circuit at Bordon, Drayton and Hart Plain.
- To continue to support the Pioneer ministry with the District's Compass Project, Portsmouth.
- To continue to support the Methodist people in Portsmouth as they seek to discern the future location of the society.
- To continue to review, with local churches, the availability of local leadership and consider where their witness would be enhanced by joining together.
- To continue to seek ways to support local churches with practicalities of ministry and property.
- To continue to align our property portfolio with the needs of the Circuit going forward so that we make best use of our buildings.
- To continue to explore ways to respond to the Climate Emergency.

3 Financial review

During the year the Circuit received total income of £541,232 (2023-24: £1,380,802) and dispersed £794,261 (2023-24: £939,598). Total unrestricted reserves carried forward were £1,300,422 (2023-24: £1,553,451), of which £1,000,318 is held by the Trustees for Methodist Church Purposes (TMCP) in the Circuit Model Trust Fund (CMTF). Out of the remaining balance of £300,104, £64,825 are designated: £25,993 in the Mission Fund and £38,832 in the Manse Fund, leaving £235,279 in the General Fund.

The trustees of the Circuit have every reason to believe that the Circuit is a going concern, principally because all the Circuit's churches continue to meet their assessments and the Circuit has sufficient reserves to cover any shortfall in income matching expenditure and to support any churches who fall into financial difficulties. There are no subsidiary undertakings.

The Circuit has the following sources of funds: interest on investments, assessments on its churches and income from let manses. These sums are used to administer the Circuit and to provide grants to churches in the Circuit so that they may embark on or continue with projects that fulfil the mission of the Circuit by bringing more people to Christ or by providing facilities that might enable this to happen.

EAST SOLENT AND DOWNS METHODIST CIRCUIT

Year ended 31 August 2025

3.1 Remuneration policy

The remuneration for ministerial staff is determined by the Methodist Conference, and the recommended basis of the annual increase is the average of the increases in the Consumer Price Index and the Average Weekly Earnings Index. The Circuit then applies the same annual increase to the salaries of its lay staff which is approved by Circuit Meeting as part of the annual budget

3.2 Investment Policy and Performance

To comply with Methodist Standing Orders, monies for long term investment are lodged with TMCP who act as custodian trustee for all real estate held by Circuits, for all large (over £20,000) bequests, and for the proceeds of sale of any property formerly owned by the Circuit. These sums are invested in unitised investments or held on deposit. The investment returns are close to tracking the movements in the FTSE100 index. The deposit income mirrors the deposit rates available elsewhere. East Solent and Downs Methodist Circuit trustees' investment policy is aligned with that of the Central Finance Board (CFB) and TMCP because these organisations take into consideration the social, environmental and ethical considerations, both negatively and positively, that make investments suitable for the Methodist Church.

Short term deposits are lodged directly with the CFB and attract comparatively good rates of interest.

There are no benchmarks for the expected returns or appreciation on investments at TMCP and CFB. It is the Circuit's policy to manage the cash and investment resources of the Circuit so that a rate of return on investment – both by way of dividend and capital appreciation – obtained is at least as good as market rate, considering the Circuit's low appetite for risk.

3.3 Reserves level and policy

The unrestricted reserves readily available total £1,300,422: of which £1,000,318 is held by TMCP in the CMTF; and £300,104 is held in the readily accessible accounts at CAF Bank and CFB.

The Circuit has a reserves policy covering all its unrestricted funds which is reviewed annually. It has a policy to maintain a minimum balance of £300,000 in the CMTF and a policy that grants are awarded after received applications have been reviewed by or on behalf of the trustees, as per the Circuit Grants Policy. Most grants are paid in full, but some may require annual instalments or be for anticipated funding in future years. The trustees seek to ensure that there are sufficient funds in the reserves to meet these anticipated requests, and they now recognise future grants as liabilities on the Balance Sheet.

Reserves Policy

The reserves policy is to hold money designated for one of three areas of expenditure. These areas are:

(a) **The General (free) reserve.** This is a reserve that equates to six month's expenditure and provides the Circuit with the ability to meet bills as they are presented. This reserve is held in the CAF bank account and CFB deposit account. For 2025-26, the running costs for the Circuit before any grant or exceptional expenditure is budgeted at £627,900 and

EAST SOLENT AND DOWNS METHODIST CIRCUIT

Year ended 31 August 2025

therefore the policy is to have £313,950 held in this general reserve. The balance in the General fund at 31 August 2025 was £235,279.

(b) **The Circuit Property Repairs reserve.** The Circuit has decided that it would be prudent to hold a designated reserve for property repairs of £7,000 per manse. With 10 manses this provides a designated reserve of £70,000 which is to cover general repairs and planned maintenance to the manses. Note in 2024-25 expenditure in this category was £41,597 and the balance in the designated Manse Fund at 31 August 2025 was £38,832.

(d) **The Circuit Grants reserve.** The balance of the unrestricted reserves is held for current and future grants or Circuit mission. Grants to churches are made for mission, environmental improvements or property improvements. This designated reserve is also used to support Circuit based mission initiatives and includes the designated Mission and Outreach Fund (balance at 31 August 2025 of £25,993) and the CMTF (balance at 31 August 2025 of £1,000,318).

3.4 Collaborative arrangements with connected charities

The Circuit's main source of funding was the assessments obtained from each church within the Circuit based on the membership and ability to pay and this was used to defray some of the cost of administering the Circuit which amounted to £794,261 (2023-24: £939,598).

The Circuit holds no funds as custodian trustee.

4 Trustees' responsibilities

For each financial year ending on 31 August the Trustees are required to prepare financial statements that give a true and fair view of the Circuit's financial activities during the year and of its financial position at the end of the year. In preparing these financial statements, the Trustees must:

- select suitable accounting policies and apply them consistently using the accruals method
- make judgements and estimates that are reasonable and prudent
- follow applicable accounting standards
- prepare accounts to comply with the Charities SORP

The Trustees are responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the Circuit and enables them to ensure that the financial statements comply with the law. They are also responsible for safeguarding the assets of the Circuit and hence taking reasonable steps for the prevention and detection of fraud and other irregularities.

The Trustees are responsible for the maintenance and integrity of the corporate and financial information included on the Circuit's website. Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

4.1 Risk

The Circuit is largely risk averse. Risks are managed by being aware of them, quantifying their impact not only in cost terms but in possible reputational or structural damage, laying them off through an insurer and minimising them by not taking them or by setting up control systems that report any significant change in the risk. The four significant risks that have been identified are:

1. Inability to appoint ministers and being without presbyteral staff. This is managed by giving careful attention to future workforce planning, trying to ensure that we do not

EAST SOLENT AND DOWNS METHODIST CIRCUIT

Year ended 31 August 2025

have multiple vacancies in any one year, and by engaging in early conversation with the District Chair who has a significant role in stationing decisions.

2. The Circuit's main source of funding is the assessments levied on each church and there is an increasing risk that some churches may not have sufficient funds to pay their assessment. This risk is managed by holding sufficient reserves, planning ahead with an annual budget and continually monitoring expenditure against budget.
3. Safeguarding children and vulnerable adults. The Circuit policy is to adhere to the Methodist Church's policy on Safeguarding Children and Vulnerable Adults and to require all churches to comply with the Methodist Church's Safeguarding policy. The Circuit provides regular safeguarding training that can be accessed by churches within the Circuit to support them in complying with the policy.
4. The Circuit's manses and church buildings are at risk from damage to property and theft which is minimised by all manses and church buildings being adequately covered by appropriate insurance policies with Methodist Insurance.

5 Structure, governance and management

The Circuit is an unincorporated association and is governed by the Methodist Church Act 1976, the Deed of Union and the Model Trust Deeds of the Methodist Church and was registered with the Charity Commissioners on 2 August 2013.

5.1 Structure

The Circuit is the coordinating charity for local groups of Churches, some of whom are registered as independent charities and the balance of whom are excepted charities. The Circuit pays the stipends of the ministers and employs lay staff to serve its Churches; most decisions are made at or ratified by the Circuit Meeting. The Circuit is part of the Southampton District which is the coordinating charity for a group of contiguous Circuits. District decisions are made at the half yearly synod to which the Circuit appoints both lay and ordained representatives. The Methodist Conference meets once each year as the supreme denominational body for all Methodist Churches.

1. Overall regulatory authority rests with the Methodist Conference.
2. The Connexional Office implements decisions made by Conference and is also responsible for the stationing of presbyters and deacons (collectively known as ministers) in individual Circuits.
3. Connexional decisions are passed via Districts to Circuits for local implementation by the Superintendent Minister, ministerial staff and Circuit Stewards, and authority is delegated to the Circuit Meeting for certain matters.
4. The Circuit Meeting passes regulatory control down to Church Councils for local implementation by the presbyter, the Church Stewards, and other officers, and this regulatory authority is then exercised by Church Councils as Managing Trustees of their charity.

5.2 Purpose of the Circuit

The Circuit is an expression, over a wider geographical area than any Church, of the Connexional character of the Church.

The purposes of the Methodist Church are and shall be deemed to have been since the date of the union the advancement of:

EAST SOLENT AND DOWNS METHODIST CIRCUIT

Year ended 31 August 2025

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

The primary purpose of this Circuit is to advance the mission of the Church in areas of Hampshire, Surrey and Sussex

- by providing opportunities for Churches to work together and support each other
- by offering to Churches resources of personnel and expertise and occasionally finance

The Circuit serves the Local Churches and the Conference in the support, deployment and oversight of the various ministries of the Church, and in programmes of training.

5.3 Governance

The Circuit operates within a statutory framework of regulation and seeks to ensure that it follows Methodist Standing Orders. It relies on the Connexional Office at Methodist Church House, 25, Tavistock Place, London WC1H 9SF to provide guidance on changes that could affect the Circuit.

The Circuit Meeting meets three times a year and is the decision-making body for the Circuit. Membership of the Circuit Meeting is made up of Presbyters and Deacons who are stationed in the Circuit, Supernumerary Ministers stationed in the Circuit who chose to be members, two representatives from each Church chosen annually by each church, Circuit Stewards who are appointed annually by the Circuit Meeting and individual members appointed annually by the Circuit Meeting to ensure that all areas of the Circuit's work is appropriately represented.

The Circuit Leadership Team, whose membership comprises the Presbyters and Deacons stationed in the Circuit together with the Circuit Stewards, meet regularly between Circuit Meetings to implement the decisions of Circuit Meeting and to provide strategic leadership to the Circuit by formulating policies and proposals to bring to the Circuit Meeting for approval that will advance the Mission of the Circuit. There is a Circuit Finance and Property Group who meet when needed during the year and who report to and are accountable to the Circuit Meeting.

6 Reference and Administrative Details

6.1 Name of the charity

The East Solent and Downs Methodist Circuit.

6.2 Charity registration number

1153209, registered in England and Wales

EAST SOLENT AND DOWNS METHODIST CIRCUIT

Year ended 31 August 2025

6.3 Principal Office

19/21 High Street
Emsworth
Hampshire, PO10 7AQ
Telephone 01243 371806

6.4 Circuit Superintendents

Revd David Muskett and Revd Elize Goddess

6.5 Circuit Treasurer

Mr Mark Wade

6.6 Names of trustees

The following served as trustees throughout part or all of the year 2024-25 or were trustees at the time of this report being approved:

Mr	M	Avis	Until Jan 25	Mrs	C	JanseVanRensburg	
Mrs	D	Beesley		Mrs	B	Keefe	
Mr	D	Beesley		Mrs	S	Mann	
Mrs	S	Bond		Mrs	J	Martyn	
Mrs	M	Bowthorpe	From Mar 25	Mrs	B	Mcaleer	
Mrs	J	Brandon	Until 31/08/25	Mrs	J	Minnell	
Mrs	K	Brown	From Mar 25	Mrs	S	Mitchell	
Mrs	S	Calvert		Mrs	H	Murphy	
Mrs	M	Carroll	From Mar 25	Revd	D	Muskett	
Mr	K	Chilongo	From Mar 25	Mr	H	Nightingale	
Mrs	L	Collins		Mr	A	Painter	
Mrs	I	Corrigan		Mrs	J	Pannell	Until Oct 24
Revd	D	Coote		Mr	C	Parker	From 01/09/25
Mr	N	Cox	Until 31/08/25	Mrs	N	Parker	
Revd	P	Crispin		Mrs	J	Petter	From Mar 25
Mrs	P	Cuckow		Mr	M	Petter	
Mr	A	Dabbs		Mrs	A	Rice	
Mr	T	De Graft Eshun		Revd	D	Rice	
Mrs	S	Dewberry		Mrs	G	Richardson	Until 31/08/25
Mrs	P	Dey		Dcn	S	Richardson	Until 31/08/25
Miss	P	Dimmick		Mrs	B	Ross	
Mr	B	Dyer		Mrs	D	Sales	
Revd	D	Faulkner		Mr	D	Sawyer	
Revd	E	Goddess		Mrs	M	Shepherd	From Mar 25
Revd	R	Goddess		Mr	R	Smith	
Mrs	A	Griffiths		Mr	G	Smithers	
Mr	P	Gregory	Until Jan 25	Mrs	R	Standford	
Dcn	J	Hacon		Mrs	A	Steinhausen	

EAST SOLENT AND DOWNS METHODIST CIRCUIT

Year ended 31 August 2025

Mr	D	Hall		Revd	M	Stillwell	From Mar 25
Mr	A	Haynes	Until 31/08/25	Mr	E	Strankalis	
Mrs	S	Haynes	From 01/09/25	Dr	D	Thomas	From 01/09/25
Mrs	E	Hodges	Until Mar 25	Mr	M	Thomas	
Mr	R	Hollingbery		Mrs	M	Travell	
Mr	I	Huntingdon-Thresher		Mr	M	Wade	
Revd	J	Illsley		Mrs	M	Wheeler	
Mr	B	James		Mrs	C	Wilkins	Until 31/08/25

No trustee claims exemption from disclosure of his or her name here.

6.7 Bankers

CAF Bank Ltd
25 Kings Hill Avenue
Kings Hill
West Malling
Kent
ME19 4JQ

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

6.8 Investment managers and custodian trustees

Trustees for Methodist Church Purposes
Central Buildings
Oldham Street
Manchester
M1 1JQ

6.9 Auditors appointed 1 March 2016

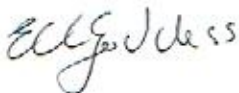
Morris Crocker
Chartered Accountants
Station House
North Street
HAVANT
PO9 1QU

Approvals

The Trustees' Report and the Financial Statements were approved by the Circuit Leadership Team on behalf of the Trustees on 6 January 2026

Signed on behalf of the Circuit, as authorised:

Elize Goddess (signed)



Revd Elize Goddess
Circuit Superintendent

Date: 6 January 2026

Mark Wade (signed)



Mark Wade
Circuit Treasurer

Date: 6 January 2026

Statement of Financial Activities (SOFA) for the year ended 31 August 2025

Incorporating an income and expenditure account

	Notes to the accounts	General Fund (Unrestricted)	Circuit Model Trust Fund (Unrestricted)	Designated Funds (Unrestricted)	Endowment Funds	Total 2024-25	Total 2023-24
		£	£	£	£	£	£
Income and Endowments							
Income from investments		11,353	50,910			62,263	81,464
Income from charitable activities							
Assessments on churches	4	377,832				377,832	378,396
Capital receipts	13					0	779,111
Total from charitable activities		377,832	0	0	0	377,832	1,157,507
Lettings		98,079				98,079	97,799
Total charitable income		487,264	50,910	0	0	538,174	1,336,770
Other income	6	3,058				3,058	44,032
Total income and endowments		490,322	50,910	0	0	541,232	1,380,802
Expenditure							
Expenditure on charitable activities							
Grants and donations	7	25,028	38,366	24,000		87,394	11,550
Stipends and associated costs	8	362,262				362,262	344,352
Maintenance on manses	9	900		41,597		42,497	39,944
Office expenses	10	9,474				9,474	7,594
Telephone and travel	10	23,222				23,222	23,171
Insurance and utility costs	11	18,874		9,786		28,660	30,018
District assessment		19,380				19,380	16,860
Methodist Church Fund		102,300				102,300	89,184
CMTF levies paid	13		80,615			80,615	330,355
Expenditure on other circuit property	9	19,579				19,579	26,756
Other outgoings	12,13	15,006	3,872			18,878	19,814
Total charitable expenditure		596,025	122,853	75,383	0	794,261	939,598
Net income/(expenditure) before investment gains/losses		-105,703	-71,943	-75,383	0	-253,029	441,204
Net gains/(losses) on investments	13,17				13	13	494
Net income/(expenditure) before transfers		-105,703	-71,943	-75,383	13	-253,016	441,698
Transfers between funds	14	87,000	-124,240	37,240		0	0
Other gains/(losses)						0	0
Net movement in funds		-18,703	-196,183	-38,143	13	-253,016	441,698
Total funds brought forward	21-23	3,708,409	1,196,501	102,968	6,885	5,014,763	4,573,065
						0	0
Total funds carried forward	21-23	3,689,706	1,000,318	64,825	6,898	4,761,747	5,014,763

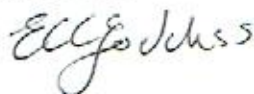
Balance Sheet as at 31 August 2025

Notes to the accounts		General Fund (Unrestricted)	Circuit Model Trust Fund (Unrestricted)	Designated Funds (Unrestricted)	Endowment Funds	Totals 2025	Totals 2024
		£	£	£	£	£	£
Fixed Assets							
	Manses	15	3,454,427			3,454,427	3,454,427
	Investments	17,23			6,898	6,898	6,885
	Total fixed assets		3,454,427	0	0	6,898	3,461,325
Current Assets							
	Debtors and prepayments	16	24,448	4,000	10,985	39,433	43,024
	Loans by the Circuit	16	9,262			9,262	20,262
	Investments with TMCP	17		996,318		996,318	1,191,537
	Central Finance Board Deposits	18	220,833		54,495	275,328	320,507
	Cash at Bank and in hand	18	14,618			14,618	19,371
	Total current assets		269,161	1,000,318	65,480	0	1,334,959
Current liabilities							
	Creditors (due in under 1 year)	19	33,882		655	34,537	41,250
	Grants payable within 1 year	20				0	0
	Total current liabilities		33,882	0	655	0	41,250
	Net current assets/liabilities		235,279	1,000,318	64,825	0	1,300,422
	Total assets less current liabilities		3,689,706	1,000,318	64,825	6,898	4,761,747
	Net assets		3,689,706	1,000,318	64,825	6,898	4,761,747
Funds of the Circuit							
Unrestricted:							
	General Fund	21.1	235,279			235,279	253,982
	Property Fund	21.1	3,454,427			3,454,427	3,454,427
	Circuit Model Trust Fund	21.2		1,000,318		1,000,318	1,196,501
	Designated Funds	21.3			64,825	64,825	102,968
	Total Unrestricted Funds					4,754,849	5,007,878
	Endowment Funds	22			6,898	6,898	6,885
	Total Funds	23	3,689,706	1,000,318	64,825	6,898	4,761,747

The financial statements were approved on behalf of the Board of Trustees on 6th January 2026

They were signed on behalf of the Board of Trustees by:

Revd E Goddess



1 Accounting framework and accounting policies

i Accounting framework

The financial statements have been prepared in accordance with the Charities SORP (FRS 102) 'Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (effective from 1 January 2019)', Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' and the Charities Act 2011.

ii Public benefit entity

The East Solent and Downs (ESandD) Circuit meets the definition of a public benefit entity under FRS 102. Assets and liabilities are initially recognised at historical cost or transaction value unless otherwise stated in the relevant accounting policy notes below.

iii Basis

These accounts have been prepared on the basis of historical cost, except that investments are shown at their market value at the end of the year, on the accruals basis to show a true and fair view of the Circuit's financial position and activities.

iv Content

The financial information presented is relevant, reliable, comparable and complete. Where estimates are used these are based on experience, research and judgement. The accounts are expressed in £Sterling, rounded to the nearest pound.

v FRS102 SORP2019

These accounts are compliant with FRS102 and with the FRS102 SORP 2019.

vi Going concern

Based on the monetary assets and human resources available at 31 August 2025, the trustees believe that the Circuit is a going concern and there is no material uncertainty with regards to this assumption.

vii Income recognition

Income is brought into account when it is more likely than not that the economic benefit of the income will be forthcoming. Rental income from the manses is recognised on a straight-line basis over the period of the tenancy when it is probable that the income will be received. Associated maintenance and running costs are charged to expenditure as incurred. No attempt is made to measure the value of services donated by volunteers and, in accordance with the Charities SORP (FRS 102) the time of volunteers is not recognised. Individual amounts categorised as other income in the SOFA will be shown separately if they are considered material. The Circuit acts as agent in the collection of donations to Connexional Funds from churches which are paid to the relevant Connexional Fund on a regular basis. The transactions are not reflected in the SOFA because the sums received cannot be recognised as income in the Circuit as they are the income of the Connexional Funds.

viii Expenditure

This is recognised when a liability is incurred, or a constructive obligation arises, that results in the payment being unavoidable. Liabilities are recognised as soon as an outflow of economic benefit is considered more likely than not under the legal or constructive obligation committing the Circuit to pay out resources.

ix Grants

Grants are recognised in full when the award is made once the Circuit accepts that there is a legal or constructive obligation to make payment and that such payment is probable.

x VAT

The Circuit is not VAT registered and all input VAT is charged with the expense to which it refers.

xi Tangible fixed assets

These are capitalised if they can be used for more than one year and individually cost at least £1,000. The freehold property is shown in the accounts at the total cost value of all the manses on 1 September 2015, except for new manses purchased after 1 September 2015, which are brought into the accounts at their purchase price. The total land component is deemed to be £1,151,476, see Note 15. No depreciation is provided on the buildings because the trustees consider the residual value of the manses is not less than cost and the depreciation would be immaterial. The Circuit makes use of the deemed cost transitional provisions of the FRS 102 SORP.

xii Investment Properties

There are no investment properties. Those properties owned by the Circuit but not used as manses, are rented out, and are being kept by the Circuit, pending future staffing requirements

xiii Investments

The investments of ESandD Circuit are held by the Trustees for Methodist Church Purposes (TMCP) as custodian trustees. The valuations, at market value, are those provided by TMCP. The unrealised gains arising on investments at the end of the year are shown in the SOFA and in Notes 13, 17 and 23 below.

xiv Financial Instruments

The charity only enters into basic financial instruments transactions that result in the recognition of financial assets and liabilities like trade and other accounts receivable and payable investments in stocks and shares. The measurement basis used for these financial instruments is detailed below.

xv Receivables and Payables; Bank and Cash

Debtors are stated at the amounts owed to the Circuit or prepaid. Creditors are initially recognised at settlement amount after any trade discounts, where normal credit terms apply, or at amount advanced to the Circuit. Subsequently, creditors that are current liabilities are measured at the cash or other consideration, are expected to be paid. The liquid funds of bank balances and deposit account balances are shown at the realisable values.

xvi Loans

Where concessionary loans (i.e., free of interest) are made to (or received by) the Circuit to further its charitable purposes, and are repayable after more than one year, they are initially recognised at the amount paid [or received], with the carrying value adjusted in subsequent years to reflect repayments and any accrued interest, adjusted for any impairment, if necessary.

Where there is objective evidence of impairment, an immediate impairment loss is recognised in the Statement of Financial Activities. Subsequent reversals of an impairment loss that objectively relate to an event occurring after the impairment loss was recognised, are recognised immediately in the Statement of Financial Activities.

2 Glossary of terms

CFB: Central Finance Board of the Methodist Church manages a Common Deposit Fund and a series of pooled investment funds for Methodist entities in Great Britain and provides investment advice to those entities

Church: a group of members from fewer than 12 to more than 300

Circuit: a group of Methodist Churches near each other, typically between 10 and 30

CMTF: Circuit Model Trust Fund

Connexion: The Methodist Church in GB which includes the national office at Methodist Church House, all Methodist Districts, Circuits and Churches in Great Britain

CPF Levy: Connexional Priority Fund Levy

FRS: Financial Reporting Standard

MCF: Methodist Church Fund

SOFA: Statement of Financial Activities

SORP: Statement of Recommended Practice

TMCP: Trustees for Methodist Church Purposes, the legal owner and Custodian Trustee of all Methodist Model Trust property, including Legacies, Endowments and Accumulated Funds

3 Statement of Financial Activities for the year ended 31 August 2024

	General Funds Unrestricted £	Circuit Model Trust Fund Unrestricted £	Designated Funds Unrestricted £	Endowment Funds £	Total 2023-24 £
Income and Endowments					
Income from investments	16,353	65,111			81,464
Income from charitable activities					
Assessments on churches	378,396				378,396
Capital receipts	23,451	755,660			779,111
Total from charitable activities	401,847	755,660	0	0	1,157,507
Lettings	97,799				97,799
Total charitable income	515,999	820,771	0	0	1,336,770
Other income	3,032	41,000			44,032
Total income and endowments	519,031	861,771	0	0	1,380,802
Expenditure					
Expenditure on charitable activities					
Grants and donations	18,595		-7,045		11,550
Stipends and associated costs	344,352				344,352
Maintenance on manses	550		39,394		39,944
Office expenses	7,594				7,594
Telephone and travel	23,171				23,171
Insurance and utility costs	20,316		9,702		30,018
District assessment	16,860				16,860
Methodist Church Fund	89,184				89,184
CMTF levies paid		330,355			330,355
Expenditure on other circuit property	26,756				26,756
Other outgoings	17,502	2,312			19,814
Total charitable expenditure	564,880	332,667	42,051	0	939,598
Net income before investment (losses)/gains	-45,849	529,104	-42,051	0	441,204
Net (losses)/gains on investments				494	494
Net (expenditure)/income before transfers	-45,849	529,104	-42,051	494	441,698
Transfers between funds	72,608	-153,812	81,204		0
Other gains/(losses)					
Net movement in funds	26,759	375,292	39,153	494	441,698
Total funds brought forward	3,681,650	821,209	63,815	6,391	4,573,065
					0
Total funds carried forward	3,708,409	1,196,501	102,968	6,885	5,014,763

4 Assessments on Churches

The Circuit oversees the work of the following Churches:

Bedhampton Methodist Church
St Mark's Church, Bordon
Drayton United Church
Emsworth Methodist Church
Fareham Methodist Church
Gosport Methodist Church
Hart Plain Church
Haslemere Methodist Church
Havant Methodist Church
Lee on the Solent Methodist Church
Lindford Methodist Church
Liphook Methodist Church
Midhurst Methodist Church
Petersfield Methodist Church
Portchester Methodist Church
Portsmouth Methodist Church
Stubbington Methodist Church
Wymering Methodist Church

The assessment paid by churches is calculated using a formula that is approved by Circuit Meeting of 25% membership and 75% ability to pay. The exceptions to this are the local ecumenical partnerships at Hart Plain Church and St Mark's Church, Bordon who pay a parish share to the relevant Diocesan authority and the contribution they make to Circuit funds is reduced to take account of this. For 2024-25, the overall assessment to be raised represented a 2.7% increase compared to 2023-24. In addition, it was decided to cap the increases at 5% and decreases at 10%. Any shortfall was to be met from reserves.

Havant Methodist Church paid its assessment debt of £1,530 during 2024-25. Drayton United Church were unable to pay one month of their assessment during 2024-25 due to funds being in the wrong account and owe £2,870, see Note 16. This was paid in September 2025.

5 Payments to trustees

It is Circuit policy to offer to reimburse Ministers, Circuit Stewards, Local Preachers and Supernumerary Ministers for expenditure properly incurred in carrying out their duties. Expenses that have been reimbursed are itemised under office expenses, telephone and travel, and other outgoings under Notes 10 and 12. The total amount reimbursed is £22,148 to 11 trustees. This is a slight increase when compared to 2023-24 (£20,533).

6 Other income

The figure of £3,058 (2023-24: £44,032) to the General Fund is £2,280 from bookkeeping services offered to Churches, £500 from a donation and £278 which was the return of the voluntary contribution made to the Pension Reserve Fund in November 2022. Last year's figure included the return of a voluntary contribution of £41,000.

7 Grants and donations and related support costs

Several grants were made during 2024-25 to pay: the interest received from the Gane Bequest and to churches for property projects and mission work. A total of £87,394 was paid out. (2023-24: £11,550).

	2024-25	2023-24
	£	£
From General Fund:		
Gane Bequest interest paid to Gosport MC	123	175
Grants paid to churches for property projects	24,905	18,420
Total	25,028	18,595
From Circuit Model Trust Fund:		
Property project grants to churches	31,545	
Grant for room rental for Boys & Girls Brigade	6,821	
Total	38,366	
From Mission & Outreach Fund:		
Grants to Churches for mission projects	13,000	22,148
Remove agreed grant to Beacon Church		-29,193
Grants to Churches for AV equipment	11,000	
Total	24,000	-7,045
Total grants and donations	87,394	11,550

8 Salaries and associated costs

Gross salaries paid to 11 (11 in 2023-24) employees were as follows:

	2024-25	2023-24
	£	£
Gross pay	291,899	271,301
Employer's National Insurance Contributions	29,882	23,446
Employer's pension contributions to defined benefit schemes	40,481	49,605
Total stipends and associated costs	362,262	344,352

No employees received employee benefits that totalled more than £60,000. There were no accruals for holiday pay. All staff were paid at or above the living wage. There are no key management personnel.

Most ordained presbyters and deacons are members of the Methodist Ministers' Pension Scheme (MMPS). This is a defined benefit scheme. The Supreme Court held in 2014 that Methodist ministers (which term includes presbyters and deacons) are not employees of the Church. For simplicity, however, when dealing with National Insurance Contributions and pension contributions, the terms 'employer' and 'employee' are used as they would be in an employing body.

ESandD Circuit is registered with the NEST Pension Scheme and contributes 6% of gross salary for its eligible employees and any other employees that elect to join the pension scheme. This is in accordance with the directive from Conference.

9 Maintenance on manses and expenditure on other Circuit property

	2024-25	2023-24
	£	£
Maintenance and repairs on manses	41,597	39,394
Quinquennial inspections on manses	900	550
Maintenance on manses total	42,497	39,944
Quinquennial inspections on churches	2,150	1,675
Letting agent fees	6,158	6,350
Copnor Church building costs	0	1,147
Bridgemaury Church building costs	11,271	17,584
Manse legal fees		
Expenditure on other Circuit property total	19,579	26,756

10 Office expenses and telephone and travel

	2024-25	2023-24
	£	£
Ministers' & Lay employees office costs	744	1,146
Circuit office costs	8,730	6,448
Office expenses total	9,474	7,594
Ministers' & Lay employees' travel costs	17,152	18,372
Ministers' & Lay employees' telephone costs	5,964	4,628
Circuit Stewards' travel costs	106	171
Telephone and travel total	23,222	23,171

11 Insurance and utility costs

	2024-25	2023-24
	£	£
Manses insurance	9,786	9,702
Manses council tax	16,432	17,729
Manses water & sewerage rates	2,442	2,587
Total	28,660	30,018

12 Other outgoings

	2024-25	2023-24
	£	£
From General Fund:		
Chaplaincy costs	62	24
Local preachers' expenses	1,034	1,686
Supernumeraries' expenses	6,611	4,535
Circuit Stewards' other costs	0	167
Training and Development costs	184	165
Youth work	0	6
Audit fees	4,482	4,195
Miscellaneous cost	2,573	3,017
Contribution to URC for Drayton United Church	0	2,022
Bank charges	60	60
Removal costs	0	972

Welcome Service collection paid out	0	653
Total	15,006	17,502
From Circuit Model Trust Fund:		
TMCP admin charge	3,872	2,312
Total	3,872	2,312
Other outgoings total	18,878	19,814

None of the remaining individual amounts – aggregated as 'miscellaneous costs' above - is considered material and therefore, are not listed separately.

13 Investment management

During the year the Circuit paid an administration charge of £3,872 (2023-24: £2,312) to TMCP, the custodians of the Circuit Model Trust Fund (CMTF). This was levied at 0.325% on the value of the funds at the end of the previous year (£1,191,537) and is shown in the other outgoings line on the SOFA and in Note 12 above.

The Circuit paid £80,615 (2023-24: £52,091) as its annual contribution to the District Advance Fund (DAF) of Southampton District which was levied on an asset value in the CMTF of £1,191,537 as at 31 August 2024. The Circuit paid no Connexional Priority Fund (CPF) Levies in 2024-25 as there were no Capital receipts into the CMTF.

The amount of £13 (2023-24: £494) on the net gains/(losses) on investments line of the SOFA, represents the net unrealised gain in the Gane Bequest endowment fund. More information can be found at Notes 17 and 23.

14 Transfers between funds

The transfers between funds shown on the SOFA represents: transfers of budget amounts and transfers from the CMTF as agreed by the Trustees at Circuit Meeting. The net £87,000 transferred into the General Fund is made up of: £100,000 from the CMTF as a transfer from reserves to balance the 2024-25 budget plus £22,000 to fund the new Anna Chaplain post; less £35,000 to the Manse Fund for manse repairs and insurance. The £124,240 out of the CMTF is made up of: £122,000 to the General Fund and £2,240 to the Manse Fund. The £37,240 into the Manse Fund is made up of: £25,000 for manse repairs budget and £10,000 for manse insurance budget from the General Fund; £2,240 from the CMTF for repairs to the cladding, soffits and guttering at Nicholson Way.

15 Manse and other property

The basis for the deemed cost of the 11 manses is the total of the buildings value on 1 September 2015 except for any new manse purchased after 1 September 2015 for which the purchase value was used. This amount has been split into one third land value and two thirds buildings value. The frozen valuation option has been adopted.

There is no depreciation on the manses as the informal review of the manses as carried out at the end of the year by the Circuit Stewards, confirmed that the current residual market value of the buildings was greater than the carrying value of that part of the asset's cost to date.

Cost or valuation	Land £	Buildings £	Total £
Balance brought forward at 31 August 2024	1,151,476	2,302,951	3,454,427
Transfers between categories			
Balance carried forward at 31 August 2025	1,151,476	2,302,951	3,454,427

16 Debtors and prepayments

All sums paid in advance at 1 September 2024 were for costs incurred during 2024-25. Similarly, it is expected that payments in advance at 1 September 2025 will be expensed in 2025-26. The unpaid church assessments 2023-24 were paid in full in 2024-25

Debtors and prepayments were made up as follows:	2024-25 £	2023-24 £
Debtors		
Contribution for Prayer handbooks	212	211
Unpaid church assessments 2024-25	2,870	-
Unpaid church assessments 2023-24	-	1,530
Rent owed from 2023-24	300	1,200
Prepayments		
Ministers' stipends paid in advance	21,066	23,643
2025-26 manse insurance paid in advance	10,985	-
Deposit paid for work to be done in 2024-25	-	5,126
Accrued income		
August rent paid in September	-	6,350
CMTF interest due for 31 August	4,000	4,964
Total	39,433	43,024
Loans by the Circuit		
Bedhampton Methodist Church	-	9,000
Havant Methodist Church	4,000	5,000
Lee on the Solent Methodist Church	5,262	6,262
Total	9,262	20,262
Total Debtors	48,695	63,286

17 Trustees for Methodist Church Purposes

The CMTF is held by TMCP in a Trustees Interest Fund on which interest is credited to the account each month. The Gane Bequest endowment fund is held by TMCP in a CFB Managed Mixed Fund on which the dividend distribution is credited to the Circuit's CFB deposit account each quarter. These are regarded as medium and long-term investments.

Market value	£
As at 1 September 2024	6,885
Revaluation	13
As at 31 August 2025	6,898
Net book value	
As at 31 August 2025	6,898
As at 31 August 2024	6,885

TMCP is the legal owner and Custodian Trustee of all Methodist Model Trust property, including legacies, endowments and accumulated funds. Trust property is held for and on behalf of local

Managing Trustees who are responsible for the day-to-day management of trust property. TMCP ensure that, through providing guidance and acting under their direction, the Managing Trustees comply with charity law and Methodist law and policy as determined by the Methodist Conference.

18 Central Finance Board and Cash at Bank

The Circuit has one current account at CAF Bank Ltd, an authorised institution. The sums held on that account are immediately available. In addition, the Circuit has one deposit account at the Central Finance Board (CFB), a common deposit fund. Interest is earned on this account and is credited monthly to the account; the sums deposited can be withdrawn without notice and without loss of interest. These sums are viewed as being liquid.

19 Creditors, accrued expenses and deferred income

	2024-25	2023-24		
Creditors:	£	£		
Audit fee	4,400	4,190		
Expenses reimbursed	2,520	2,761		
Accruals:				
Accrued expenses	1,162	2,389		
Manse repairs owed	655	180		
Total creditors & accruals	8,737	9,520		
Deferred income:				
Assessments paid in advance	25,800	30,695		
Rent paid in advance	-	1,035		
Total deferred income	25,800	31,730		
Total creditors	34,537	41,250		
	Deferred	Released	Deferred	Deferred
Deferred income	01-Sep-24	in year	in year	31-Aug-25
Assessments paid in advance	30,695	(30,695)	25,800	25,800
Rent paid in advance	1,035	(1,035)	0	0
Total	31,730	(31,730)	25,800	25,800

Deferred income represents amounts received in advance of the relevant service delivery period and is recognised as income in the SOFA as the associated obligations are fulfilled.

20 Grants payable within 1 year

It is Circuit policy to recognise committed grants immediately as expenditure and thus accrue the unpaid amounts at the year-end as liabilities. The Circuit has no commitments to pay grants from any of its funds.

21 Unrestricted Funds

21.1 General Fund – balance £3,689,706 at 31 August 2025 (2024: £3,708,409)

The purpose of the fund is for use at the discretion of the trustees in the furtherance of the general objectives of the Circuit and which have not been designated for other purposes. 93.6% of this fund is held as 11 freehold properties which are used as manses for the ministers of the Circuit. Those manses that are not currently needed for ministers are rented out until such time as they are needed.

21.2 CMTF – balance £1,000,318 at 31 August 2025 (2024: £1,196,501)

The CMTF is held by the TMCP, Note 17, and is where the majority of the reserve funds of the Circuit are held. These funds are not restricted by any document or deed to a specific purpose.

21.3 Designated Funds – balance £64,825 at 31 August 2025 (2024: £102,968)

The designated funds of the Circuit are: the Manse Fund which is funds that have been set aside to meet the repairs and maintenance as deemed necessary for the Circuit's manses; the Mission and Outreach Fund which was funded by the equivalent salary costs of 3 lay employees made redundant in 2016-17 until 2021-22 when no further transfers were made, as agreed by Circuit Meeting; its purpose is to provide grants to Churches to assist with any mission and/or outreach projects. All of these funds have been set aside for specific purposes but none of them are restricted to that purpose alone by any document or deed. The balance at 31 August 2025 of £64,825 is made up of: £38,832 in the Manse Fund; £25,993 in the Mission and Outreach Fund.

22 Endowment Fund – Gane Bequest

The Gane Bequest endowment fund is from a bequest left to Lees Lane Methodist Church and is held by TMCP in the Ex-Lees Lane Trust within the CFB Managed Mixed Fund. The dividends from this fund are paid into the Circuit's CFB deposit fund and are paid over to Gosport Methodist Church, by agreement of the trustees.

23 Movement in significant individual funds

Movement in funds for current year 12 months:

Fund	Balance at 01-Sep-24 £	Income £	Expenditure £	Transfers £	Gains/ Losses £	Balance at 31-Aug-25 £
General Fund	253,982	490,322	596,025	87,000		235,279
Property Reserve Fund	3,454,427					3,454,427
Circuit Model Trust Fund	1,196,501	50,910	122,853	(124,240)		1,000,318
Manse Fund (Des)	52,975		51,383	37,240		38,832
Mission & Outreach (Des)	49,993		24,000			25,993
Total unrestricted funds	5,007,878	541,232	794,261	0	0	4,754,849
Gane Bequest	6,885				13	6,898
Total endowment funds	6,885	0	0	0	13	6,898
Total funds	5,014,763	541,232	794,261	0	13	4,761,747

Comparatives for movement in funds for prior year 12 months:

Fund	Balance at 01-Sep-23 £	Income £	Expenditure £	Transfers £	Gains/ Losses £	Balance at 31-Aug-24 £
General Fund	227,223	519,031	564,880	72,608		253,982
Property Reserve Fund	3,454,427					3,454,427
Circuit Model Trust Fund	821,209	861,771	332,667	(153,812)		1,196,501
Manse Fund (Des)	20,867		49,096	81,204		52,975
Mission & Outreach (Des)	42,948		(7,045)			49,993
Total unrestricted funds	4,566,674	1,380,802	939,598	0	0	5,007,878
Gane Bequest	6,391				494	6,885
Total endowment funds	6,391	0	0	0	494	6,885
Total funds	4,573,065	1,380,802	939,598	0	494	5,014,763

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

Fund	Balance at 01-Sep-23 £	Income £	Expenditure £	Transfers £	Gains/ Losses £	Balance at 31-Aug-25 £
General Fund	227,223	1,009,353	1,160,905	159,608		235,279
Property Reserve Fund	3,454,427					3,454,427
Circuit Model Trust Fund	821,209	912,681	455,520	(278,052)		1,000,318
Manse Fund (Des)	20,867		100,479	118,444		38,832
Mission & Outreach (Des)	42,948		16,955			25,993
Total unrestricted funds	4,566,674	1,922,034	1,733,859	0	0	4,754,849
Gane Bequest	6,391				507	6,898
Total endowment funds	6,391	0	0	0	507	6,898
Total funds	4,573,065	1,922,034	1,733,859	0	507	4,761,747

24 Volunteer contributions

Every entity (Connexion, District, Circuit and Church) within the Methodist Church in GB is heavily reliant on volunteers who contribute their skills, time and money in the furtherance of the work of the Church. Principally this contribution is by serving on committees of the Circuit that deal with mission, manses, finance, policy, grants, training, development. We are grateful to all of them for their help and commitment. It is impossible to put a monetary equivalent value on this.

25 Capital commitments and contingent liabilities

There were no capital commitments or contingent liabilities at the year end.

26 Auditor

An accrual has been made for the fee of the auditors in the sum of £4,400 for the year 2024-25 (2023-24 £4,190).

27 Related party disclosures

There were no related party transactions for the year ended 31 August 2025.

28 Post Balance Sheet events

On 22 September 2025, the sale of Bridgemary Church building was completed for £300,000. Net sales proceeds of £285,325 were received in the CMTF on 22 September 2025 and a CPF Levy of £90,130 taken. This transaction relates to the following financial year and has not been reflected in the 2024-25 financial statements.

REPORT OF THE INDEPENDENT AUDITORS TO THE TRUSTEES OF EAST SOLENT AND DOWNS METHODIST CIRCUIT

Opinion

We have audited the financial statements of East Solent and Downs Methodist Circuit (the 'charity') for the year ended 31 August 2025 which comprise the Statement of Financial Activities, the Balance Sheet, the Cash Flow Statement and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the charity's affairs as at 31 August 2025 and of its incoming resources and application of resources for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Charities Act 2011.

Basis for opinion

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

Conclusions relating to going concern

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

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

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

Other information

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

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

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

Matters on which we are required to report by exception

We have nothing to report in respect of the following matters where the Charities Act 2011 requires us to report to you if, in our opinion:

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

REPORT OF THE INDEPENDENT AUDITORS TO THE TRUSTEES OF EAST SOLENT AND DOWNS METHODIST CIRCUIT

Responsibilities of trustees

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

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

Our responsibilities for the audit of the financial statements

We have been appointed as auditors under Section 144 of the Charities Act 2011 and report in accordance with the Act and relevant regulations made or having effect thereunder.

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

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. To the extent to which our procedures are capable of detecting irregularities, including fraud is detailed below.

From discussion with management and those charged with governance information about the entity is documented to assess the activity within the organisation. We discuss management's assessment of risk in respect of irregularities, fraud and going concern.

Based on these discussions and our own assessments we determined that the key risk areas were income recognition in respect of cut off issues and management override concerning the size of the organisation.

We set financial statement materiality level based on the level of income. As a not for profit organisation raising income is its primary focus which is why income was used to determine the level of materiality. Our overall assessment of risk was used to determine performance materiality at an appropriate level.

Substantive audit tests were designed after assessing and performing walkthrough tests. The walkthrough testing confirmed documented systems which have been designed to act as a preventative measure against fraud and error which appear to be operating as documented. Substantive testing tested a sample of the population, representative of the population, to identify errors. The testing did not identify any material misstatements in areas tested.

Audit substantive tests concluded no material errors over the key risk areas of income recognition and management override.

The audit considers the organisation is not exposed to material risk of error as a result of assessing laws and regulations that are appropriate to the organisation.

Management assessed there is no going concern risk. The audit undertook a review of budgets, management accounts and the review of board minutes and came to the same conclusion as management.

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

**REPORT OF THE INDEPENDENT AUDITORS TO THE TRUSTEES OF
EAST SOLENT AND DOWNS METHODIST CIRCUIT**

Use of our report

This report is made solely to the charity's trustees, as a body, in accordance with Section 144 of the Charities Act 2011 and regulations made under Section 154 of that Act. Our audit work has been undertaken so that we might state to the charity's trustees those matters we are required to state to them in an auditors' report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the charity and the charity's trustees as a body, for our audit work, for this report, or for the opinions we have formed.

P J Underwood

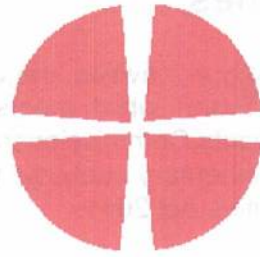
MC Audit Limited
Statutory Auditors
Eligible to act as an auditor in terms of Section 1212 of the Companies Act 2006
Lake House
2 Port Way
Port Solent
Portsmouth
PO6 4TY

Date: ...23 January 2026.....

EAST SOLENT AND DOWNS METHODIST CIRCUIT

England & Wales - Charity number 1153209

Accounts



EAST SOLENT AND DOWNS METHODIST CIRCUIT

Registered Charity Number 1153209

TRUSTEES' ANNUAL REPORT

for the year ended

31 AUGUST 2024

1 Objectives and activities

In setting our objectives and planning our activities, the Circuit Meeting (under the leadership of the Circuit Leadership Team), which meets three times in each year, has given careful consideration to the Charity Commissioners' general guidance on public benefit and, in particular, to its supplementary public benefit guidance on advancing our objectives and conforms to the Charities Act 2011.

Our Mission is to resource and enable the Local Churches of the Circuit to pursue the mission of God through worship, learning and caring, service and evangelism.

This is done for as many people as possible within the geographical area the Circuit serves through the provision of staff, preachers, education and pastoral oversight. This enables the local Methodist Churches to provide Christian worship, spiritual development, and pastoral care both to church members and to the wider communities in which they are located.

The Circuit supports the advancement of the Christian Faith through ecumenical liaison with other Christian groups.

There is a significant increase in general house building and also accommodation for older people within the Circuit footprint. This is seen to be a growing opportunity for Mission and Outreach.

2 Achievements and performance

In common with other Circuits and churches of other denominations, this has again been a year with both challenges and encouragements.

Digital Church continues to provide a service online for (almost) all Sundays of the year and subscriber numbers have increased. We are pleased to see a small increase in responses online. These services enable individuals to access a worship service on Sundays if they are unable to get to a church building. It also provides a service which congregations can use on occasions when it is not possible to provide a preacher. In addition to the weekly services, we have developed some 'shorts', especially as Lent Reflections.

One major challenge is filling the appointments on the Preaching Plan. The availability of several resources, including our own Digital Church services, means that we can be encouraged by the development of members of local congregations in leading worship.

Whilst we were not in stationing for the 2023-4 Connexional Year there has been some change in responsibilities. Our part-time Supernumerary Minister responsible for one church has come to the end of the appointment and that church has been added to the responsibilities of another Minister. There will always be more than enough to do for the ministry time available and one of the challenges in the distribution of different forms of ministry as most appropriate to the needs across the Circuit.

We continue to work with the Diocese of Guildford and the United Reformed Church in relation to the church in Bordon to meet the needs of a rapidly expanding population.

We have been encouraged by the appointment of a Pioneer Minister for the Compass Project, Portsmouth from 1 September 2024.

EAST SOLENT AND DOWNS METHODIST CIRCUIT

Year ended 31 August 2024

The Circuit's Vision and Mission Plans have come together and now move into the phase of enabling local churches to form their own Mission Plans alongside the reflection and exploration of appropriate forms of ministry in each part of a diverse Circuit. We have been encouraged by a third individual with a call to Anna Chaplaincy ministry among older people.

2.1 Plans for future years

- To continue to resource and enable the local churches to focus on worship and spiritual development.
- To continue to focus on mission activity that will lead new people into faith and so grow the number of Christians.
- To continue to work with the Diocese of Guildford in developing the Local Ecumenical Partnership at Bordon.
- To support the Pioneer Minister's work with the Compass Project, Portsmouth.
- To continue to support the Methodist people in Portsmouth as they seek to discern the future location of the society.
- To review with local churches the availability of local leadership and consider whether their witness would be enhanced by joining together
- To continue to seek ways to support local churches with practicalities of buildings and finance.
- To continue to align our property portfolio with the needs of the Circuit going forward so that we make best use of our buildings.
- To continue to explore ways to respond to the Climate Emergency.

3 Financial review

During the year the Circuit received total income of £1,380,802 (2022-23: £713,993) and dispersed £939,598 (2022-23: £863,655). Total unrestricted reserves carried forward were £1,553,451 (2022-23: £1,112,247). £102,968 of these reserves are designated: £49,993 in the Mission Fund and £52,975 in the Manse Fund. The balance of £1,196,501 in the Circuit Model Trust Fund (CMTF) is held by the Trustees for Methodist Church Purposes (TMCP).

The trustees of the Circuit have every reason to believe that the Circuit is a going concern, principally because all except one of the Circuit's churches continue to meet their assessments and the Circuit has adequate reserves to cover any shortfall in anticipated income. The one church that was unable to meet its full assessment in 2022-23 paid its debt in full and its full assessment this year. There was one church that was unable to pay 2 months of its assessment this year, however, the trustees are confident that the Circuit has sufficient reserves to support any churches who have or fall into financial difficulties. There are no subsidiary undertakings.

The Circuit has the following sources of funds:

- Interest on investments
- Assessments on churches within the Circuit
- Income from let manses

These sums are used to administer the Circuit and to provide grants to churches and individuals in the Circuit so that they may embark on or continue with projects that fulfil the mission of the Circuit by bringing more people to Christ or by providing facilities that might enable this to happen.

3.1 Remuneration policy

The remuneration for ministerial staff is determined by the Methodist Conference, and the recommended basis of the annual increase is the average of the increases in the Consumer Price Index and the Average Weekly Earnings Index. The Circuit then applies the same annual increase to the salaries of its lay staff which is approved by Circuit Meeting as part of the annual budget

3.2 Investment Policy and Performance

To comply with Methodist Standing Orders, monies for long term investment are lodged with TMCP who act as custodian trustee for all real estate held by Circuits, for all large (over £20,000) bequests, and for the proceeds of sale of any property formerly owned by the Circuit. These sums are invested in unitised investments or held on deposit. The investment returns are close to tracking the movements in the FTSE100 index. The deposit income mirrors the deposit rates available elsewhere. East Solent and Downs Methodist Circuit trustees' investment policy is aligned with that of the Central Finance Board (CFB) and TMCP because these organisations take into consideration the social, environmental and ethical considerations, both negatively and positively, that make investments suitable for the Methodist Church.

Short term deposits are lodged directly with the CFB and attract comparatively good rates of interest.

There are no benchmarks for the expected returns or appreciation on investments at TMCP and CFB. It is the Circuit's policy to manage the cash and investment resources of the Circuit so that a rate of return on investment – both by way of dividend and capital appreciation – obtained is at least as good as market rate, considering the Circuit's low appetite for risk.

3.3 Reserves level and policy

The unrestricted reserves readily available total £1,553,451: of which £1,196,501 is held by TMCP in the CMTF; and the balance of £356,950 represents the year-end level of reserves; within which £49,993 has been designated for mission activity and £52,975 has been designated for future major repairs to manses; leaving £253,982 in the General Fund.

The Circuit has a reserves policy covering all its unrestricted funds which is reviewed annually. Grants are made annually out of the CMTF, most of which are paid in full, some will be paid by annual instalments and others may be applications for funding anticipated to be required in future years. The trustees seek to ensure that there are sufficient funds in the CMTF to meet these anticipated requests and they now recognise future grants as liabilities on the Balance Sheet.

Reserves Policy

(a) The reserves policy for the Circuit's General Fund is to hold at least six month's expenditure in hand. The balance of £253,982 in the General Fund at 31st August 2024 amounted to 42.75% of the 2024-25 General Fund expenditure budget (£594,100). The 2024-25 General Fund income budget plans to draw £117,768 from the CMTF reserves to support this expenditure.

(b) The reserves policy for the designated Mission and Outreach Fund is to achieve a balance of £20,000. The 2022-23 committed grants of £62,061 have all either been paid out

EAST SOLENT AND DOWNS METHODIST CIRCUIT

Year ended 31 August 2024

or ceased because they were no longer needed. The closing balance in the Mission and Outreach Fund at 31st August 2024 was £49,993.

(c) The reserves policy for the designated Manse Fund is to maintain a balance of £38,500 which equates to £3,500 per manse. In 2024-25 the cost of manse repairs is expected to increase. The balance in the Manse Fund at 31 August 2024 was £52,975.

(d) The reserves policy for the CMTF is to maintain a minimum balance of £300,000. With increased missional vision in the Circuit this will need to be supported in terms of both people and buildings. Our policy is that no more than 50% of the fund shall be expended in any one year. The balance in the CMTF at 31 August 2024 was £1,196,501.

3.4 Collaborative arrangements with connected charities

The Circuit's main source of funding was the assessments obtained from each church within the Circuit based on the membership and ability to pay and this was used to defray some of the cost of administering the Circuit which amounted to £939,598 (2022-23: £863,655).

The Circuit holds no funds as custodian trustee.

4 Trustees' responsibilities

For each financial year ending on 31st August the Trustees are required to prepare financial statements that give a true and fair view of the Circuit's financial activities during the year and of its financial position at the end of the year. In preparing these financial statements, the Trustees must:

- select suitable accounting policies and apply them consistently using the accruals method
- make judgements and estimates that are reasonable and prudent
- follow applicable accounting standards
- prepare accounts to comply with the Charities SORP

The Trustees are responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the Circuit and enables them to ensure that the financial statements comply with the law. They are also responsible for safeguarding the assets of the Circuit and hence taking reasonable steps for the prevention and detection of fraud and other irregularities.

The Trustees are responsible for the maintenance and integrity of the corporate and financial information included on the Circuit's website. Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

4.1 Risk

The Circuit is largely risk averse. Risks are managed by being aware of them, quantifying their impact not only in cost terms but in possible reputational or structural damage, laying them off through an insurer and minimising them by not taking them or by setting up control systems that report any significant change in the risk. The four significant risks that have been identified are:

1. Inability to appoint ministers and being without presbyteral staff. This is managed by giving careful attention to future workforce planning, trying to ensure that we do not have multiple vacancies in any one year, and by engaging in early conversation with the District Chair who has a significant role in stationing decisions.

EAST SOLENT AND DOWNS METHODIST CIRCUIT
Year ended 31 August 2024

2. The Circuit's main source of funding is the assessments levied on each church and there is an increasing risk that some churches may not have sufficient funds to pay their assessment. This risk is managed by holding sufficient reserves, planning ahead with an annual budget and continually monitoring expenditure against budget.
3. Safeguarding children and vulnerable adults. The Circuit policy is to adhere to the Methodist Church's policy on Safeguarding Children and Vulnerable Adults and to require all churches to comply with the Methodist Church's Safeguarding policy. The Circuit provides regular safeguarding training that can be accessed by churches within the Circuit to support them in complying with the policy.
4. The Circuit's manses and church buildings are at risk from damage to property and theft which is minimised by all manses and church buildings being adequately covered by appropriate insurance policies with Methodist Insurance.

5 Structure, governance and management

The Circuit is an unincorporated association and is governed by the Methodist Church Act 1976, the Deed of Union and the Model Trust Deeds of the Methodist Church and was registered with the Charity Commissioners on 2 August 2013.

5.1 Structure

The Circuit is the coordinating charity for local groups of Churches, some of whom are registered as independent charities and the balance of whom are excepted charities. The Circuit pays the stipends of the ministers and employs lay staff to serve its Churches; most decisions are made at or ratified by the Circuit Meeting. The Circuit is part of the Southampton District which is the coordinating charity for a group of contiguous Circuits. District decisions are made at the half yearly synod to which the Circuit appoints both lay and ordained representatives. The Methodist Conference meets once each year as the supreme denominational body for all Methodist Churches.

1. Overall regulatory authority rests with the Methodist Conference.
2. The Connexional Office implements decisions made by Conference and is also responsible for the stationing of presbyters and deacons (collectively known as ministers) in individual Circuits.
3. Connexional decisions are passed via Districts to Circuits for local implementation by the Superintendent Minister, ministerial staff and Circuit Stewards, and authority is delegated to the Circuit Meeting for certain matters.
4. The Circuit Meeting passes regulatory control down to Church Councils for local implementation by the presbyter, the Church Stewards, and other officers, and this regulatory authority is then exercised by Church Councils as Managing Trustees of their charity.

5.2 Purpose of the Circuit

The Circuit is an expression, over a wider geographical area than any Church, of the Connexional character of the Church.

The purposes of the Methodist Church are and shall be deemed to have been since the date of the union the advancement of:

- a. the Christian faith in accordance with the doctrinal standards and the discipline of the Methodist Church, and

EAST SOLENT AND DOWNS METHODIST CIRCUIT

Year ended 31 August 2024

- b. any charitable purposes for the time being of any Connexional, District, Circuit, local or other organisation of the Methodist Church, and
- c. any charitable purpose for the time being of any society or institution subsidiary or ancillary to the Methodist Church, and
- d. any purpose for the time being of any charity being a charity subsidiary or ancillary of the Methodist Church.

The primary purpose of this Circuit is to advance the mission of the Church in areas of Hampshire, Surrey and Sussex

- by providing opportunities for Churches to work together and support each other
- by offering to Churches resources of personnel and expertise and occasionally finance

The Circuit serves the Local Churches and the Conference in the support, deployment and oversight of the various ministries of the Church, and in programmes of training.

5.3 Governance

The Circuit operates within a statutory framework of regulation and seeks to ensure that it follows Methodist Standing Orders. It relies on the Connexional Office at Methodist Church House, 25, Tavistock Place, London WC1H 9SF to provide guidance on changes that could affect the Circuit.

The Circuit Meeting meets three times a year and is the decision-making body for the Circuit. Membership of the Circuit Meeting is made up of Presbyters and Deacons who are stationed in the Circuit, Supernumerary Ministers stationed in the Circuit who chose to be members, two representatives from each Church chosen annually by each church, Circuit Stewards who are appointed annually by the Circuit Meeting and individual members appointed annually by the Circuit Meeting to ensure that all areas of the Circuit's work is appropriately represented.

The Circuit Leadership Team, whose membership comprises the Presbyters and Deacons stationed in the Circuit together with the Circuit Stewards, meet regularly between Circuit Meetings to implement the decisions of Circuit Meeting and to provide strategic leadership to the Circuit by formulating policies and proposals to bring to the Circuit Meeting for approval that will advance the Mission of the Circuit. There is a Circuit Finance and Property Group who meet when needed during the year and who report to and are accountable to the Circuit Meeting.

6 Reference and Administrative Details

6.1 Name of the charity

The East Solent and Downs Methodist Circuit.

6.2 Charity registration number

1153209, registered in England and Wales

EAST SOLENT AND DOWNS METHODIST CIRCUIT
Year ended 31 August 2024

6.3 Principal Office

19/21 High Street
Emsworth
Hampshire, PO10 7AQ
Telephone 01243 371806

6.4 Circuit Superintendents

Revd David Muskett and Revd Elize Goddess

6.5 Circuit Treasurer

Mr Mark Wade

6.6 Names of trustees

The following served as trustees throughout part or all of the year 2023-24 or were trustees at the time of this report being approved:

Mr	M	Avis		Revd	J	Illsley	
Mrs	D	Beesley		Mrs	S	Mann	from 25/05/24
Mr	D	Beesley		Mrs	J	Martyn	
Mrs	J	Brandon		Mrs	B	Mcaleer	from 11/07/24
Mrs	S	Bond		Mrs	J	Minnell	
Mrs	S	Calvert		Mrs	S	Mitchell	from 24/06/24
Mrs	L	Collins		Mrs	H	Murphy	from 29/01/24
Mrs	I	Corrigan	from 08/07/24	Revd	D	Muskett	
Revd	D	Coote		Mr	H	Nightingale	
Mr	N	Cox		Mr	A	Painter	
Revd	P	Crispin		Mrs	J	Pannell	
Mrs	P	Cuckow		Mrs	N	Parker	from 11/12/23
Mr	A	Dabbs		Mr	M	Petter	
Mr	T	De Graft Eshun		Mrs	A	Rice	from 02/03/24
Mrs	S	Dewberry		Revd	D	Rice	
Mrs	P	Dey		Mrs	G	Richardson	from 11/12/23
Miss	P	Dimmick		Dcn	S	Richardson	
Mr	B	Dyer		Mrs	B	Ross	
Revd	D	Faulkner		Mrs	D	Sales	from 27/02/24
Revd	E	Goddess		Mr	D	Sawyer	
Revd	R	Goddess		Mr	R	Smith	from 01/09/24
Mrs	A	Griffiths		Mr	G	Smithers	from 01/03/24
Mr	P	Gregory		Mrs	R	Standford	
Dcn	J	Hacon		Mrs	A	Steinhausen	
Mr	A	Haynes		Mr	E	Strankalis	
Mrs	E	Hodges		Mr	M	Thomas	
Mr	R	Hollingbery	from 12/02/24	Mrs	M	Travell	
Mr	I	Huntingdon- Thresher	from 01/09/24	Mrs	E	Wade	until 01/08/24
Mr	B	James		Mr	M	Wade	
				Mrs	M	Wheeler	

EAST SOLENT AND DOWNS METHODIST CIRCUIT
Year ended 31 August 2024

Mrs C JanseVanRensburg	from 01/03/24	Mrs C Wilkins	
Mrs B Keefe	from 04/06/24	Mrs C Withers	until 31/08/24

No trustee claims exemption from disclosure of his or her name here.

6.7 Bankers

CAF Bank Ltd 25 Kings Hill Avenue Kings Hill West Malling Kent ME19 4JQ	Central Finance Board of the Methodist Church 9 Bonhill Street London EC2A 4PE
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6.8 Investment managers and custodian trustees

Trustees for Methodist Church Purposes
Central Buildings
Oldham Street
Manchester
M1 1JQ

6.9 Auditors appointed 1 March 2016

Morris Crocker
Chartered Accountants
Station House
North Street
HAVANT
PO9 1QU

Approvals

The Trustees' Report and the Financial Statements were approved by the Circuit Leadership Team on behalf of the Trustees on 17 December 2024

Signed on behalf of the Circuit, as authorised:

David Muskett (signed)



David Muskett
Circuit Superintendent

Date: 17 December 2024

Mark Wade (signed)



Mark Wade
Circuit Treasurer

Date: 17 December 2024

Statement of Financial Activities (SOFA) for the year ended 31 August 2024

	Notes to the accounts	General Fund (Unrestricted)	Circuit Model Trust Fund (Unrestricted)	Designated Funds (Unrestricted)	Endowment Funds	Total 2023-24	Total 2022-23
		£	£	£	£	£	£
Income and Endowments							
Income from investments		16,353	65,111			81,464	39,441
Income from charitable activities							
Assessments on churches	4	378,396				378,396	374,868
Capital receipts	13	23,451	755,660			779,111	200,000
Total from charitable activities		401,847	755,660	0	0	1,157,507	574,868
Lettings		97,799				97,799	92,272
Total charitable income		515,999	820,771	0	0	1,336,770	706,581
Other income	6	3,032	41,000			44,032	7,412
Total income and endowments		519,031	861,771	0	0	1,380,802	713,993
Expenditure							
Expenditure on charitable activities							
Grants and donations	7	18,595		-7,045		11,550	58,129
Stipends and associated costs	8	344,352				344,352	315,229
Maintenance on manses	9	550		39,394		39,944	70,482
Office expenses	10	7,594				7,594	6,968
Telephone and travel	10	23,171				23,171	23,382
Insurance and utility costs	11	20,316		9,702		30,018	34,900
District assessment		16,860				16,860	14,084
Methodist Church Fund		89,184				89,184	79,780
CMTF levies paid	13		330,355			330,355	155,052
Expenditure on other circuit property	9	26,756				26,756	49,957
Other outgoings	12,13	17,502	2,312			19,814	55,692
Total charitable expenditure		564,880	332,667	42,051	0	939,598	863,655
Net income/(expenditure) before investment gains/losses							
		-45,849	529,104	-42,051	0	441,204	-149,662
Net gains/(losses) on investments	13,17				494	494	-283
Net income/(expenditure) before transfers							
		-45,849	529,104	-42,051	494	441,698	-149,945
Transfers between funds							
Transfers between funds	14	72,608	-153,812	81,204		0	0
Other gains/(losses)						0	345,530
Net movement in funds							
		26,759	375,292	39,153	494	441,698	195,585
Total funds brought forward							
	21-23	3,681,650	821,209	63,815	6,391	4,573,065	4,377,480
						0	0
Total funds carried forward							
	21-23	3,708,409	1,196,501	102,968	6,885	5,014,763	4,573,065

Balance Sheet as at 31 August 2024

Notes to the accounts	General Fund (Unrestricted)	Circuit Model Trust Fund (Unrestricted)	Designated Funds (Unrestricted)	Endowment Funds	Totals 2024	Totals 2023
	£	£	£	£	£	£

Fixed Assets

Manses	15	3,454,427			3,454,427	3,454,427
Investments	17,23			6,885	6,885	6,391
Total fixed assets		3,454,427	0	0	6,885	3,461,312

Current Assets

Debtors and prepayments	16	32,934	4,964	5,126	43,024	60,262
Loans by the Circuit	16	20,262			20,262	1,500
Investments with TMCP	17		1,191,537		1,191,537	817,209
Central Finance Board Deposits	18	230,589		89,918	320,507	320,375
Cash at Bank and in hand	18	11,267		8,104	19,371	12,026
Total current assets		295,052	1,196,501	103,148	0	1,594,701

Current Liabilities

Creditors (due in under 1 year)	19	41,070		180	41,250	37,064
Grants payable within 1 year	20				0	62,061
Total current liabilities		41,070	0	180	0	99,125
Net current assets/liabilities		253,982	1,196,501	102,968	0	1,553,451

Total assets less current liabilities		3,708,409	1,196,501	102,968	6,885	5,014,763
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Net assets		3,708,409	1,196,501	102,968	6,885	5,014,763
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Funds of the Circuit

Unrestricted:

General Fund	21.1	253,982			253,982	227,223
Property Fund	21.1	3,454,427			3,454,427	3,454,427
Circuit Model Trust Fund	21.2		1,196,501		1,196,501	821,209
Designated Funds	21.3			102,968	102,968	63,815
Total Unrestricted Funds					5,007,878	4,566,674
Endowment Funds	22			6,885	6,885	6,391
Total Funds	23	3,708,409	1,196,501	102,968	6,885	5,014,763

The financial statements were approved on behalf of the Board of Trustees on 17th December 2024

They were signed on behalf of the Board of Trustees by:



Revd D Muskett

Name of Circuit	East Solent and Downs Methodist Circuit		Circuit No 26/07
Statement of cash flows for the year ended:		31 August 2024	
		2024	2023
	Notes	£	£
Cash flows from operating activities:			
Cash generated from operations	1	300,341	(229,136)
Net cash provided by (used in) operating activities		300,341	(229,136)
Cash flows from investing activities:			
Interest received from investments		81,464	39,441
Sale/(purchase) of tangible fixed assets			1,932
Net cash provided by (used in) investing activities		81,464	41,373
Change in cash and cash equivalents in the reporting period		381,805	(187,763)
Cash and cash equivalents at the beginning of the reporting period		1,150,150	1,337,913
Cash and cash equivalents at the end of the reporting period:		1,531,955	1,150,150
1 Reconciliation of net income/(expenditure) to net cash flow from operating activities			
		2024	2023
		£	£
Net income/(expenditure) for the reporting period (as per the statement of financial activities)		441,698	(149,945)
Adjustments for:			
Losses/(gains) on investments		(494)	283
Interest received		(81,464)	(39,441)
Decrease/(increase) in debtors		(1,524)	(24,536)
(Decrease)/increase in creditors		(57,875)	(15,497)
Net cash provided by (used in) operating activities		300,341	(229,136)

1 Accounting framework and accounting policies

i Accounting framework

The financial statements have been prepared in accordance with the Charities SORP (FRS 102) 'Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (effective from 1 January 2019)'. Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' and the Charities Act 2011.

ii Public benefit entity

The East Solent and Downs (ESandD) Circuit meets the definition of a public benefit entity under FRS 102. Assets and liabilities are initially recognised at historical cost or transaction value unless otherwise stated in the relevant accounting policy notes below.

iii Basis

These accounts have been prepared on the basis of historical cost, except that investments are shown at their market value at the end of the year, on the accruals basis to show a true and fair view of the Circuit's financial position and activities.

iv Content

The financial information presented is relevant, reliable, comparable and complete. Where estimates are used these are based on experience, research and judgement. The accounts are expressed in £Sterling, rounded to the nearest pound.

v FRS102 SORP2015

These accounts are compliant with FRS102 and with the FRS102 SORP 2019.

vi Going concern

Based on the monetary assets and human resources available at 31 August 2024, the trustees believe that the Circuit is a going concern and there is no material uncertainty with regards to this assumption.

vii Income recognition

Income is brought into account when it is more likely than not that the economic benefit of the income will be forthcoming. No attempt is made to measure the value of services donated by volunteers and, in accordance with the Charities SORP (FRS 102) the time of volunteers is not recognised. Individual amounts categorised as other income in the SOFA will be shown separately if they are considered material. The Circuit acts as agent in the collection of donations to Connexional Funds from churches which are paid to the relevant Connexional Fund on a regular basis. The transactions are not reflected in the SOFA because the sums received cannot be recognised as income in the Circuit as they are the income of the Connexional Funds.

viii Expenditure

This is recognised when a liability is incurred, or a constructive obligation arises, that results in the payment being unavoidable. Liabilities are recognised as soon as an outflow of economic benefit is considered more likely than not under the legal or constructive obligation committing the Circuit to pay out resources.

ix Grants

Grants are recognised in full when the award is made once the Circuit accepts that there is a legal or constructive obligation to make payment and that such payment is probable.

x VAT

The Circuit is not VAT registered and all input VAT is charged with the expense to which it refers.

xi Tangible fixed assets

These are capitalised if they can be used for more than one year, and individually cost at least £1,000. The freehold property is shown in the accounts at the total cost value of all the manses on 1 September 2015, except for new manses purchased after 1 September 2015, which are brought into the accounts at their purchase price. The total land component is deemed to be £1,151,476, see Note 15. No depreciation is provided on the buildings because the trustees consider the residual value of the manses is not less than cost and the depreciation would be immaterial. The Circuit makes use of the deemed cost transitional provisions of the FRS 102 SORP.

xii Investment Properties

There are no investment properties. Those properties owned by the Circuit but not used as manses, are rented out, and are being kept by the Circuit, pending future staffing requirements

xiii Investments

The investments of ESandD Circuit are held by the Trustees for Methodist Church Purposes (TMCP) as custodian trustees. The valuations, at market value, are those provided by TMCP. The unrealised gains arising on investments at the end of the year are shown in the SOFA and in Notes 13, 17 and 23 below.

xiv Financial Instruments

The charity only enters into basic financial instruments transactions that result in the recognition of financial assets and liabilities like trade and other accounts receivable and payable investments in stocks and shares. The measurement basis used for these financial instruments is detailed below.

xv Receivables and Payables; Bank and Cash

Debtors are stated at the amounts owed to the Circuit or prepaid. Creditors are initially recognised at settlement amount after any trade discounts, where normal credit terms apply, or at amount advanced to the Circuit. Subsequently, creditors that are current liabilities are measured at the cash or other consideration, are expected to be paid. The liquid funds of bank balances and deposit account balances are shown at the realisable values.

xvi Loans

Where concessionary loans (i.e., free of interest) are made to (or received by) the Circuit to further its charitable purposes, and are repayable after more than one year, they are initially recognised at the amount paid [or received], with the carrying value adjusted in subsequent years to reflect repayments and any accrued interest, adjusted for any impairment, if necessary.

Where there is objective evidence of impairment, an immediate impairment loss is recognised in the Statement of Financial Activities. Subsequent reversals of an impairment loss that objectively relate to an event occurring after the impairment loss was recognised, are recognised immediately in the Statement of Financial Activities.

2 Glossary of terms

CFB: Central Finance Board of the Methodist Church manages a Common Deposit Fund and a series of pooled investment funds for Methodist entities in Great Britain and provides investment advice to those entities

Church: a group of members from fewer than 12 to more than 300

Circuit: a group of Methodist Churches near each other, typically between 10 and 30

CMTF: Circuit Model Trust Fund

Connexion: The Methodist Church in GB which includes the national office at Methodist Church House, all Methodist Districts, Circuits and Churches in Great Britain

3 Statement of Financial Activities for the year ended 31 August 2023

	General Funds Unrestricted £	Circuit Model Trust Fund Unrestricted £	Designated Funds Unrestricted £	Endowment Funds £	Total 2022-23 £
Income and Endowments					
Income from investments	13,546	25,895	0	0	39,441
Income from charitable activities					
Assessments on churches	374,868				374,868
CMTF levies refunded		200,000			200,000
Total from charitable activities	374,868	200,000	0	0	574,868
Lettings	92,272				92,272
Total charitable income	480,686	225,895	0	0	706,581
Other income	7,412	0	0	0	7,412
Total income and endowments	488,098	225,895	0	0	713,993
Expenditure					
Expenditure on charitable activities					
Grants and donations	2,913	12,585	42,631		58,129
Stipends and associated costs	315,229				315,229
Maintenance on manses	480		70,002		70,482
Office expenses	6,968				6,968
Telephone and travel	23,382				23,382
Insurance and utility costs	24,902		9,998		34,900
District assessment	14,084				14,084
Methodist Church Fund	79,780				79,780
CMTF levies paid		155,052			155,052
Expenditure on other circuit property	40,298	9,659			49,957
Other outgoings	54,659	1,033			55,692
Total charitable expenditure	562,695	178,329	122,631	0	863,655
Net income before investment (losses)/gains	-74,597	47,566	-122,631	0	-149,662
Net (losses)/gains on investments				-283	-283
Net (expenditure)/income before transfers	-74,597	47,566	-122,631	-283	-149,945
Transfers between funds	-33,032	-32,103	65,135		0
Other gains/(losses)	345,530				345,530
Net movement in funds	237,901	15,463	-57,496	-283	195,585
Total funds brought forward	3,443,749	805,746	121,311	6,674	4,377,480
					0
Total funds carried forward	3,681,650	821,209	63,815	6,391	4,573,065

4 Assessments on Churches

The Circuit oversees the work of the following Churches:

Bedhampton Methodist Church
St Mark's Church, Bordon
Drayton United Church
Emsworth Methodist Church
Fareham Methodist Church
Gosport Methodist Church
Hart Plain Church
Haslemere Methodist Church
Havant Methodist Church
Lee on the Solent Methodist Church
Lindford Methodist Church
Liphook Methodist Church
Midhurst Methodist Church
Petersfield Methodist Church
Portchester Methodist Church
Portsmouth Methodist Church
Stubbington Methodist Church
Wymering Methodist Church

The assessment paid by churches is calculated using a formula that is approved by Circuit Meeting of 25% membership and 75% ability to pay. The exceptions to this are the local ecumenical partnership churches at Hart Plain and St Mark's Church, Bordon who pay a parish share to the relevant Diocesan authority and the contribution they make to Circuit funds is reduced to take account of this. For 2023-24, the overall assessment to be raised represented a 2.5% increase compared to 2022-23. In addition, it was decided to cap the increases at 5% and decreases at 2%. Any shortfall was to be met from reserves.

Portsmouth Methodist Church paid its assessment debt of £24,731 during 2023-24. Havant Methodist Church were unable to pay 2 months of their assessment during 2023-24 and owe £1,530. This will be reviewed in 2024-25. See Note 16.

5 Payments to trustees

It is Circuit policy to offer to reimburse Ministers, Circuit Stewards, Local Preachers and Supernumerary Ministers for expenditure properly incurred in carrying out their duties. Expenses that have been reimbursed are itemised under office expenses, telephone and travel, and other outgoings under Notes 10 and 12. The total amount reimbursed is £20,533 to 11 trustees. This is a slight increase when compared to 2022-23 (£19,918).

6 Other income

The figure of £44,032 (2022-23: £7,412) is: £3,032 to the General Fund which is £2,379 from bookkeeping services offered to Churches and £653 received as collections from Circuit services and paid out to the Methodist Church Fund for Training; £41,000 to the CMTF which was the return of the voluntary contribution made to the Pension Reserve Fund in September 2021.

7 Grants and donations and related support costs

Several grants were made during 2023-24 to pay: the interest received from the Gane Bequest and to churches for property projects and mission work. The contributions to the costs of a minister to continue the work of the Beacon Church were ceased from January 2024 as they were

no longer being used for their intended purpose and the remaining grant for this was removed. A net total of £11,551 (2022-23: £58,129).

	2023-24	2022-23
	£	£
From General Fund:		
Gane Bequest interest paid to Gosport MC	175	178
Grants paid to churches for property projects	18,420	2,735
Total	18,595	2,913
From Circuit Model Trust Fund:		
Property project grant to Hart Plain Church		12,585
Total		12,585
From Mission & Outreach Fund:		
Increase to Haslemere Mission Intern grant		3,800
Grants to Churches for mission projects	22,148	27,022
Remove agreed grant to Beacon Church	-29,193	
Write off unpaid assessments		8,809
Grant for Havant Passion Play		3,000
Total	-7,045	42,631
Total grants and donations	11,550	58,129

8 Salaries and associated costs

Gross salaries paid to 11 (11 in 2022-23) employees were as follows:

	2023-24	2022-23
	£	£
Gross pay	271,301	248,985
Employer's National Insurance Contributions	23,446	20,756
Employer's pension contributions to defined benefit schemes	49,605	45,488
Total stipends and associated costs	344,352	315,229

No employees received employee benefits that totalled more than £60,000. There were no accruals for holiday pay. All staff were paid at or above the living wage. There are no key management personnel.

Most ordained presbyters and deacons are members of the Methodist Ministers' Pension Scheme (MMPS). This is a defined benefit scheme. The Supreme Court held in 2014 that Methodist ministers (which term includes presbyters and deacons) are not employees of the Church. For simplicity, however, when dealing with National Insurance Contributions and pension contributions, the terms 'employer' and 'employee' are used as they would be in an employing body.

ESandD Circuit is registered with the NEST Pension Scheme and contributes 6% of gross salary for its eligible employees and any other employees that elect to join the pension scheme. This is in accordance with the directive from Conference.

9 Maintenance on manses and expenditure on other Circuit property

	2023-24	2022-23
	£	£
Maintenance and repairs on manses	39,394	70,002
Quinquennial inspections on manses	550	480
Maintenance on manses total	39,944	70,482
From General Fund:		
Quinquennial inspections on churches	1,675	1,295
Letting agent fees	6,350	5,625
Copnor Church building costs	1,147	15,607
Bridgemary Church building costs	17,584	14,052
Manse legal fees		3,719
Total	26,756	40,298
From Circuit Model Trust Fund:		
Manse legal fees		9,659
Total	0	9,659
Expenditure on other Circuit property total	26,756	49,957

10 Office expenses and telephone and travel

	2023-24	2022-23
	£	£
Ministers' & Lay employees office costs	1,146	1,041
Circuit office costs	6,448	5,927
Office expenses total	7,594	6,968
Ministers' & Lay employees' travel costs	18,372	18,000
Circuit Stewards' travel costs	171	1,086
Ministers' & Lay employees' telephone costs	4,628	4,296
Telephone and travel total	23,171	23,382

11 Insurance and utility costs

	2023-24	2022-23
	£	£
Manses insurance	9,702	9,998
Manses council tax	17,729	20,234
Manses water & sewerage rates	2,587	4,668
Total	30,018	34,900

12 Other outgoings

	2023-24	2022-23
	£	£
From General Fund:		
Local preachers' expenses	1,686	2,000
Supernumeraries' expenses	4,535	2,706
Circuit Stewards' other costs	167	90
Training and Development costs	165	469
Audit fees	4,195	4,063

Youth work	6	
Chaplaincy costs	24	
Bank charges	60	75
Contribution to URC for Drayton United Church	2,022	
Miscellaneous costs	3,017	3,135
Removal costs	972	21,132
Relocation allowance		1,200
Loans paid out		1,500
Welcome Service collection paid out	653	249
Manse rental costs		18,040
Total	17,502	54,659
From Circuit Model Trust Fund:		
TMCP admin charge	2,312	1,033
Total	2,312	1,033
Other outgoings total	19,814	55,692

None of the remaining individual amounts – aggregated as 'miscellaneous costs' above - is considered material and therefore, are not listed separately.

13 Investment management

During the year the Circuit paid an administration charge of £2,312 (2022-23: £1,033) to TMCP, the custodians of the Circuit Model Trust Fund (CMTF). This was levied at 0.285% on the value of the funds at the end of the previous year (£811,209) and is shown in the other outgoings line on the SOFA and in Note 12 above.

The Circuit paid £52,091 (2022-23: £18,427) as its annual contribution to the District Advance Fund (DAF) of Southampton District which was levied on an asset value in the CMTF of £811,209 as at 31 August 2023. In addition, the Circuit paid a Connexional Priority Fund (CPF) Levy of £278,264 based on the proceeds of £755,660, shown on the Capital receipts line of the SOFA, from the sale of Copnor Methodist Church. CPF Levy is calculated in accordance with CPD Standing Order 972. The total levies paid were £330,355 (2022-23: £155,052). An additional amount of £23,451 was paid into the Circuit's current account being the reimbursement of various fees in connection with the sale of Copnor Methodist Church, also shown on the Capital receipts line of the SOFA.

The amount of £494 (2022-23: -£283) on the net gains/(losses) on investments line of the SOFA, represents the net unrealised gain in the Gane Bequest endowment fund. More information can be found at Notes 17 and 23.

14 Transfers between funds

The transfers between funds shown on the SOFA represents: transfers of budget amounts and transfers from the CMTF as agreed by the Trustees at Circuit Meeting. The net £72,608 transferred into the General Fund is made up of: £100,000 from the CMTF as a transfer from reserves to balance the 2023-24 budget plus £7,608 for work at Bridgemary Church; less £35,000 to the Manse Fund for manse repairs and insurance. The £153,812 out of the CMTF is made up of: £107,608 to the General Fund and £46,204 to the Manse Fund. The £81,204 into the Manse Fund is made up of: £25,000 for manse repairs budget and £10,000 for manse insurance budget from the General Fund; £28,571 from the CMTF for garden landscaping works and finishing the new kitchen at 6 St Thomas Close, plus new windows and doors for Nicholson Way; plus £17,633 to restore the balance in the Manse Fund at the start of 2023-24 to the reserves policy level of £38,5000 (£3,500 per manse).

15 Manse and other property

The basis for the deemed cost of the 11 manses is the total of the buildings value on 1 September 2015 except for any new manse purchased after 1 September 2015 for which the purchase value was used. This amount has been split into one third land value and two thirds buildings value. The frozen valuation option has been adopted.

There is no depreciation on the manses as the informal review of the manses as carried out at the end of the year by the Circuit Stewards, confirmed that the current residual market value of the buildings was greater than the carrying value of that part of the asset's cost to date.

Cost or valuation	Land £	Buildings £	Total £
Balance brought forward at 31 August 2023	1,151,476	2,302,951	3,454,427
Transfers between categories			
Balance carried forward at 31 August 2024	1,151,476	2,302,951	3,454,427

16 Debtors and prepayments

All sums paid in advance at 1 September 2023 were for costs incurred during 2023-24. Similarly, it is expected that payments in advance at 1 September 2024 will be expensed in 2024-25. The unpaid church assessments 2022-23 were paid in full in 2023-24

Debtors and prepayments were made up as follows:	2023-24 £	2022-23 £
Debtors		
Contribution for Prayer handbooks	211	213
Unpaid church assessments 2022-23	-	24,731
Unpaid church assessments 2023-24	1,530	-
Rent owed from 2023-24	1,200	-
Prepayments		
Ministers' stipends paid in advance	23,643	24,063
Deposit paid for work to be done in 2024-25	5,126	-
Accrued income		
August rent paid in September	6,350	3,950
CMTF interest due for 31 August	4,964	4,000
Refund received in October for Copnor	-	-
Church building insurance paid in May	-	3,305
Total	43,024	60,262
Loans by the Circuit		
Bedhampton Methodist Church	9,000	1,500
Havant Methodist Church	5,000	-
Lee on the Solent Methodist Church	6,262	-
Total	20,262	1,500
Total Debtors	63,286	61,762

17 Trustees for Methodist Church Purposes

The CMTF is held by TMCP in a Trustees Interest Fund on which interest is credited to the account each month. The Gane Bequest endowment fund is held by TMCP in a CFB Managed Mixed Fund on which the dividend distribution is credited to the Circuit's CFB deposit account each quarter. These are regarded as medium and long-term investments.

Market value	£
As at 1 September 2023	6,391
Revaluation	494
As at 31 August 2024	6,885
Net book value	
As at 31 August 2024	6,885
As at 31 August 2023	6,391

TMCP is the legal owner and Custodian Trustee of all Methodist Model Trust property, including legacies, endowments and accumulated funds. Trust property is held for and on behalf of local Managing Trustees who are responsible for the day-to-day management of trust property. TMCP ensure that, through providing guidance and acting under their direction, the Managing Trustees comply with charity law and Methodist law and policy as determined by the Methodist Conference.

18 Central Finance Board and Cash at Bank

The Circuit has one current account at CAF Bank Ltd, an authorised institution. The sums held on that account are immediately available. In addition, the Circuit has one deposit account at the Central Finance Board (CFB), a common deposit fund. Interest is earned on this account and is credited monthly to the account; the sums deposited can be withdrawn without notice and without loss of interest. These sums are viewed as being liquid.

19 Creditors, accrued expenses and deferred income

	2023-24	2022-23		
	£	£		
Creditors:				
Audit fee	4,190	4,063		
Expenses reimbursed	2,761	2,189		
Farewell service collection owed to Methodist Church Fund for Training		389		
Accruals:				
Accrued expenses	2,389	1,182		
Manse repairs owed	180	888		
Total creditors & accruals	9,520	8,711		
Deferred income:				
Assessments paid in advance	30,695	27,318		
Rent paid in advance	1,035	1,035		
Total deferred income	31,730	28,353		
Total creditors	41,250	37,064		
Deferred income	Deferred	Released	Deferred	Deferred
	01-Sep-23	in year	in year	31-Aug-24
Assessments paid in advance	27,318	(27,318)	30,695	30,695
Rent paid in advance	1,035	(1,035)	1,035	1,035
Total	28,353	(28,353)	31,730	31,730

Deferred income represents amounts received in advance of the relevant service delivery period and is recognised as income in the SOFA as the associated obligations are fulfilled.

20 Grants payable within 1 year

It is Circuit policy to recognise committed grants immediately as expenditure and thus accrue the unpaid amounts at the year-end as liabilities. During 2023-24, the balance of the grant for Beacon Church was removed, see Note 7; and £25,800 was paid to Haslemere MC, leaving the Circuit with no commitments to pay grants from any funds.

	2023-24	2022-23
From Mission Fund:	£	£
Remaining grant agreed for Beacon Church Bordon	-	36,261
Grant agreed towards Haslemere MC Mission Intern	-	25,800
Total agreed grants payable	0	62,061

21 Unrestricted Funds

21.1 General Fund – balance £3,708,409 at 31 August 2024 (2023: £3,681,650)

The purpose of the fund is for use at the discretion of the trustees in the furtherance of the general objectives of the Circuit and which have not been designated for other purposes. 93.2% of this fund is held as 11 freehold properties which are used as manses for the ministers of the Circuit. Those manses that are not currently needed for ministers are rented out until such time as they are needed.

21.2 CMTF – balance £1,196,501 at 31 August 2024 (2023: £821,209)

The CMTF is held by the TMCP, Note 17, and is where the majority of the reserve funds of the Circuit are held. These funds are not restricted by any document or deed to a specific purpose.

21.3 Designated Funds – balance £102,968 at 31 August 2024 (2023: £63,815)

The designated funds of the Circuit are: the Manse Fund which is funds that have been set aside to meet the repairs and maintenance as deemed necessary for the Circuit's manses; the Mission and Outreach Fund which was funded by the equivalent salary costs of 3 lay employees made redundant in 2016-17 until 2021-22 when no further transfers were made, as agreed by Circuit Meeting; its purpose is to provide grants to Churches to assist with any mission and/or outreach projects. All of these funds have been set aside for specific purposes but none of them are restricted to that purpose alone by any document or deed. The balance at 31 August 2024 of £102,968 is made up of: £52,975 in the Manse Fund; £49,993 in the Mission and Outreach Fund.

22 Endowment Fund – Gane Bequest

The Gane Bequest endowment fund is from a bequest left to Lees Lane Methodist Church and is held by TMCP in the Ex-Lees Lane Trust within the CFB Managed Mixed Fund. The dividends from this fund are paid into the Circuit's CFB deposit fund and are paid over to Gosport Methodist Church, by agreement of the trustees.

23 Movement in significant individual funds

Movement in funds for current year 12 months:

Fund	Balance at 01-Sep-23 £	Income £	Expenditure £	Transfers £	Gains/ Losses £	Balance at 31-Aug-24 £
General Fund	227,223	519,031	564,880	72,608		253,982
Property Reserve Fund	3,454,427					3,454,427
Circuit Model Trust Fund	821,209	861,771	332,667	(153,812)		1,196,501
Manse Fund (Des)	20,867		49,096	81,204		52,975
Mission & Outreach (Des)	42,948		(7,045)			49,993
Total unrestricted funds	4,566,674	1,380,802	939,598	0	0	5,007,878
Gane Bequest	6,391				494	6,885
Total endowment funds	6,391	0	0	0	494	6,885
Total funds	4,573,065	1,380,802	939,598	0	494	5,014,763

Comparatives for movement in funds for prior year 12 months:

Fund	Balance at 01-Sep-22 £	Income £	Expenditure £	Transfers £	Gains/ Losses £	Balance at 31-Aug-23 £
General Fund	332,920	488,098	562,695	(31,100)		227,223
Property Reserve Fund	3,110,829			(1,932)	345,530	3,454,427
Circuit Model Trust Fund	805,746	225,895	178,329	(32,103)		821,209
Manse Fund (Des)	35,731		79,999	65,135		20,867
Mission & Outreach (Des)	85,580		42,632			42,948
Total unrestricted funds	4,370,806	713,993	863,655	0	345,530	4,566,674
Gane Bequest	6,674				(283)	6,391
Total endowment funds	6,674	0	0	0	(283)	6,391
Total funds	4,377,480	713,993	863,655	0	345,247	4,573,065

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

Fund	Balance at 01-Sep-22 £	Income £	Expenditure £	Transfers £	Gains/ Losses £	Balance at 31-Aug-24 £
General Fund	332,920	1,007,129	1,127,575	41,508		253,982
Property Reserve Fund	3,110,829			(1,932)	345,530	3,454,427
Circuit Model Trust Fund	805,746	1,087,666	510,996	(185,915)		1,196,501
Manse Fund (Des)	35,731		129,095	146,339		52,975
Mission & Outreach (Des)	85,580		35,587			49,993
Total unrestricted funds	4,370,806	2,094,795	1,803,253	0	345,530	5,007,878
Gane Bequest	6,674				211	6,885
Total endowment funds	6,674	0	0	0	211	6,885
Total funds	4,377,480	2,094,795	1,803,253	0	345,741	5,014,763

24 Volunteer contributions

Every entity (Connexion, District, Circuit and Church) within the Methodist Church in GB is heavily reliant on volunteers who contribute their skills, time and money in the furtherance of the work of the Church. Principally this contribution is by serving on committees of the Circuit that deal with mission, manses, finance, policy, grants, training, development. We are grateful to all of them for their help and commitment. It is impossible to put a monetary equivalent value on this.

25 Capital commitments and contingent liabilities

There were no capital commitments or contingent liabilities at the year end.

26 Auditor

An accrual has been made for the fee of the auditors in the sum of £4,190 for the year 2023-24 (2022-23 £4,063).

27 Related party disclosures

There were no related party transactions for the year ended 31 August 2024.

REPORT OF THE INDEPENDENT AUDITORS TO THE TRUSTEES OF EAST SOLENT AND DOWNS METHODIST CIRCUIT

Opinion

We have audited the financial statements of East Solent and Downs Methodist Circuit (the 'charity') for the year ended 31 August 2024 which comprise the Statement of Financial Activities, the Balance Sheet, the Cash Flow Statement and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the charity's affairs as at 31 August 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 requirements of the Charities Act 2011.

Basis for opinion

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

Conclusions relating to going concern

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

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

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

Other information

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

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

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

Matters on which we are required to report by exception

We have nothing to report in respect of the following matters where the Charities Act 2011 requires us to report to you if, in our opinion:

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

REPORT OF THE INDEPENDENT AUDITORS TO THE TRUSTEES OF EAST SOLENT AND DOWNS METHODIST CIRCUIT

Responsibilities of trustees

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

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

Our responsibilities for the audit of the financial statements

We have been appointed as auditors under Section 144 of the Charities Act 2011 and report in accordance with the Act and relevant regulations made or having effect thereunder.

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

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. To the extent to which our procedures are capable of detecting irregularities, including fraud is detailed below.

From discussion with management and those charged with governance information about the entity is documented to assess the activity within the organisation. We discuss management's assessment of risk in respect of irregularities, fraud and going concern.

Based on these discussions and our own assessments we determined that the key risk areas were income recognition in respect of cut off issues and management override concerning the size of the organisation.

We set financial statement materiality level based on the level of income. As a not for profit organisation raising income is its primary focus which is why income was used to determine the level of materiality. Our overall assessment of risk was used to determine performance materiality at an appropriate level.

Substantive audit tests were designed after assessing and performing walkthrough tests. The walkthrough testing confirmed documented systems which have been designed to act as a preventative measure against fraud and error which appear to be operating as documented. Substantive testing tested a sample of the population, representative of the population, to identify errors. The testing did not identify any material misstatements in areas tested.

Audit substantive tests concluded no material errors over the key risk areas of income recognition and management override.

The audit considers the organisation is not exposed to material risk of error as a result of assessing laws and regulations that are appropriate to the organisation.

Management assessed there is no going concern risk. The audit undertook a review of budgets, management accounts and the review of board minutes and came to the same conclusion as management.

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

**REPORT OF THE INDEPENDENT AUDITORS TO THE TRUSTEES OF
EAST SOLENT AND DOWNS METHODIST CIRCUIT**

Use of our report

This report is made solely to the charity's trustees, as a body, in accordance with Section 144 of the Charities Act 2011 and regulations made under Section 154 of that Act. Our audit work has been undertaken so that we might state to the charity's trustees those matters we are required to state to them in an auditors' report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the charity and the charity's trustees as a body, for our audit work, for this report, or for the opinions we have formed.



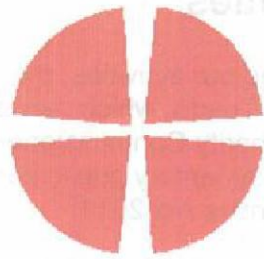
Morris Crocker Limited
Chartered Accountants
Statutory Auditors
Eligible to act as an auditor in terms of Section 1212 of the Companies Act 2006
Station House
North Street
Havant
Hampshire
PO9 1QU

Date: 17th December 2024

EAST SOLENT AND DOWNS METHODIST CIRCUIT

England & Wales - Charity number 1153209

Accounts



EAST SOLENT AND DOWNS METHODIST CIRCUIT

TRUSTEES' ANNUAL REPORT

for the year ended

31 AUGUST 2023

1 Objectives and activities

In setting our objectives and planning our activities, the Circuit Meeting (under the leadership of the Circuit Leadership Team), which meets three times in each year, has given careful consideration to the Charity Commissioners' general guidance on public benefit and, in particular, to its supplementary public benefit guidance on advancing our objectives and conforms to the Charities Act 2011.

Our Mission is to resource and enable the Local Churches of the Circuit to pursue the mission of God through worship, learning and caring, service and evangelism.

This is done for as many people as possible within the geographical area the Circuit serves through the provision of staff, preachers, education and pastoral oversight. This enables the local Methodist Churches to provide Christian worship, spiritual development, and pastoral care both to church members and to the wider communities in which they are located.

The Circuit supports the advancement of the Christian Faith through ecumenical liaison with other Christian groups.

There is a significant increase in general house building and also accommodation for older people within the Circuit footprint. This is seen to be a growing opportunity for Mission and Outreach.

2 Achievements and performance

In common with other Circuits and churches of other denominations, this has again been with challenges. However, there are positive developments. Digital Church has continued to provide a service online for (almost) all Sundays of the year and subscriber numbers have increased. We are working on ways of improving the community engagement and interaction aspects. These services enable individuals to access a worship service on Sundays if they are unable to get to a church building. It also provides a service which congregations can use on occasions when it is not possible to provide a preacher. The other positive aspect of difficulties in filling the Preaching Plan is that congregations continue to develop local lay worship leaders and innovative styles of worship as we continue to praise and worship God.

Two members of staff moved in Summer 2023: one to retirement and the other to another appointment. We are pleased that both stations were filled. Whilst there will always be plenty to do however many ministers there are we are pleased ministry across the Circuit is at full strength.

We continue to work with the Diocese of Guildford and the United Reformed Church in relation to the church in Bordon to meet the needs of a rapidly expanding population.

Our plans with the Southampton District for a pioneering project in Portsmouth continue, but have progressed only slowly since last year. It is still hoped that a new missionary will be appointed shortly.

Worked with the existing Methodist people in Portsmouth continues in their complex exploration of appropriate sites for a united congregation.

We continue to reflect on the appropriate forms of ministry in each part of a diverse Circuit exploring possibilities of various forms of lay ministry: Lay Pastor,

EAST SOLENT AND DOWNS METHODIST CIRCUIT
Year ended 31 August 2023

Mission/Outreach Worker etc. We have been encouraged by two individuals with a call to Anna Chaplaincy ministry among older people.

2.1 Plans for future years

- To continue to resource and enable the local churches to focus on worship and spiritual development.
- To continue to focus on mission activity that will lead new people into faith and so grow the number of Christians.
- To continue to work with the Diocese of Guildford in developing the Local Ecumenical Partnership at Bordon.
- To continue to work with the District to enable the appointment of a missionary for Portsmouth.
- To continue to support the Methodist people in Portsmouth as they seek to discern the future location of the society.
- To review with local churches the availability of local leadership and consider whether their witness would be enhanced by joining together
- To continue to seek ways to support local churches with practicalities of buildings and finance.
- To continue to align our property portfolio with the needs of the Circuit going forward so that we make best use of our buildings.
- To continue to explore ways to respond to the Climate Emergency.

3 Financial review

During the year the Circuit received total income of £713,993 (2021-22: £559,791) and dispersed £863,655 (2021-22: £714,522). Total unrestricted reserves carried forward were £1,112,247 (2021-22: £1,259,977). £63,815 of these reserves are designated: £42,948 in the Mission Fund, after deducting £62,061 pledged for future projects; and £20,867 in the Manse Fund. The balance of £821,209 in the Circuit Model Trust Fund (CMTF) is held by the Trustees for Methodist Church Purposes (TMCP).

The trustees of the Circuit have every reason to believe that the Circuit is a going concern, principally because the vast majority of Churches continue to meet their assessments and the Circuit has adequate reserves to cover a shortfall in anticipated income. There are no subsidiary undertakings. The finances of the majority of churches have started to improve. One church had been unable to meet its full assessment in 2021-22 and £8,809 was transferred from the Mission Fund to cover the shortfall. That church paid its full assessment this year but one other church only paid 5 months of assessment. That church has sufficient funds in its reserves which will be transferred and paid to the Circuit in 2023-24. The trustees are confident that the Circuit has sufficient reserves to support any churches which continue to have financial difficulties.

The Circuit has the following sources of funds:

- Interest on investments
- Assessments on Churches within the Circuit
- Income from let manses

These sums are used to administer the Circuit and to provide grants to Churches and individuals in the Circuit so that they may embark on or continue with projects that fulfil the

EAST SOLENT AND DOWNS METHODIST CIRCUIT
Year ended 31 August 2023

mission of the Circuit by bringing more people to Christ or by providing facilities that might enable this to happen.

3.1 Remuneration policy

The remuneration for ministerial staff is determined by the Methodist Conference, and the recommended basis of the annual increase is the average of the increases in the Consumer Price Index and the Average Weekly Earnings Index. The Circuit then applies the same annual increase to the salaries of its lay staff which is approved by Circuit Meeting as part of the annual budget

3.2 Investment Policy and Performance

To comply with Methodist Standing Orders, monies for long term investment are lodged with TMCP who act as custodian trustee for all real estate held by Circuits, for all large (over £20,000) bequests, and for the proceeds of sale of any property formerly owned by the Circuit. These sums are invested in unitised investments or held on deposit. The investment returns are close to tracking the movements in the FTSE100 index. The deposit income mirrors the deposit rates available elsewhere. East Solent and Downs Circuit trustees' investment policy is aligned with that of the Central Finance Board (CFB) and TMCP because these organisations take into consideration the social, environmental and ethical considerations, both negatively and positively, that make investments suitable for the Methodist Church.

Short term deposits are lodged directly with the CFB and attract comparatively good rates of interest.

There are no bench marks for the expected returns or appreciation on investments at TMCP and CFB. It is the Circuit's policy to manage the cash and investment resources of the Circuit so that a rate of return on investment – both by way of dividend and capital appreciation – is obtained at least as good as market rate considering the Circuit's low appetite for risk.

3.3 Reserves level and policy

The unrestricted reserves readily available total £1,112,247: of which £821,209 is held by TMCP in the CMTF; and the balance of £291,038 represents the year-end level of reserves; within which £42,948 has been designated for mission activity and £20,867 has been designated for future major repairs to manses; leaving £227,223 in the General Fund.

The Circuit has a reserves policy covering all its unrestricted funds which is reviewed annually. Grants are made annually out of the CMTF, some of which will be paid by annual instalments and others are applications for funding anticipated to be required in future years. The trustees seek to ensure that there are sufficient funds in the CMTF to meet these anticipated requests and they now recognise future grants as liabilities on the Balance Sheet.

Reserves Policy

(a) The reserves policy for the Circuit's General Fund is to hold at least six month's expenditure in hand. The undesignated reserves of £227,223 at 31st August 2023 amounted to 43.45% of the General Fund 2023-24 expenditure budget (£523,000). The income budget for 2023-24 plans to draw £107,784 from the General Fund reserve to support this expenditure.

EAST SOLENT AND DOWNS METHODIST CIRCUIT

Year ended 31 August 2023

(b) The reserves policy for the designated Mission and Outreach Fund is to achieve a balance of £20,000. Future grants of £62,061 have been agreed to support the costs of: a minister at St Mark's, Bordon until the end of 2024; and a Café Manager/Mission Development Worker for a year at Haslemere Church, which have been recognised as liabilities. The remaining balance in the Mission and Outreach Fund at 31st August 2023 was £42,948.

(c) The reserves policy for the Manse Fund is to maintain a balance of £38,500 which equates to £3,500 per manse. The balance of £20,867 at 31st August 2023 was below the reserve level but will be restored from the General Fund in 2023-24.

(d) The reserves policy for the CMTF is to achieve a balance of £300,000. With increased missional vision in the Circuit this will need to be supported in terms of both people and buildings. Our policy is that no more than 50% of the fund shall be expended in any one year.

3.4 Collaborative arrangements with connected charities

The Circuit's main source of funding was the assessments obtained from each Church within the Circuit based on the membership and ability to pay and this was used to defray some of the cost of administering the Circuit which amounted to £863,655 (2021-22: £714,522).

The Circuit holds no funds as custodian trustee.

4 Trustees' responsibilities

For each financial year ending on 31st August the Trustees are required to prepare financial statements that give a true and fair view of the Circuit's financial activities during the year and of its financial position at the end of the year. In preparing these financial statements, the Trustees must:

- select suitable accounting policies and apply them consistently using the accruals method
- make judgements and estimates that are reasonable and prudent
- follow applicable accounting standards
- prepare accounts to comply with the Charities SORP

The Trustees are responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the Circuit and enables them to ensure that the financial statements comply with the law. They are also responsible for safeguarding the assets of the Circuit and hence taking reasonable steps for the prevention and detection of fraud and other irregularities.

The Trustees are responsible for the maintenance and integrity of the corporate and financial information included on the Circuit's website. Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

4.1 Risk

The Circuit is largely risk averse. Risks are managed by being aware of them, quantifying their impact not only in cost terms but in possible reputational or structural damage, laying them off through an insurer and minimising them by not taking them or by setting up control systems that report any significant change in the risk. The four significant risks that have been identified are:

1. Inability to appoint ministers and being without presbyteral staff. This is managed by giving careful attention to future workforce planning, trying to ensure that we do not

EAST SOLENT AND DOWNS METHODIST CIRCUIT
Year ended 31 August 2023

have multiple vacancies in any one year, and by engaging in early conversation with the District Chair who has a significant role in stationing decisions.

2. The Circuit's main source of funding is the assessments levied on each church and there is an increasing risk that some churches may not have sufficient funds to pay their assessment. This risk is managed by holding sufficient reserves, planning ahead with an annual budget and continually monitoring expenditure against budget.
3. Safeguarding children and vulnerable adults. The Circuit policy is to adhere to the Methodist Church's policy on Safeguarding Children and Vulnerable Adults and to require all churches to comply with the Methodist Church's Safeguarding policy. The Circuit provides regular safeguarding training that can be accessed by churches within the Circuit to support them in complying with the policy.
4. The Circuit's manses and church buildings are at risk from damage to property and theft which is minimised by all manses and church buildings being adequately covered by appropriate insurance policies with Methodist Insurance.

5 Structure, governance and management

The Circuit is an unincorporated association and is governed by the Methodist Church Act 1976, the Deed of Union and the Model Trust Deeds of the Methodist Church and was registered with the Charity Commissioners on 2 August 2013.

5.1 Structure

The Circuit is the coordinating charity for local groups of Churches, some of whom are registered as independent charities and the balance of whom are excepted charities. The Circuit pays the stipends of the ministers and employs lay staff to serve its Churches; most decisions are made at or ratified by the Circuit Meeting. The Circuit is part of the Southampton District which is the coordinating charity for a group of contiguous Circuits. District decisions are made at the half yearly synod to which the Circuit appoints both lay and ordained representatives. The Methodist Conference meets once each year as the supreme denominational body for all Methodist Churches.

1. Overall regulatory authority rests with the Methodist Conference.
2. The Connexional Office implements decisions made by Conference and is also responsible for the stationing of presbyters and deacons (collectively known as ministers) in individual Circuits.
3. Connexional decisions are passed via Districts to Circuits for local implementation by the Superintendent Minister, ministerial staff and Circuit Stewards, and authority is delegated to the Circuit Meeting for certain matters.
4. The Circuit Meeting passes regulatory control down to Church Councils for local implementation by the presbyter, the Church Stewards, and other officers, and this regulatory authority is then exercised by Church Councils as Managing Trustees of their charity.

5.2 Purpose of the Circuit

The Circuit is an expression, over a wider geographical area than any Church, of the Connexional character of the Church.

The purposes of the Methodist Church are and shall be deemed to have been since the date of the union the advancement of:

EAST SOLENT AND DOWNS METHODIST CIRCUIT

Year ended 31 August 2023

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

The primary purpose of this Circuit is to advance the mission of the Church in areas of Hampshire, Surrey and Sussex

- by providing opportunities for Churches to work together and support each other
- by offering to Churches resources of personnel and expertise and occasionally finance

The Circuit serves the Local Churches and the Conference in the support, deployment and oversight of the various ministries of the Church, and in programmes of training.

5.3 Governance

The Circuit operates within a statutory framework of regulation and seeks to ensure that it follows Methodist Standing Orders. It relies on the Connexional Office at Methodist Church House, 25, Tavistock Place, London WC1H 9SF to provide guidance on changes that could affect the Circuit.

The Circuit Meeting meets three times a year and is the decision-making body for the Circuit. Membership of the Circuit Meeting is made up of Presbyters and Deacons who are stationed in the Circuit, Supernumerary Ministers stationed in the Circuit who chose to be members, two representatives from each Church chosen annually by each church, Circuit Stewards who are appointed annually by the Circuit Meeting and individual members appointed annually by the Circuit Meeting to ensure that all areas of the Circuit's work is appropriately represented.

The Circuit Leadership Team, whose membership comprises the Presbyters and Deacons stationed in the Circuit together with the Circuit Stewards, meet regularly between Circuit Meetings to implement the decisions of Circuit Meeting and to provide strategic leadership to the Circuit by formulating policies and proposals to bring to the Circuit Meeting for approval that will advance the Mission of the Circuit. There is a Circuit Finance and Property Group who meet when needed during the year and who report to and are accountable to the Circuit Meeting.

6 Reference and Administrative Details

6.1 Name of the charity

The East Solent and Downs Methodist Circuit.

6.2 Charity registration number

1153209, registered in England and Wales

EAST SOLENT AND DOWNS METHODIST CIRCUIT
Year ended 31 August 2023

6.3 Principal Office

19/21 High Street
Emsworth
Hampshire, PO10 7AQ
Telephone 01243 371806

6.4 Circuit Superintendent

Revd David Muskett

6.5 Circuit Treasurer

Mr Mark Wade

6.6 Names of trustees

The following served as trustees throughout part or all of the year 2022-23 or were trustees at the time of this report being approved:

Mr	M	Avis		Mrs	F	Jenkins	until 12/9/23
Mr	K	Bassett	until 31/8/23	Revd	J	Illsley	
Mrs	D	Beesley		Mrs	J	Martyn	from 01/9/23
Mr	D	Beesley		Miss	J	Mason	Deceased
Mrs	J	Brandon		Mrs	J	Minnell	
Mrs	S	Bond	from 01/9/23	Mr	P	Moody	until 31/8/23
Mrs	S	Calvert		Revd	D	Muskett	
Mrs	L	Collins		Mr	H	Nightingale	
Revd	D	Coote		Mr	A	Painter	
Mr	N	Cox		Mrs	J	Pannell	
Revd	P	Crispin	from 01/9/23	Mr	M	Petter	
Mrs	P	Cuckow		Mrs	A	Rice	until 31/8/23
Mr	A	Dabbs		Revd	D	Rice	
Mr	T	DeGraftEshun	from 12/9/23	Dcn	S	Richardson	
Mrs	S	Dewberry		Mrs	B	Ross	
Mrs	P	Dey		Mr	D	Sawyer	
Miss	P	Dimmick		Revd	C	Simpson	until 31/8/23
Mr	R	Duke	until 31/8/23	Mr	G	Smithers	until 31/8/23
Mr	B	Dyer		Mrs	R	Standford	
Revd	D	Faulkner	from 01/9/23	Mrs	A	Steinhausen	
Revd	E	Goddess		Mr	E	Strankalis	from 01/9/23
Revd	R	Goddess		Mr	M	Thomas	
Mrs	A	Griffiths		Mrs	M	Travell	
Mr	P	Gregory		Mrs	E	Wade	
Dcn	J	Hacon		Mr	M	Wade	from 01/9/23
Mr	A	Haynes		Mrs	M	Wheeler	
Mrs	S	Haynes	until 12/9/23	Mrs	C	Wilkins	
Mrs	B	Hayward	until 12/9/23	Mrs	C	Withers	
Mrs	E	Hodges		Revd	S	Wright	until 31/8/23
Mr	B	James					

EAST SOLENT AND DOWNS METHODIST CIRCUIT
Year ended 31 August 2023

No trustee claims exemption from disclosure of his or her name here.

6.7 Bankers

CAF Bank Ltd
25 Kings Hill Avenue
Kings Hill
West Malling
Kent
ME19 4JQ

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

6.8 Investment managers and custodian trustees

Trustees for Methodist Church Purposes
Central Buildings
Oldham Street
Manchester
M1 1JQ

6.9 Auditors appointed 1 March 2016

Morris Crocker
Chartered Accountants
Station House
North Street
HAVANT
PO9 1QU

Approvals

The Trustees' Report and the Financial Statements were approved by the Circuit Meeting on 2 March 2024

Signed on behalf of the Circuit, as authorised:

David Muskett (signed)



David Muskett
Circuit Superintendent

Date: 2 March 2024

Mark Wade (signed)



Mark Wade
Circuit Treasurer

Date: 2 March 2024

Statement of Financial Activities (SOFA) for the year ended 31 August 2023

	Notes to the accounts	General Fund (Unrestricted) £	Circuit Model Trust Fund (Unrestricted) £	Designated Funds (Unrestricted) £	Endowment Funds £	Total 2022-23 £	Total 2021-22 £
Income and Endowments							
Income from investments		13,546	25,895			39,441	5,604
Income from charitable activities							
Assessments on churches	4	374,868				374,868	422,719
CMTF levies refunded	13		200,000			200,000	0
Total from charitable activities		374,868	200,000	0	0	574,868	422,719
Lettings		92,272				92,272	123,821
Total charitable income		480,686	225,895	0	0	706,581	552,144
Other income	6	7,412				7,412	7,647
Total income and endowments		488,098	225,895	0	0	713,993	559,791
Expenditure							
Expenditure on charitable activities							
Grants and donations	7	2,913	12,585	42,631		58,129	-121,225
Stipends and associated costs	8	315,229				315,229	278,497
Maintenance on manses	9	480		70,002		70,482	21,519
Office expenses	10	6,968				6,968	5,115
Telephone and travel	10	23,382				23,382	19,694
Insurance and utility costs	11	24,902		9,998		34,900	21,568
District assessment		14,084				14,084	16,704
Methodist Church Fund		79,780				79,780	84,504
CMTF levies paid	13		155,052			155,052	325,111
Expenditure on other circuit property	9	40,298	9,659			49,957	37,984
Other outgoings	12,13	54,659	1,033			55,692	25,051
Total charitable expenditure		562,695	178,329	122,631	0	863,655	714,522
Net (expenditure)/income before investment gains/losses		-74,597	47,566	-122,631	0	-149,662	-154,731
Net (losses)/gains on investments	13,18				-283	-283	-447
Net (expenditure)/income before transfers		-74,597	47,566	-122,631	-283	-149,945	-155,178
Transfers between funds	14	-33,032	-32,103	65,135		0	0
Other gains/(losses)	15	345,530				345,530	445,463
Net movement in funds		237,901	15,463	-57,496	-283	195,585	290,285
Total funds brought forward	23-25	3,443,749	805,746	121,311	6,674	4,377,480	4,087,195
					0	0	0
Total funds carried forward	23-25	3,681,650	821,209	63,815	6,391	4,573,065	4,377,480

Balance Sheet as at 31 August 2023

Notes to the accounts	General Fund (Unrestricted)	Circuit Model Trust Fund (Unrestricted)	Designated Funds (Unrestricted)	Endowment Funds	Totals 2023	Totals 2022
	£	£	£	£	£	£

Fixed Assets

Manses	16	3,454,427			3,454,427	3,110,829
Investment properties					0	0
Investments	18,25			6,391	6,391	6,674
Total fixed assets		3,454,427	0	0	6,391	3,460,818

Current Assets

Debtors and prepayments	17	56,262	4,000		60,262	37,226
Loans by the Circuit	17	1,500			1,500	0
Investments with TMCP	18		817,209		817,209	362,353
Solicitors' Client Account	19				0	443,008
Central Finance Board Deposits	20	193,611		126,764	320,375	514,216
Cash at Bank and in hand	20	12,026			12,026	18,336
Total current assets		263,399	821,209	126,764	0	1,211,372

Current liabilities

Creditors (due in under 1 year)	21	36,176		888	37,064	42,646
Grants payable within 1 year	22			62,061	62,061	72,516
Total current liabilities		36,176	0	62,949	0	99,125
Net current assets/liabilities		227,223	821,209	63,815	0	1,112,247

Total assets less current liabilities		3,681,650	821,209	63,815	6,391	4,573,065
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Net assets		3,681,650	821,209	63,815	6,391	4,573,065
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Funds of the Circuit

Unrestricted:						
General Fund	23.1	227,223			227,223	332,920
Property Fund	23.1	3,454,427			3,454,427	3,110,829
Circuit Model Trust Fund	23.2		821,209		821,209	805,746
Designated Funds	23.3			63,815	63,815	121,311
Total Unrestricted Funds					4,566,674	4,370,806
Endowment Funds	24				6,391	6,674
Total Funds	25	3,681,650	821,209	63,815	6,391	4,573,065

The financial statements were approved by the Board of Trustees on 2nd March 2024

They were signed on behalf of the Board of Trustees by:

Revd D Muskett



Name of Circuit	East Solent and Downs Methodist Circuit		Circuit No 26/07	
Statement of cash flows for the year ended:			31 August 2023	
			2023	2022
		Notes	£	£
Cash flows from operating activities:				
Cash generated from operations	1	(229,136)	(308,786)	
Net cash provided by (used in) operating activities		(229,136)	(308,786)	
Cash flows from investing activities:				
Interest received from investments		39,441	5,604	
Sale/(purchase) of tangible fixed assets		1,932	831,241	
Net cash provided by (used in) investing activities		41,373	836,845	
Change in cash and cash equivalents in the reporting period		-187,763	528,059	
Cash and cash equivalents at the beginning of the reporting period		1,337,913	809,854	
Cash and cash equivalents at the end of the reporting period:		1,150,150	1,337,913	
1/ Reconciliation of net income/(expenditure) to net cash flow from operating activities				
			2023	2022
			£	£
Net income/(expenditure) for the reporting period (as per the statement of financial activities)		(149,945)	(155,178)	
Adjustments for:				
Losses/(gains) on investments		283	447	
Interest received		(39,441)	(5,604)	
Decrease/(increase) in debtors		(24,536)	5,918	
(Decrease)/increase in creditors		(15,497)	(154,369)	
Net cash provided by (used in) operating activities		(229,136)	(308,786)	

1 Accounting framework and accounting policies

i Accounting framework

The financial statements have been prepared in accordance with the Charities SORP (FRS 102) 'Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (effective from 1 January 2019)'. Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' and the Charities Act 2011.

ii Public benefit entity

The East Solent and Downs (ESandD) Circuit meets the definition of a public benefit entity under FRS 102. Assets and liabilities are initially recognised at historical cost or transaction value unless otherwise stated in the relevant accounting policy notes below.

iii Basis

These accounts have been prepared on the basis of historical cost, except that investments are shown at their market value at the end of the year, on the accruals basis to show a true and fair view of the Circuit's financial position and activities.

iv Content

The financial information presented is relevant, reliable, comparable and complete. Where estimates are used these are based on experience, research and judgement. The accounts are expressed in £Sterling, rounded to the nearest pound.

v FRS102 SORP2015

These accounts are compliant with FRS102 and with the FRS102 SORP 2019.

vi Going concern

Based on the monetary assets and human resources available at 31 August 2023, the trustees believe that the Circuit is a going concern.

vii Income recognition

Income is brought into account when it is more likely than not that the economic benefit of the income will be forthcoming. No attempt is made to measure the value of services donated by volunteers and, in accordance with the Charities SORP (FRS 102) the time of volunteers is not recognised. Individual amounts categorised as other income in the SOFA will be shown separately if they are considered material. The Circuit acts as agent in the collection of donations to Connexional Funds from churches which are paid to the relevant Connexional Fund on a regular basis. The transactions are not reflected in the SOFA because the sums received cannot be recognised as income in the Circuit as they are the income of the Connexional Funds.

viii Expenditure

This is recognised when a liability is incurred, or a constructive obligation arises, that results in the payment being unavoidable. Liabilities are recognised as soon as an outflow of economic benefit is considered more likely than not under the legal or constructive obligation committing the Circuit to pay out resources.

ix Grants

Grants are recognised in full when the award is made once the Circuit accepts that there is a legal or constructive obligation to make payment and that such payment is probable.

x VAT

The Circuit is not VAT registered and all input VAT is charged with the expense to which it refers.

xi Tangible fixed assets

These are capitalised if they can be used for more than one year, and individually cost at least £1,000. The freehold property is shown in the accounts at the total cost value of all the manses on 1 September 2015, except for new manses purchased after 1 September 2015, which are brought into the accounts at their purchase price. The total land component is deemed to be £1,151,476, see Note 16. No depreciation is provided on the buildings because the trustees consider the residual value of the manses is not less than cost and the depreciation would be immaterial. The Circuit makes use of the deemed cost transitional provisions of the FRS 102 SORP.

xii Investment Properties

There are no investment properties. Those properties owned by the Circuit but not used as manses, are rented out, and are being kept by the Circuit, pending future staffing requirements

xiii Investments

The investments of ESandD Circuit are held by the Trustees for Methodist Church Purposes (TMCP) as custodian trustees. The valuations, at market value, are those provided by TMCP. The unrealised gains arising on investments at the end of the year are shown in the SOFA and in Notes 13, 18, 24 and 25 below.

xiv Financial Instruments

The charity only enters into basic financial instruments transactions that result in the recognition of financial assets and liabilities like trade and other accounts receivable and payable investments in stocks and shares. The measurement basis used for these financial instruments is detailed below.

xv Receivables and Payables; Bank and Cash

Debtors are stated at the amounts owed to the Circuit or prepaid. Creditors are initially recognised at settlement amount after any trade discounts, where normal credit terms apply, or at amount advanced to the Circuit. Subsequently, creditors that are current liabilities are measured at the cash or other consideration, are expected to be paid. The liquid funds of bank balances and deposit account balances are shown at the realisable values.

xvi Loans

Where concessionary loans (i.e., free of interest) are made to (or received by) the Circuit to further its charitable purposes, and are repayable after more than one year, they are initially recognised at the amount paid [or received], with the carrying value adjusted in subsequent years to reflect repayments and any accrued interest, adjusted for any impairment, if necessary.

Where there is objective evidence of impairment, an immediate impairment loss is recognised in the Statement of Financial Activities. Subsequent reversals of an impairment loss that objectively relate to an event occurring after the impairment loss was recognised, are recognised immediately in the Statement of Financial Activities.

2 Glossary of terms

CFB: Central Finance Board of the Methodist Church manages a Common Deposit Fund and a series of pooled investment funds for Methodist entities in Great Britain and provides investment advice to those entities

Church: a group of members from fewer than 12 to more than 300

Circuit: a group of Methodist Churches near each other, typically between 10 and 30

CMTF: Circuit Model Trust Fund

Connexion: The Methodist Church in GB which includes the national office at Methodist Church House, all Methodist Districts, Circuits and Churches in Great Britain

FRS: Financial Reporting Standard

MCF: Methodist Church Fund

SOFA: Statement of Financial Activities

SORP: Statement of Recommended Practice

TMCP: Trustees for Methodist Church Purposes, the legal owner and Custodian Trustee of all Methodist Model Trust property, including Legacies, Endowments and Accumulated Funds

3 Statement of Financial Activities for the year ended 31 August 2022

	General Funds (Unrestricted) £	Designated Funds (Unrestricted) £	Restricted Funds £	Endowment Funds £	Total 2021-22 £
Income and Endowments					
Income from investments	5,604	0	0	0	5,604
Income from charitable activities					
Assessments on churches	422,719				422,719
Total from charitable activities	422,719	0	0	0	422,719
Lettings	123,821				123,821
Total charitable income	552,144	0	0	0	552,144
Other income	7,397	0	250	0	7,647
Total income and endowments	559,541	0	250	0	559,791
Expenditure					
Expenditure on charitable activities					
Grants and donations	-98,848	-22,377			-121,225
Stipends and associated costs	278,497				278,497
Maintenance on manses	280	21,239			21,519
Office expenses	5,115				5,115
Telephone and travel	19,694				19,694
Insurance and utility costs	13,370	8,198			21,568
District assessment	16,704				16,704
Methodist Church Fund	84,504				84,504
CMTF levies	325,111				325,111
Expenditure on other circuit property	37,984				37,984
Other outgoings	24,801		250		25,051
Total charitable expenditure	707,212	7,060	250	0	714,522
Net income before investment (losses)/gains	-147,671	-7,060	0	0	-154,731
Net (losses)/gains on investments				-447	-447
Net (expenditure)/income before transfers	-147,671	-7,060	0	-447	-155,178
Transfers between funds	-29,000	29,000			0
Other gains/(losses)	445,463				445,463
Net movement in funds	268,792	21,940	0	-447	290,285
Total funds brought forward	3,980,703	99,371	0	7,121	4,087,195
Less future instalments of grant					0
Total funds carried forward	4,249,495	121,311	0	6,674	4,377,480

4 Assessments on Churches

The Circuit oversees the work of the following Churches:

Bedhampton Methodist Church
St Mark's, Bordon
Drayton United Church
Emsworth Methodist Church
Fareham Methodist Church
Gosport Methodist Church
Hart Plain Church
Haslemere Methodist Church
Havant Methodist Church
Lee on the Solent Methodist Church
Lindford Methodist Church
Liphook Methodist Church
Midhurst Methodist Church
Petersfield Methodist Church
Portchester Methodist Church
Portsmouth Methodist Church
Stubbington Methodist Church
Wymering Methodist Church

The assessment paid by churches is calculated using a formula that is approved by Circuit Meeting of 25% membership and 75% ability to pay. The exceptions to this are the local ecumenical partnership churches at Hart Plain and St Mark's Church Bordon who pay a parish share to the relevant Diocesan authority and the contribution they make to Circuit funds is reduced to take account of this. For 2022-23, the overall assessment to be raised represented a 2% increase compared to 2021-22. In addition, in continuing recognition of the effect of the pandemic on churches' finances, it was decided that no church should be asked to pay an increase and that any reduction should be limited to 10%. Any shortfall was to be met from reserves.

The debt arising from Gosport Methodist Church's unpaid 2021-22 assessment was written off using a grant from the Circuit's Mission fund as agreed at Circuit Meeting. Portsmouth Methodist Church only paid 5 months of its 2022-23 assessment and the remaining 7 months has been entered as a debt, see note 17. It is expected that Portsmouth Methodist Church will pay the assessment debt during 2023-24.

In 2022-23, the Circuit no longer oversaw the work of the Beacon Church at Bordon as it was closed and its funds transferred to St Mark's, Bordon in February 2022.

5 Payments to trustees

It is Circuit policy to offer to reimburse Ministers, Circuit Stewards, Local Preachers and Supernumerary Ministers for expenditure properly incurred in carrying out their duties. Expenses that have been reimbursed are itemised under office expenses, telephone and travel, and other outgoings under Notes 10 and 12. The total amount reimbursed is £19,918 to 13 trustees. This is an increase when compared to 2021-22 (£17,841) due to more trustees being reimbursed.

6 Other income

The figure of £7,412 (2021-22: £7,647) is: £2,663 from bookkeeping services offered to Churches; a £1,500 paid as a loan for church roof repairs and repaid within the year; £249 received as a collection from the Welcome Service and paid out to the Methodist Church Fund for Training; £2000 from a bequest; and £1,000 from a donation.

7 Grants and donations and related support costs

Several grants were made during 2022-23 to pay: the interest received from the Gane Bequest; to churches for property projects and mission work; to write off the 2021-22 unpaid assessment debt; to increase the grant for the Haslemere Mission Intern and to the Havant Passion Play. A total of £58,129 (2021-22: -£121,225).

	2022-23	2021-22
	£	£
From General Fund:		
Gane Bequest interest paid to Gosport MC	178	152
Grants paid to churches for property projects	2,735	3,500
Total	2,913	3,652
From Circuit Model Trust Fund:		
Property project grant to Hart Plain Church	12,585	
Remove agreed grant to Beacon Church		-102,500
Total	12,585	-102,500
From Mission & Outreach Fund:		
Additions/reductions to agreed grants	3,800	-40,000
Grants to Churches for mission projects	27,022	1,139
Write off unpaid assessments	8,809	16,484
Grant for Havant Passion Play	3,000	
Total	42,631	-22,377
Total grants and donations	58,129	-121,225

8 Salaries and associated costs

Gross salaries paid to 11 (9 in 2021-22) employees were as follows:

	2022-23	2021-22
	£	£
Gross pay	248,985	191,801
Employer's National Insurance Contributions	20,756	15,583
Employer's pension contributions to defined benefit schemes	45,488	30,113
Voluntary contribution to employer's pension		41,000
Total stipends and associated costs	315,229	278,497

No employees received employee benefits that totalled more than £60,000. There were no accruals for holiday pay. All staff were paid at or above the living wage. There are no key management personnel.

Most ordained presbyters and deacons are members of the Methodist Ministers' Pension Scheme (MMPS). This is a defined benefit scheme. The Supreme Court held in 2014 that Methodist ministers (which term includes presbyters and deacons) are not employees of the Church. For simplicity, however, when dealing with National Insurance Contributions and pension contributions, the terms 'employer' and 'employee' are used as they would be in an employing body.

ESandD Circuit is registered with the NEST Pension Scheme and contributes 6% of gross salary for its eligible employees and any other employees that elect to join the pension scheme. This is in accordance with the directive from Conference.

9 Maintenance on manses and expenditure on other Circuit property

	2022-23	2021-22
	£	£
Maintenance and repairs on manses	70,002	21,239
Quinquennial inspections on manses	480	280
Maintenance on manses total	70,482	21,519
From General Fund & Property Reserve Fund:		
Quinquennial inspections on churches	1,295	860
Letting agent fees	5,625	10,540
Copnor Church building costs	15,607	20,656
Bridgemaury Church building costs	14,052	3,402
Manse legal fees	3,719	2,526
Total	40,298	37,984
From Circuit Model Trust Fund:		
Manse legal fees	9,659	
Total	9,659	0
Expenditure on other Circuit property total	49,957	37,984

10 Office expenses and telephone and travel

	2022-23	2021-22
	£	£
Ministers' & Lay employees office costs	1,041	1,445
Circuit office costs	5,927	3,670
Office expenses total	6,968	5,115
Ministers' & Lay employees' travel costs	18,000	15,655
Circuit Stewards' travel costs	1,086	930
Ministers' & Lay employees' telephone costs	4,296	3,109
Telephone and travel total	23,382	19,694

11 Insurance and utility costs

	2022-23	2021-22
	£	£
Manses insurance	9,998	8,198
Manses council tax	20,234	11,308
Manses water & sewerage rates	4,668	2,062
Total	34,900	21,568

12 Other outgoings

	2022-23	2021-22
	£	£
Local preachers' expenses	2,000	1,494
Supernumeraries' expenses	2,706	2,256
Circuit Stewards' other costs	90	4
Training and Development costs	469	1,106
Audit fees	4,063	3,870
Youth work		225

Bank charges	75	108
Contribution to URC for Drayton United Church		992
Miscellaneous costs	3,135	2,863
Removal costs	21,132	5,194
Relocation allowance	1,200	1,200
Loans paid out	1,500	4,500
Welcome Service collection paid out	249	
Manse rental costs	18,040	
Grant for contribution to tuition costs paid out		250
TMCP admin charge	1,033	989
Total	55,692	25,051

None of the remaining individual amounts – aggregated as ‘miscellaneous costs’ above - is considered material and therefore, are not listed separately.

13 Investment management

During the year the Circuit paid an administration charge of £1,033 (2021-22: £989) to TMCP, the custodians of the CMTF. This was levied at 0.285% on the value of the funds at the end of the previous year (£362,354) and is shown in the other outgoings line on the SOFA and in Note 12 above.

The Circuit paid £18,427 (2021-22: £16,615) as its annual contribution to the District Advance Fund (DAF) of Southampton District which was levied on an asset value in the CMTF of £362,354 at 31 August 2022. In addition, the Circuit paid the Connexional Priority Fund (CPF) Levy on the sales proceeds of 2 manses: £132,477 for 31 Ellesmere Orchard calculated on sales proceeds of £391,193; and £4,148 for 18 Priors Wood calculated on sales proceeds of £690,739 offset against the purchase cost of £640,000 of 26 Lowsley Farm Drive. CPF Levy is calculated in accordance with CPD Standing Order 972. The total levies paid were £155,052

A CPF Levy refund of £200,000 was received as the purchase cost of £440,00 of 10 Panton Close was offset against the sale proceeds of 16 Cousins Grove and it is shown under income from charitable activities on the SOFA.

The amount of -£283 (2021-22: -£447) on the net (losses)/gains on investments line of the SOFA, represents the net unrealised loss in the Gane Bequest endowment funds. More information can be found at Notes 18, 24 and 25.

14 Transfers between funds

The transfers between funds shown on the SOFA represents: transfers of budget amounts, transfers from the CMTF as agreed by the Trustees at Circuit Meeting, and transfers to and from the Property Reserve due to the sale and purchase of manses. The net £33,032 out of the General and Property Reserve Fund is made up of: £34,250 to the Manse Fund for manse repairs and insurance; £3,150 from the CMTF for rent paid for temporary accommodation for one of the ministers; £1,080,000 from the CMTF to add the purchase value of 2 manses to the Property Reserve and £1,081,932 to remove the value of the sale of 2 manses from the Property Reserve. The net £32,103 out of the CMTF is made up of: £3,150 to the General Fund; £1,080,000 to the Property Reserve; £1,081,932 from the Property Reserve; and £30,885 to the Manse Fund. The £65,135 into the Manse Fund is made up of: £25,000 for manse repairs budget and £9,250 for manse insurance budget from the General Fund, and £30,885 from the CMTF for work needed on the 2 new manses after being purchased and a new kitchen for 6 St Thomas Close.

15 Other gains/(losses)

In May 2023 two of the manses were sold, 31 Ellesmere Orchard and 18 Priors Wood, and the total proceeds of £1,081,932 were received. The value of 18 Priors Wood and purchase price of 31 Ellesmere Orchard, a total of £736,402, were removed from the value of the freehold property and the overall gain was £345,530. See Note 16 for further information.

16 Manse and other property

The basis for the deemed cost of the 11 manses is the total of the buildings value on 1 September 2015 except for any new manse purchased after 1 September 2015 for which the purchase value was used. This amount has been split into one third land value and two thirds buildings value. The frozen valuation option has been adopted.

There is no depreciation on the manses as the informal review of the manses as carried out at the end of the year by the Circuit Stewards, confirmed that the current residual market value of the buildings was greater than the carrying value of that part of the asset's cost to date.

Cost or valuation	Land £	Buildings £	Total £
Balance brought forward at 31 August 2022	1,036,943	2,073,886	3,110,829
Remove value of manse sold	(128,800)	(257,602)	(386,402)
Remove purchase price of manse sold	(116,667)	(233,333)	(350,000)
Add purchase price of 2 manses bought	360,000	720,000	1,080,000
Balance carried forward at 31 August 2023	1,151,476	2,302,951	3,454,427

17 Debtors and prepayments

All sums paid in advance at 1 September 2022 were for costs incurred during 2022-23. Similarly, it is expected that payments in advance at 1 September 2023 will be expensed in 2023-24. The 2021-22 unpaid church assessments debt was written off with a grant from the Mission Fund as agreed at Circuit Meeting.

Debtors and prepayments were made up as follows:	2022-23 £	2021-22 £
Debtors		
Contribution for Prayer handbooks	213	232
Unpaid church assessments 2021-22	-	8,809
Unpaid church assessments 2022-23	24,731	-
Prepayments		
Ministers' stipends paid in advance	24,063	22,390
Lettings fees paid in advance	-	210
Accrued income		
August rent paid in September	3,950	5,200
CMTF interest due for 31 August	4,000	385
Refund received in October for Copnor		
Church building insurance paid in May	3,305	
Total	60,262	37,226

Loans by the Circuit

Bedhampton Methodist Church	1,500	-
Total	61,762	37,226

18 Trustees for Methodist Church Purposes

The Circuit Model Trust Fund is held by TMCP in a Trustees Interest Fund on which interest is credited to the account each month. The Gane Bequest endowment fund is held by TMCP in a CFB Managed Mixed Fund on which the dividend distribution is credited to the Circuit's CFB deposit account each quarter. These are regarded as medium and long-term investments.

Market value	£
As at 1 September 2022	6,674
Revaluation	(283)
As at 31 August 2023	6,391
Net book value	
As at 31 August 2023	6,391
As at 31 August 2022	6,674

TMCP is the legal owner and Custodian Trustee of all Methodist Model Trust property, including Legacies, Endowments and Accumulated Funds. Trust property is held for and on behalf of local Managing Trustees who are responsible for the day-to-day management of trust property. TMCP ensure that, through providing guidance and acting under their direction, the Managing Trustees comply with charity law and Methodist law and policy as determined by the Methodist Conference.

19 Solicitors' Client Account

In June 2022 funds were transferred from the CMTF to Blake Morgan LLP Clients Account for the purchase of a replacement manse for a Deacon at 10 Panton Close, Emsworth. The purchase was completed on 4 October 2022 and the capital value of the purchase transferred to tangible fixed assets.

20 Central Finance Board (CFB) and Cash at Bank

The Circuit has one current account at CAF Bank Ltd, an authorised institution. The sums held on that account are immediately available. In addition, the Circuit has one deposit account at CFB, a common deposit fund. Interest is earned on this account and is credited monthly to the account; the sums deposited can be withdrawn without notice and without loss of interest. These sums are viewed as being liquid.

21 Creditors, accrued expenses and deferred income

	2022-23	2021-22
Creditors:	£	£
Audit fee	4,063	3,870
Expenses reimbursed	2,189	3,506
Assessment taken in error and owed to Cowplain Methodist Church	-	592
Farewell service collection owed to Methodist Church Fund for Training	389	-
Balance of donations paid into Refugee Asylum Fund	-	94

Accruals:

Accrued expenses	1,182	1,221
Manse repairs owed	888	442
Total creditors & accruals	8,711	9,725

Deferred income:

Assessments paid in advance	27,318	29,386
Rent paid in advance	1,035	3,535
Total	28,353	32,921
Total creditors	37,064	42,646

	Deferred 01-Sep-22	Released in year	Deferred in year	Deferred 31-Aug-23
Deferred income				
Assessments paid in advance	29,386	(29,386)	27,318	27,318
Rent paid in advance	3,535	(3,535)	1,035	1,035
Total	32,921	(32,921)	28,353	28,353

22 Grants payable within 1 year

It is Circuit policy to recognise committed grants immediately as expenditure and thus accrue the unpaid amounts at the year-end as liabilities. As at 31 August 2023, the Circuit had the following commitments to pay grants from the Mission Fund:

	2022-23	2021-22
	£	£
From Mission Fund:		
Remaining grant agreed for Beacon Church Bordon	36,261	50,516
Grant agreed towards Haslemere MC Mission Intern	25,800	22,000
Total agreed grants payable	62,061	72,516

23 Unrestricted Funds**23.1 General Fund – balance £3,681,650 at 31 August 2023 (2022: £3,443,749)**

The purpose of the fund is for use at the discretion of the trustees in the furtherance of the general objectives of the Circuit and which have not been designated for other purposes. 93.8% of this fund is held as 11 freehold properties which are used as manses for the ministers of the Circuit. Those manses that are not currently needed for ministers are rented out until such time as they are needed.

23.2 CMTF – balance £821,209 at 31 August 2023 (2022: £805,746)

The Circuit Model Trust Fund (CMTF) is held by the TMCP, note 18, and is where the majority of the reserve funds of the Circuit are held. These funds are not restricted by any document or deed to a specific purpose.

23.3 Designated Funds – balance £63,815 at 31 August 2023 (2022: £121,311)

The designated funds of the Circuit are: the Manse Fund which is funds that have been set aside to meet the repairs and maintenance as deemed necessary for the Circuit's manses; the Mission

and Outreach Fund which was funded by the equivalent salary costs of 3 lay employees made redundant in 2016-17 until 2021-22 when no further transfers were made, as agreed by Circuit Meeting; its purpose is to provide grants to Churches to assist with any mission and/or outreach projects. All of these funds have been set aside for specific purposes but none of them are restricted to that purpose alone by any document or deed. The balance at 31 August 2023 of £63,815 is made up of: £20,867 in the Manse Fund; £42,948 in the Mission and Outreach Fund plus £62,061 for agreed grants (note 22 above).

24 Endowment Fund – Gane Bequest

The Gane Bequest endowment fund is from a bequest left to Lees Lane Methodist Church and is held by TMCP in the Ex-Lees Lane Trust within the CFB Managed Mixed Fund. The dividends from this fund are paid into the Circuit's CFB deposit fund and are paid over to Gosport Methodist Church, by agreement of the trustees.

25 Movement in significant individual funds

Movement in funds for current year 12 months:

Fund	Balance at	Income	Expenditure	Transfers	Gains/ Losses	Balance at
	01-Sep-22					31-Aug-23
	£	£	£	£	£	£
General Fund	332,920	488,098	562,695	(31,100)		227,223
Property Reserve Fund	3,110,829			(1,932)	345,530	3,454,427
Circuit Model Trust Fund	805,746	225,895	178,329	(32,103)		821,209
Manse Fund (Des)	35,731		79,999	65,135		20,867
Mission & Outreach (Des)	85,580		42,632			42,948
Total unrestricted funds	4,370,806	713,993	863,655	0	345,530	4,566,674
Gane Bequest	6,674	0	0	0	(283)	6,391
Total endowment funds	6,674	0	0	0	(283)	6,391
Total funds	4,377,480	713,993	863,655	0	345,247	4,573,065

Comparatives for movement in funds for prior year 12 months:

Fund	Balance at	Income	Expenditure	Transfers	Gains/ Losses	Balance at
	01-Sep-21					31-Aug-22
	£	£	£	£	£	£
General Fund	248,358	556,174	442,612	(29,000)		332,920
Property Reserve Fund	3,496,607				(385,778)	3,110,829
Circuit Model Trust Fund	235,738	3,367	264,600		831,241	805,746
Manse Fund (Des)	36,169		29,438	29,000		35,731
Mission & Outreach (Des)	63,202		(22,378)			85,580
Total unrestricted funds	4,080,074	559,541	714,272	0	445,463	4,370,806
Local Preachers (Res)	0	250	250	0	0	0
Total restricted funds	0	0	0	0	0	0
Gane Bequest	7,121				(447)	6,674
Total endowment funds	7,121	0	0	0	(447)	6,674
Total funds	4,087,195	559,791	714,522	0	445,016	4,377,480

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

Fund	Balance at 01-Sep-21	Income	Expenditure	Transfers	Gains/ Losses	Balance at 31-Aug-23
	£	£	£	£	£	£
General Fund	248,358	1,044,272	1,005,307	(60,100)		227,223
Property Reserve Fund	3,496,607			(1,932)	(40,248)	3,454,427
Circuit Model Trust Fund	235,738	229,262	442,929	(32,103)	831,241	821,209
Manse Fund (Des)	36,169		109,437	94,135		20,867
Mission & Outreach (Des)	63,202		20,254			42,948
Total unrestricted funds	4,080,074	1,273,534	1,577,927	0	790,993	4,566,674
Local Preachers (Res)	0	250	250			0
Total restricted funds	0	250	250	0	0	0
Gane Bequest	7,121				(730)	6,391
Total endowment funds	7,121	0	0	0	(730)	6,391
Total funds	4,087,195	1,273,784	1,578,177	0	790,263	4,573,065

26 Volunteer contributions

Every entity (Connexion, District, Circuit and Church) within the Methodist Church in GB is heavily reliant on volunteers who contribute their skills, time and money in the furtherance of the work of the Church. Principally this contribution is by serving on committees of the Circuit that deal with mission, manses, finance, policy, grants, training, development. We are grateful to all of them for their help and commitment. It is impossible to put a monetary equivalent value on this.

27 Capital commitments and contingent liabilities

There were no capital commitments or contingent liabilities at the year end.

28 Auditor

An accrual has been made for the fee of the auditors in the sum of £4,063 for the year 2022-23 (2021-22 £3,870).

29 Related party disclosures

There were no related party transactions for the year ended 31 August 2023.

REPORT OF THE INDEPENDENT AUDITORS TO THE TRUSTEES OF EAST SOLENT AND DOWNS METHODIST CIRCUIT

Opinion

We have audited the financial statements of East Solent and Downs Methodist Circuit (the 'charity') for the year ended 31 August 2023 which comprise the Statement of Financial Activities, the Balance Sheet, the Cash Flow Statement and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the charity's affairs as at 31 August 2023 and of its incoming resources and application of resources for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Charities Act 2011.

Basis for opinion

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

Conclusions relating to going concern

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

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

Other information

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

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

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

Matters on which we are required to report by exception

We have nothing to report in respect of the following matters where the Charities Act 2011 requires us to report to you if, in our opinion:

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

REPORT OF THE INDEPENDENT AUDITORS TO THE TRUSTEES OF EAST SOLENT AND DOWNS METHODIST CIRCUIT

Responsibilities of trustees

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

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

Our responsibilities for the audit of the financial statements

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

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. To the extent to which our procedures are capable of detecting irregularities, including fraud is detailed below.

From discussion with management and those charged with governance information about the entity is documented to assess the activity within the organisation. We discuss management's assessment of risk in respect of irregularities, fraud and going concern.

Based on these discussions and our own assessments we determined that the key risk areas were income recognition in respect of cut off issues and management override concerning the size of the organisation.

We set financial statement materiality level based on the level of income. As a not for profit organisation raising income is its primary focus which is why income was used to determine the level of materiality. Our overall assessment of risk was used to determine performance materiality at an appropriate level.

Substantive audit tests were designed after assessing and performing walkthrough tests. The walkthrough testing confirmed documented systems which have been designed to act as a preventative measure against fraud and error which appear to be operating as documented. Substantive testing tested a sample of the population, representative of the population, to identify errors. The testing did not identify any material misstatements in areas tested.

Audit substantive tests concluded no material errors over the key risk areas of income recognition and management override.

The audit considers the organisation is not exposed to material risk of error as a result of assessing laws and regulations that are appropriate to the organisation.

Management assessed there is no going concern risk. The audit undertook a review of budgets, management accounts and the review of board minutes and came to the same conclusion as management.

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

**REPORT OF THE INDEPENDENT AUDITORS TO THE TRUSTEES OF
EAST SOLENT AND DOWNS METHODIST CIRCUIT**

Use of our report

This report is made solely to the charity's trustees, as a body, in accordance with Section 144 of the Charities Act 2011 and regulations made under Section 154 of that Act. Our audit work has been undertaken so that we might state to the charity's trustees those matters we are required to state to them in an auditors' report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the charity and the charity's trustees as a body, for our audit work, for this report, or for the opinions we have formed.



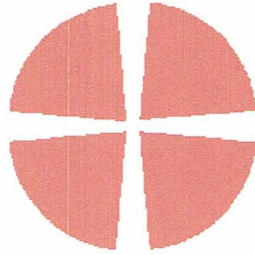
Morris Crocker Limited
Chartered Accountants
Statutory Auditors
Eligible to act as an auditor in terms of Section 1212 of the Companies Act 2006
Station House
North Street
Havant
Hampshire
PO9 1QU

Date: 18 March 2024

EAST SOLENT AND DOWNS METHODIST CIRCUIT

England & Wales - Charity number 1153209

Accounts



**EAST SOLENT AND DOWNS
METHODIST CIRCUIT**

TRUSTEES' ANNUAL REPORT

for the year ended

31 AUGUST 2022

1 Objectives and activities

In setting our objectives and planning our activities, the Circuit Meeting (under the leadership of the Circuit Leadership Team), which meets three times in each year, has given careful consideration to the Charity Commissioners' general guidance on public benefit and, in particular, to its supplementary public benefit guidance on advancing our objectives and conforms to the Charities Act 2011.

Our Mission is to resource and enable the Local Churches of the Circuit to pursue the mission of God through worship, learning and caring, service and evangelism.

This is done for as many people as possible within the geographical area the Circuit serves through the provision of staff, preachers, education and pastoral oversight. This enables the local Methodist Churches to provide Christian worship, spiritual development, and pastoral care both to church members and to the wider communities in which they are located.

The Circuit supports the advancement of the Christian Faith through ecumenical liaison with other Christian groups.

There is a significant increase in general house building and also accommodation for older people within the Circuit footprint. This is seen to be a growing opportunity for Mission and Outreach.

2 Achievements and performance

This again has been a challenging year for the Circuit as churches adapt to a post pandemic world. On the positive side we have continued to develop digital church which has enabled both churches and individuals to access a worship service on Sundays. This has assisted those situations where it had been difficult to find a preacher to lead worship in person. As during the pandemic most churches have at least one Sunday each month where no preacher can be planned, and this has allowed churches to develop local lay worship leaders and innovative styles of worship as we continue to praise and worship God.

Two of our church societies felt unable to continue after the pandemic as numbers reduced and local leadership positions were unfilled. Care was taken to ensure that all members so affected were able to contribute to the closure decision and were supported in their decision about their church membership for the future.

Last year we raised concerns about the feasibility of the lay pastor post in Gosport and during the course of this year we concluded that the post was no longer viable and the post was made redundant. Work continues to discern the most effective way to support the Methodist presence in Gosport.

We continue to work with the Diocese of Guildford and the United Reformed Church in relation to the church in Bordon. Sadly the relationship with the pioneer church has floundered to the extent that the Beacon project has effectively ceased to exist. St Mark's LEP is now the focus for outreach into the new town. The arrival of a Methodist deacon in September 2022 will enable better resourcing and focus.

EAST SOLENT AND DOWNS METHODIST CIRCUIT

Year ended 31 August 2022

Our plans with the Southampton District for a pioneering project in Portsmouth continue, but at a delayed pace because of the pandemic. It is hoped that a new missionary will be appointed in 2022/23.

Our conversations with the United Reformed Church about shared ministry in the Haslemere area have concluded with agreement that due to changed circumstances what we had considered is no longer feasible.

We have worked with the Methodist people in Portsmouth as they continue on their journey of uniting three congregations into one society. The necessary closure of one of the church buildings has hastened the journey but also added to its complexity.

In the knowledge of the scarcity of presbyters we have reflected carefully on the different roles occupied by deacons and how we might more effectively use them.

By a series of workshops and discussions groups we were able to ensure consultation with the membership about same sex marriage, although the pandemic intervened in the late stages. Consequent upon the decision of the Methodist Conference a number of churches have decided to register as authorised for same sex marriages, whilst others have decided not to change the status quo.

2.1 Plans for future years

- To continue to resource and enable the local churches to focus on worship and spiritual development.
- To continue to focus on mission activity that will lead new people into faith and so grow the number of Christians.
- To continue to work with the Diocese of Guildford in developing the Local Ecumenical Partnership at Bordon.
- To continue to work with the District to enable the appointment of a Missioner for Portsmouth.
- To review the provision of ministry on the Gosport peninsular.
- To continue to support the Methodist people in Portsmouth as they seek to discern the future location of the society.
- To review with local churches the availability of local leadership and consider whether their witness would be enhanced by joining together
- To continue to seek ways to support local churches with practicalities of buildings and finance.
- To continue to align our property portfolio with the needs of the Circuit going forward so that we make best use of our buildings.
- To continue to explore ways to respond to the Climate Emergency.

3 Financial review

During the year the Circuit received total income of £559,791 (2020-21: £522,838) and dispersed £714,522 (2020-21: £529,480). Total unrestricted reserves carried forward were £1,259,977 (2020-21: £583,467). £121,311 of these reserves are designated: £85,580 in the Mission Fund, after deducting £72,516 pledged for future projects; and £35,731 in the Manse Fund. The balance of £805,746 in the CMTF is split between £362,738 held by TMCP, and £443,008 held in a solicitors' client account pending the purchase of a manse.

EAST SOLENT AND DOWNS METHODIST CIRCUIT
Year ended 31 August 2022

The trustees of the Circuit have every reason to believe that the Circuit is a going concern, principally because the vast majority of Churches continue to meet their assessments and the Circuit has adequate reserves to cover a shortfall in anticipated income. There are no subsidiary undertakings. The closure of church buildings occasioned by Covid-19 restrictions continued to significantly reduce the income from lettings upon which many churches rely, as anticipated. Two churches were unable to meet their assessments for part of the year and £31,500 was transferred from the CMTF to cover the shortfall. The trustees anticipate that the situation will start to improve in 2021-22 for the majority of churches but are confident that there are sufficient reserves to support any churches which continue to have financial difficulties.

The Circuit has the following sources of funds:

- Interest on investments
- Assessments on Churches within the Circuit
- Income from let manses

These sums are used to administer the Circuit and to provide grants to Churches and individuals in the Circuit so that they may embark on or continue with projects that fulfil the mission of the Circuit by bringing more people to Christ or by providing facilities that might enable this to happen.

3.1 Remuneration policy

The remuneration for ministerial staff is determined by the Methodist Conference, and the recommended basis of the annual increase is the average of the increases in the Consumer Price Index and the Average Weekly Earnings Index. The Circuit then applies the same annual increase to the salaries of its lay staff which is approved by Circuit Meeting as part of the annual budget

3.2 Investment Policy and Performance

To comply with Methodist Standing Orders, monies for long term investment are lodged with the Trustees for Methodist Church Purposes (TMCP). TMCP acts as custodian trustee for all real estate held by Circuits and for all large (over £20,000) bequests and for the proceeds of sale of any property formerly owned by the Circuit. These sums are invested in unitised investments or held on deposit. The investment returns are close to tracking the movements in the FTSE100 index. The deposit income mirrors the deposit rates available elsewhere. East Solent and Downs Circuit trustees' investment policy is aligned with that of the CFB and TMCP because these organisations take into consideration the social, environmental and ethical considerations, both negatively and positively, that make investments suitable for the Methodist Church.

Short term deposits are lodged directly with the Central Finance Board (CFB) and attract comparatively good rates of interest.

There are no bench marks for the expected returns or appreciation on investments at TMCP and CFB. It is the Circuit's policy to manage the cash and investment resources of the Circuit so that a rate of return on investment – both by way of dividend and capital appreciation – is obtained at least as good as market rate considering the Circuit's low appetite for risk.

3.3 Reserves level and policy

The unrestricted reserves readily available total £1,259,977: of which £362,738 is held by TMCP in the Circuit Model Trust Fund; £443,008 is held in a solicitors' client account; and the balance of £454,231 represents the year-end level of reserves; within which £85,580 has been designated for mission activity and £35,731 has been designated for future major repairs to manses.

The Circuit has a reserves policy covering all its unrestricted funds which is reviewed annually. Grants are made annually out of the Circuit Model Trust Fund (MTF). Some grants will be paid by annual instalments and there will be applications repeated in future years. The trustees seek to ensure that there are sufficient funds in the MTF to meet these anticipated requests and the trustees now recognise future grants as expenditure in the Resources Expended section of the SOFA and liabilities on the Balance Sheet.

Reserves Policy

(a) Our policy for the Circuit General Fund is to hold at least six month's expenditure in hand. Our undesignated reserves at 31st August 2022 amounted to 65.8% of the General Fund budget expenditure. The income budget for 2022/23 plans to draw £60,100 from our general fund reserve to support expenditure.

(b) Our policy for the designated Mission and Outreach fund is to achieve a balance of £20,000. We have plans to spend £72,516 over the next two years in support of the new church at Bordon and of a Mission Intern at Haslemere Church and our budget plans will enable us to achieve this. The remaining balance in the Mission and Outreach fund at 31st August 2022 was £85,580.

(c) Our policy for the manse fund is to maintain a balance of £42,000 which equates to £3,500 per manse. The balance at 31st August 2022 was below the reserve level but will be restored from capital receipts in future years.

(d) Our Reserves Policy for the Circuit Model Trust Fund is to achieve a balance of £300,000. With increased missional vision in the Circuit this will need to be supported in terms of both people and buildings. Our policy is that no more than 50% of the fund shall be expended in any one year.

3.4 Collaborative arrangements with connected charities

The Circuit's main source of funding was the assessments obtained from each Church within the Circuit based on the membership and ability to pay and this was used to defray most of the cost of administering the Circuit which amounted to £714,522 (2020-21: £529,480).

The Circuit holds no funds as custodian trustee.

4 Trustees' responsibilities

For each financial year ending on 31st August the Trustees are required to prepare financial statements that give a true and fair view of the Circuit's financial activities during the year and of its financial position at the end of the year. In preparing these financial statements, the Trustees must:

- select suitable accounting policies and apply them consistently using the accruals method
- make judgements and estimates that are reasonable and prudent
- follow applicable accounting standards
- prepare accounts to comply with the Charities SORP

The Trustees are responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the Circuit and enables them to ensure that the financial statements comply with the law. They are also responsible for safeguarding the assets of the Circuit and hence taking reasonable steps for the prevention and detection of fraud and other irregularities.

The Trustees are responsible for the maintenance and integrity of the corporate and financial information included on the Circuit's website. Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

4.1 Risk

The Circuit is largely risk averse. Risks are managed by being aware of them, quantifying their impact not only in cost terms but in possible reputational or structural damage, laying them off through an insurer and minimising them by not taking them or by setting up control systems that report any significant change in the risk. The three significant risks that have been identified are:

1. Inability to appoint ministers and being without presbyteral staff. This is managed by giving careful attention to future workforce planning, trying to ensure that we do not have multiple vacancies in any one year, and by engaging in early conversation with the District Chair who has a significant role in stationing decisions. This year three members of staff gave notice that they were leaving earlier than planned. We had insufficient notice to enter the full stationing process and have sought to replace them by making local appointments.
2. The Circuit's main source of funding is the assessments levied on each church and there is an increasing risk that some churches may not have sufficient funds to pay their assessment. This risk is managed by holding sufficient reserves, planning ahead with a five year budget and continually monitoring expenditure against budget.
3. Safeguarding children and vulnerable adults. The Circuit policy is to adhere to the Methodist Church's policy on Safeguarding Children and Vulnerable Adults and to require all churches to comply with the Methodist Church's Safeguarding policy. The Circuit provides regular safeguarding training that can be accessed by churches within the Circuit to support them in complying with the policy.

5 Structure, governance and management

The Circuit is an unincorporated association and is governed by the Methodist Church Act 1976, the Deed of Union and the Model Trust Deeds of the Methodist Church and was registered with the Charity Commissioners on 2 August 2013.

5.1 Structure

The Circuit is the coordinating charity for local groups of Churches, some of whom are registered as independent charities and the balance of whom are excepted charities. The Circuit pays the stipends of the ministers and employs lay staff to serve its Churches; most decisions are made at or ratified by the Circuit Meeting. The Circuit is part of the Southampton District which is the coordinating charity for a group of contiguous Circuits. District decisions are made at the half yearly synod to which the Circuit appoints both lay and ordained representatives. The Methodist Conference meets once each year as the supreme denominational body for all Methodist Churches.

EAST SOLENT AND DOWNS METHODIST CIRCUIT
Year ended 31 August 2022

1. Overall regulatory authority rests with the Methodist Conference.
2. The Connexional Office implements decisions made by Conference and is also responsible for the stationing of presbyters and deacons (collectively known as ministers) in individual Circuits.
3. Connexional decisions are passed via Districts to Circuits for local implementation by the Superintendent Minister, ministerial staff and Circuit Stewards, and authority is delegated to the Circuit Meeting for certain matters.
4. The Circuit Meeting passes regulatory control down to Church Councils for local implementation by the presbyter, the Church Stewards, and other officers, and this regulatory authority is then exercised by Church Councils as Managing Trustees of their charity.

5.2 Purpose of the Circuit

The Circuit is an expression, over a wider geographical area than any Church, of the Connexional character of the Church.

The purposes of the Methodist Church are and shall be deemed to have been since the date of the union the advancement of:

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

The primary purpose of this Circuit is to advance the mission of the Church in areas of Hampshire, Surrey and Sussex

- by providing opportunities for Churches to work together and support each other
- by offering to Churches resources of personnel and expertise and occasionally finance

The Circuit serves the Local Churches and the Conference in the support, deployment and oversight of the various ministries of the Church, and in programmes of training.

5.3 Governance

The Circuit operates within a statutory framework of regulation and seeks to ensure that it follows Methodist Standing Orders. It relies on the Connexional Office at 25 Marylebone Road, London NW1 5JR to provide guidance on changes that could affect the Circuit.

The Circuit Meeting meets three times a year and is the decision-making body for the Circuit. Membership of the Circuit Meeting is made up of Presbyters and Deacons who are stationed in the Circuit, Supernumerary Ministers stationed in the Circuit who chose to be members, two representatives from each Church chosen annually by each church, Circuit Stewards who are appointed annually by the Circuit Meeting and individual members appointed annually by the Circuit Meeting to ensure that all areas of the Circuit's work is appropriately represented.

EAST SOLENT AND DOWNS METHODIST CIRCUIT
Year ended 31 August 2022

The Circuit Leadership Team, whose membership comprises the Presbyters and Deacons stationed in the Circuit together with the Circuit Stewards, meet regularly between Circuit Meetings to implement the decisions of Circuit Meeting and to provide strategic leadership to the Circuit by formulating policies and proposals to bring to the Circuit Meeting for approval that will advance the Mission of the Circuit. There is a Circuit Finance Group who meet when needed during the year and who report to and are accountable to the Circuit Meeting.

6 Reference and Administrative Details

6.1 Name of the charity

The East Solent and Downs Methodist Circuit.

6.2 Charity registration number

1153209, registered in England and Wales

6.3 Principal Office

19/21 High Street
Emsworth
Hampshire
PO10 7AQ
Telephone 01243 371806

6.4 Circuit Superintendent

Revd David Muskett

6.5 Circuit Treasurer

Mr Nigel Cox

6.6 Names of trustees

The following served as trustees throughout part or all of the year 2021-22 or were trustees at the time of this report being approved:

Mr	M	Avis		Revd	J	Illsley	
Mrs	P	Barrow	until May 22	Mrs	J	Martyn	until 31/8/22
Mr	K	Bassett		Miss	J	Mason	
Mrs	D	Beesley		Mrs	J	Minnell	
Mr	D	Beesley		Mr	P	Moody	
Mr	R	Bond	until Oct 21	Mrs	H	Murphy	until Apr 22
Mrs	J	Brandon		Revd	D	Muskett	
Mrs	S	Calvert		Mrs	M	Newnham	until Apr 22
Mrs	L	Collins		Mr	H	Nightingale	
Revd	D	Coote		Mrs	B	Noakes	until Apr 22
Mr	N	Cox		Mr	A	Painter	
Mrs	P	Cuckow		Mrs	J	Pannell	

EAST SOLENT AND DOWNS METHODIST CIRCUIT
Year ended 31 August 2022

Mr	A	Dabbs		Mr	M	Petter	
Mrs	A	Davis	until Apr 22	Mrs	A	Rice	
Miss	P	Dimmick		Revd	D	Rice	
Mrs	S	Dewberry		Dcn	S	Richardson	from Sep 22
Mrs	P	Dey	from Oct 21	Mrs	B	Ross	
Mr	R	Duke	from May 22	Mr	D	Sawyer	
Mr	B	Dyer		Revd	C	Simpson	
Revd	E	Goddess		Mr	G	Smithers	
Revd	R	Goddess		Mrs	R	Standford	
Mrs	A	Griffiths		Mrs	A	Steinhausen	
Mr	P	Gregory		Mr	M	Thomas	
Dcn	J	Hacon	from Sep 22	Mrs	M	Travell	
Mr	A	Haynes		Mrs	E	Wade	from Sep 22
Mrs	S	Haynes		Mrs	M	Wheeler	
Mrs	B	Hayward		Mrs	C	Wilkins	
Mrs	E	Hodges		Mrs	C	Withers	from Sep 22
Mr	B	James		Mrs	L	Wright	until Apr 22
Mrs	F	Jenkins		Revd	S	Wright	

No trustee claims exemption from disclosure of his or her name here.

6.7 Bankers

CAF Bank Ltd
25 Kings Hill Avenue
Kings Hill
West Malling
Kent
ME19 4JQ

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

6.8 Investment managers and custodian trustees

Trustees for Methodist Church Purposes
Central Buildings
Oldham Street
Manchester
M1 1JQ

6.9 Auditors appointed 1 March 2016

Morris Crocker
Chartered Accountants
Station House
North Street
HAVANT
PO9 1QU

EAST SOLENT AND DOWNS METHODIST CIRCUIT
Year ended 31 August 2022

Approvals

The Trustees' Report and the Financial Statements were approved by the Circuit Meeting on 4 March 2023

Signed on behalf of the Circuit, as authorised:

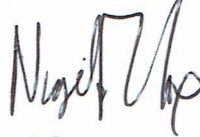
David Muskett (signed)



David Muskett
Circuit Superintendent

Date: 4 March 2023

Nigel Cox (signed)



Nigel Cox
Circuit Treasurer

Date: 4 March 2023

Statement of Financial Activities (SOFA) for the year ended 31 August 2022

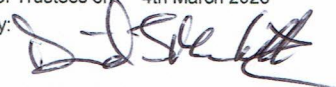
	Notes to the accounts	General Fund (Unrestricted) £	Circuit Model Trust Fund (Unrestricted) £	Designated Funds (Unrestricted) £	Restricted Funds £	Endowment Funds £	Total 2021-22 £	Total 2020-21 £
Income and Endowments								
Income from investments		2,237	3,367				5,604	1,725
Income from charitable activities								
Assessments on churches	4	422,719					422,719	444,540
Total from charitable activities		422,719	0	0	0	0	422,719	444,540
Lettings		123,821					123,821	73,310
Total charitable income		548,777	3,367	0	0	0	552,144	519,575
Other income	6	7,397			250		7,647	3,263
Total income and endowments		556,174	3,367	0	250	0	559,791	522,838
Expenditure								
Expenditure on charitable activities								
Grants and donations	7,22	3,652	-102,500	-22,377			-121,225	-9,901
Stipends and associated costs	8	237,497	41,000				278,497	319,839
Maintenance on manses	9	280		21,239			21,519	33,848
Office expenses	10	5,115					5,115	4,624
Telephone and travel	10	19,694					19,694	11,767
Insurance and utility costs	11	13,370		8,198			21,568	29,683
District assessment		16,704					16,704	15,156
Methodist Church Fund		84,504					84,504	79,440
Contribution to District Advance Fund	13		325,111				325,111	20,478
Expenditure on other circuit property	9	37,984					37,984	10,204
Other outgoings	12,13	23,812	989		250		25,051	14,342
Total charitable expenditure		442,612	264,600	7,060	250	0	714,522	529,480
Net income before investment gains/losses								
		113,562	-261,233	-7,060	0	0	-154,731	-6,642
Net (losses)/gains on investments	13,18					-447	-447	1,104
Net (expenditure)/income before transfers								
		113,562	-261,233	-7,060	0	-447	-155,178	-5,538
Transfers between funds								
Transfers between funds	14	-29,000		29,000			0	0
Other gains/(losses)	15	-385,778	831,241				445,463	0
Net movement in funds								
		-301,216	570,008	21,940	0	-447	290,285	-5,538
Total funds brought forward								
	23-26	3,744,965	235,738	99,371	0	7,121	4,087,195	4,092,733
							0	0
Total funds carried forward								
	23-26	3,443,749	805,746	121,311	0	6,674	4,377,480	4,087,195

Balance Sheet as at 31 August 2022

Notes to the accounts	General Fund (Unrestricted)	Circuit Model Trust Fund (Unrestricted)	Designated Funds (Unrestricted)	Restricted Funds	Endowment Funds	Totals 2022	Totals 2021
						£	£
Fixed Assets							
Manses	16	3,110,829				3,110,829	3,496,607
Investment properties						0	0
Investments	18,25				6,674	6,674	7,121
Total fixed assets		3,110,829	0	0	0	6,674	3,503,728
Current Assets							
Debtors and prepayments	17	36,841	385			37,226	33,144
Loans by the Circuit	17					0	10,000
Investments with TMCP	18		362,353			362,353	338,192
Solicitors' Client Account	19		443,008			443,008	
Central Finance Board Deposits	20	319,947		194,269		514,216	457,338
Cash at Bank and in hand	20	18,242			94	18,336	14,324
Total current assets		375,030	805,746	194,269	94	0	852,998
Current liabilities							
Creditors (due in under 1 year)	21	42,110		442	94	42,646	45,031
Grants payable within 1 year	22			72,516		72,516	224,500
Total current liabilities		42,110	0	72,958	94	0	269,531
Net current assets/liabilities		332,920	805,746	121,311	0	0	583,467
Total assets less current liabilities		3,443,749	805,746	121,311	0	6,674	4,377,480
Net assets		3,443,749	805,746	121,311	0	6,674	4,377,480
Funds of the Circuit							
Unrestricted:							
General Fund	23.1	332,920				332,920	248,358
Property Fund	23.1	3,110,829				3,110,829	3,496,607
Circuit Model Trust Fund	23.2		805,746			805,746	235,738
Designated Funds	23.3			121,311		121,311	99,371
Total Unrestricted Funds						4,370,806	4,080,074
Restricted Funds	24				0	0	0
Endowment Funds	25					6,674	7,121
Total Funds	26	3,443,749	805,746	121,311	0	6,674	4,377,480

The financial statements were approved by the Board of Trustees on 4th March 2023

They were signed on behalf of the Board of Trustees by:



Revd D Muskett

1 Accounting framework and accounting policies

i Accounting framework

The financial statements have been prepared under the Charities Act 2011 in accordance with the 2015 version of *Accounting and Reporting by Charities: Statement of Recommended Practice (SORP)* applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (effective from 1 January 2015) – (the Charities SORP (FRS 102) as amended by Update Bulletin 2).

ii Public benefit entity

The East Solent and Downs (ESandD) Circuit meets the definition of a public benefit entity under FRS 102. Assets and liabilities are initially recognised at historical cost or transaction value unless otherwise stated in the relevant accounting policy notes below.

iii Basis

These accounts have been prepared on the basis of historical cost, except that investments are shown at their market value at the end of the year, on the accruals basis to show a true and fair view of the Circuit's financial position and activities.

iv Content

The financial information presented is relevant, reliable, comparable and complete. Where estimates are used these are based on experience, research and judgement. The accounts are expressed in £Sterling, rounded to the nearest pound.

v FRS102 SORP2015

These accounts are compliant with FRS102 and with the FRS102 SORP 2015.

vi Going concern

Based on the monetary assets and human resources available at 31 August 2022, the trustees believe that the Circuit is a going concern.

vii Income recognition

Income is brought into account when it is more likely than not that the economic benefit of the income will be forthcoming. No attempt is made to measure the value of services donated by volunteers and, in accordance with the Charities SORP (FRS 102) the time of volunteers is not recognised. Individual amounts categorised as other income in the SOFA will be shown separately if they are considered material. The Circuit acts as agent in the collection of donations to Connexional Funds from churches which are paid to the relevant Connexional Fund on a regular basis. The transactions are not reflected in the SOFA because the sums received cannot be recognised as income in the Circuit as they are the income of the Connexional Funds.

viii Expenditure

This is recognised when a liability is incurred, or a constructive obligation arises, that results in the payment being unavoidable. Liabilities are recognised as soon as an outflow of economic benefit is considered more likely than not under the legal or constructive obligation committing the Circuit to pay out resources.

ix Grants

Grants are recognised in full when the award is made once the Circuit accepts that there is a legal or constructive obligation to make payment and that such payment is probable.

x VAT

The Circuit is not VAT registered and all input VAT is charged with the expense to which it refers.

xi Tangible fixed assets

These are capitalised if they can be used for more than one year, and individually cost at least £1,000. The freehold property is shown in the accounts at the total cost value of all the manses on 1 September 2015, except for the new manse, purchased in 2016-17, which was brought into the accounts at its purchase price. The total land component is deemed to be £1,036,943, see Note 16. No depreciation is provided on the buildings because the trustees consider the residual value of the manses is not less than cost and the depreciation would be immaterial. The Circuit makes use of the deemed cost transitional provisions of the FRS 102 SORP.

xii Investment Properties

There are no investment properties. Those properties owned by the Circuit but not used as manses, are rented out, and are being kept by the Circuit, pending future staffing requirements

xiii Investments

The investments of ESandD Circuit are held by the Trustees for Methodist Church Purposes (TMCP) as custodian trustees. The valuations, at market value, are those provided by TMCP. The unrealised gains arising on investments at the end of the year are shown in the SOFA and in Notes 13, 18 and 25 below.

xiv Financial Instruments

The charity only enters into basic financial instruments transactions that result in the recognition of financial assets and liabilities like trade and other accounts receivable and payable investments in stocks and shares. The measurement basis used for these financial instruments is detailed below.

xv Receivables and Payables; Bank and Cash

Debtors are stated at the amounts owed to the Circuit or prepaid. Creditors are initially recognised at settlement amount after any trade discounts, where normal credit terms apply, or at amount advanced to the Circuit. Subsequently, creditors that are current liabilities are measured at the cash or other consideration, are expected to be paid. The liquid funds of bank balances and deposit account balances are shown at the realisable values.

xvi Loans

Where concessionary loans (*ie* free of interest) are made to (or received by) the Circuit to further its charitable purposes, and are repayable after more than one year, they are initially recognised at the amount paid [or received], with the carrying value adjusted in subsequent years to reflect repayments and any accrued interest, adjusted for any impairment, if necessary.

Where there is objective evidence of impairment, an immediate impairment loss is recognised in the Statement of Financial Activities. Subsequent reversals of an impairment loss that objectively relate to an event occurring after the impairment loss was recognised, are recognised immediately in the Statement of Financial Activities.

2 Glossary of terms

CFB: Central Finance Board of the Methodist Church manages a Common Deposit Fund and a series of pooled investment funds for Methodist entities in Great Britain and provides investment advice to those entities

Church: a group of members from fewer than 10 to more than 300

Circuit: a group of Methodist Churches near each other, typically between 10 and 30

CMTF: Circuit Model Trust Fund

Connexion: The Methodist Church in GB which includes the national office at Methodist Church House, all Methodist Districts, Circuits and Churches in Great Britain

FRS: Financial Reporting Standard

MCF: Methodist Church Fund

SOFA: Statement of Financial Activities

SORP: Statement of Recommended Practice

TMCP: Trustees for Methodist Church Purposes, the legal owner and Custodian Trustee of all Methodist Model Trust property, including Legacies, Endowments and Accumulated Funds

3 Statement of Financial Activities for the year ended 31 August 2021

	General Funds (Unrestricted) £	Designated Funds (Unrestricted) £	Restricted Funds £	Endowment Funds £	Total 2020-21 £
Income and Endowments					
Income from investments	1,725	0	0	0	1,725
Income from charitable activities					
Assessments on churches	444,540				445,540
Total from charitable activities	444,450	0	0	0	445,540
Lettings	73,310				73,130
Total charitable income	519,575	0	0	0	519,575
Other income	3,263	0	0	0	3,263
Total income and endowments	522,838	0	0	0	522,838
Expenditure					
Expenditure on charitable activities					
Grants and donations	99	-10,000			-9,901
Stipends and associated costs	319,839				319,839
Maintenance on manses	260	33,588			33,848
Office expenses	4,624				4,624
Telephone and travel	11,767				11,767
Insurance and utility costs	21,005	8,678			29,683
District assessment	15,156				15,156
Methodist Church Fund	79,440				79,440
Contribution District Advance Fund	20,478				20,478
Expenditure on other circuit property	10,204				10,204
Other outgoings	14,342				14,342
Total charitable expenditure	497,214	32,266	0	0	529,480
Net income before investment gains/(losses)	25,624	-32,266	0	0	-6,642
Net (losses)/gains on investments				1,104	1,104
Net (expenditure)/income before transfers	25,624	-32,266	0	1,104	-5,538
Transfers between funds	-66,800	66,800			0
Other gains/(losses)					
Net movement in funds	-41,176	34,534	0	1,104	-5,538
Total funds brought forward	4,021,879	64,837	0	6,017	4,092,733
Less future instalments of grant					
Total funds carried forward	3,980,703	99,371	0	7,121	4,087,195

4 Assessments on Churches

The Circuit oversees the work of the following Churches:

Beacon Church, Bordon
Bedhampton Methodist Church
St Mark's, Bordon
Bridgemary Methodist Church
Cowplain Methodist Church
Drayton United Church
Emsworth Methodist Church
Fareham Methodist Church
Gosport Methodist Church
Hart Plain Church
Haslemere Methodist Church
Havant Methodist Church
Lee on the Solent Methodist Church
Lindford Methodist Church
Liphook Methodist Church
Midhurst Methodist Church
Petersfield Methodist Church
Portchester Methodist Church
Portsmouth Methodist Church
Stubbington Methodist Church
Wymering Methodist Church

The Beacon Church at Bordon is subject to a partnership agreement between the Anglican Guildford Diocese and the East Solent and Downs Methodist Circuit. The Circuit is represented on the Mission Initiative Council which oversees the work at the Beacon Church. The staffing arrangements for the churches in Bordon changed in 2020-21 and the Methodist funding commitments have been reviewed and grants committed for a church building and housing are no longer needed.

In normal years the assessment paid by churches is calculated using a formula of 12.5% membership, 12.5% attendance and 75% ability to pay. The exceptions to this are the local ecumenical partnership churches at Hart Plain and St Mark's church Bordon who pay a parish share to the relevant Diocesan authority and the contribution they make to Circuit funds is reduced to take account of this. For 2021-22, in recognition of the impact of the pandemic, the assessment formula was amended so that no account was taken of attendance. Membership determined 25% of the assessment and ability to pay 75%. In addition, it was decided that no church should be asked to pay an increase and that any reduction should be limited to 20%. Any shortfall was to be met from reserves.

During the year, 2 churches, Bridgemary Methodist Church and Cowplain Methodist Church, closed and ceased to provide worship. However, both churches paid their 2021-22 assessment in full. The debts arising from unpaid 2020-21 assessments have been written off using a grant from the Circuit's Mission Fund as agreed at the Circuit Meeting. Gosport Methodist Church was only able to pay 6 months of its 2021-22 assessment and the remaining 6 months has been entered as a debt to be reviewed at the end of 2022-23.

5 Payments to trustees

It is Circuit policy to offer to reimburse Ministers, Circuit Stewards, Local Preachers and Supernumerary Ministers for expenditure properly incurred in carrying out their duties. Expenses that have been reimbursed are itemised under office expenses, telephone and travel, and other

outgoings under Notes 10 and 12. The total amount reimbursed is £17,841 to 9 trustees. This is a significant increase when compared to 2020-21 (£8,836) due mainly to increased travel costs.

6 Other income

The figure of £7,647 (2020-21: £3,263) is: £2,897 from bookkeeping services offered to Churches; a £4,500 payroll advance paid as a loan and repaid within the year; a £250 grant received towards tuition costs for a local preacher and paid to the local preacher within the year.

7 Grants and donations and related support costs

Several grants were made during 2021-22 to pay the interest received from the Gane Bequest and to churches for roof repairs and mission work. The grants for housing and a church building for the Beacon Church Bordon were removed as they were no longer needed and this resulted in the negative net total of £121,225 (2020-21: -£9,901).

	2021-22	2020-21
	£	£
From General Fund:		
Gane Bequest interest paid to Gosport MC	152	99
Grant paid to Gosport Mc for roof repairs	3,500	
Total	3,652	99
From Circuit Model Trust Fund:		
Remove agreed grant to Beacon Church	-102,500	
Total	-102,500	0
From Mission & Outreach Fund:		
Remove agreed grant to Beacon Church	-40,000	-10,000
Grants to Churches for mission projects	1,139	
Write off 2020-21 unpaid assessments	16,484	
Total	-22,377	-10,000
Total grants and donations	-121,225	-9,901

8 Salaries and associated costs

Gross salaries paid to 9 (11 in 2020-21) employees were as follows:

	2021-22	2020-21
	£	£
Gross pay	191,801	247,880
Employer's National Insurance Contributions	15,583	20,747
Employer's pension contributions to defined benefit schemes	30,113	51,212
Voluntary contribution to employer's pension	41,000	-
Total stipends and associated costs	278,497	319,839

No employees received employee benefits that totalled more than £60,000. There were no accruals for holiday pay. All staff were paid at or above the living wage. There are no key management personnel.

Most ordained presbyters and deacons are members of the Methodist Ministers' Pension Scheme (MMPS). This is a defined benefit scheme. The Supreme Court held in 2014 that Methodist ministers (which term includes presbyters and deacons) are not employees of the Church. For simplicity, however, when dealing with National Insurance Contributions and pension contributions, the terms 'employer' and 'employee' are used as they would be in an employing

body. The 2021 Methodist Conference received a report on the deficit that had accrued on the Methodist Ministers' Pension Scheme and passed a resolution for each Church, Circuit and District to consider a voluntary contribution of 15% of their total funds. This was agreed at Circuit Meeting and a contribution of £41,000 was paid to the Pension Reserve Fund.

ESandD Circuit is registered with the NEST Pension Scheme and contributes 6% of gross salary for its eligible employees and any other employees that elect to join the pension scheme. This is in accordance with the directive from Conference.

9 Maintenance on manses and expenditure on other Circuit property

	2021-22	2020-21
	£	£
Maintenance and repairs on manses	21,239	33,588
Quinquennial inspections on manses	280	260
Maintenance on manses total	21,519	33,848
Quinquennial inspections on churches	860	3,250
Letting agent fees	10,540	6,474
Manse purchase costs	2,526	480
Copnor Church building costs	20,656	
Bridgemary Church building costs	3,402	
Expenditure on other Circuit property total	37,984	10,204

10 Office expenses and telephone and travel

	2021-22	2020-21
	£	£
Ministers' & Lay employees office costs	1,445	1,392
Circuit office costs	3,670	3,232
Office expenses total	5,115	4,624
Ministers' & Lay employees travel costs	15,655	6,492
Circuit Stewards' travel costs	930	732
Ministers' & Lay employees telephone costs	3,109	4,543
Telephone and travel total	19,694	11,767

11 Insurance and utility costs

	2021-22	2020-21
	£	£
Manses insurance	8,198	8,678
Manses council tax	11,308	17,955
Manses water & sewerage rates	2,062	3,050
Total	21,568	29,683

12 Other outgoings

	2021-22	2020-21
	£	£
Local preachers' expenses	1,494	520
Supernumeraries' expenses	2,256	1,050
Circuit Stewards' other costs	4	-
Training and Development costs	1,106	40
Audit fees	3,870	3,640
Youth work	225	-
Bank charges	108	98
Contribution to URC for Drayton United Church	992	992
Miscellaneous costs	2,863	2,345
Removal costs	5,194	4,278
Relocation allowance	1,200	600
Loan to minister for a payroll advance	4,500	-
TMCP admin charge	989	779
Grant for contribution to tuition costs paid out	250	-
Total	25,051	14,342

None of the remaining individual amounts – aggregated as 'miscellaneous costs' above - is considered material and therefore, none are listed separately.

13 Investment management

During the year the Circuit paid £989 (2020-21: £779) to TMCP, the custodians of the CMTF. This was levied at 0.285% on the value of the funds at the end of the previous year (£338,192) plus a £25 charge for a priority payment, and is shown in the other outgoings line on SOFA and in Note 12 above.

The Circuit paid £16,615 (2020-21: £20,478) to the District Advance Fund of Southampton District which was levied on an asset value in the CMTF of £338,192 as at 31 August 2021 and calculated on the following basis: 2.5% on first £100,000; 5% on £100,000 - £250,000; 7.5% on anything above £250,000; plus £308,496 taken as the CPF Levy on the sale proceeds of Cousins Grove which were £831,241 and which was calculated in accordance with CPD Standing Order 972 as: nil % on first £20,000; 20% on £20,000 to £100,000; 40% on anything above £100,000. The total of £325,111 is shown in the SOFA as a separate line.

The amount of -£447 (2020-21: £1,104) on the net gains/(losses) on investments line of the SOFA, represents the net unrealised loss in the Gane Bequest endowment funds. More information can be found at Notes 18, 25 and 26.

14 Transfers between funds

The transfers between funds shown on the SOFA, represents transfers of budget amounts and a transfer from the CMTF as agreed by Circuit Meeting, and the amounts shown are £29,000 net out of the General Fund and into the Manse Fund: £20,000 for manse repairs and £9,000 for manse insurance as agreed by the Trustees in the budget at Circuit Meeting.

15 Other gains/(losses)

In September 2022 one of the manses, 16 Cousins Grove, was sold and the proceeds of £831,241 were paid into the CMTF. The sum of -£385,778 represents the removal of the insured value of 16 Cousins Grove from the value of the freehold property. See Note 16 for further information.

16 Manse and other property

The basis for the deemed cost of the 11 manses is the total of the building insured values as at 1 September 2015 except for the new manse for which the purchase value was used. This amount has been split into one third land value and two thirds buildings value. The frozen valuation option has been adopted.

There is no depreciation on the manses as the informal review of the manses as carried out at the end of the year by the Circuit Stewards, confirmed that the current residual market value of the buildings was greater than the carrying value of that part of the asset's cost to date.

Cost or valuation	Land	Buildings	Total
	£	£	£
Balance brought forward at 31 August 2021, frozen at 1 September 2015, deemed cost	1,165,536	2,331,071	3,496,607
Remove: insured value of manse sold	(128,593)	(257,185)	(385,778)
Transfers between categories	-	-	-
Balance carried forward at 31 August 2022	1,036,943	2,073,886	3,110,829

17 Debtors and prepayments

All sums paid in advance at 1 September 2021 were for costs incurred during 2021-22. Similarly, it is expected that payments in advance at 1 September 2022 will be expensed in 2022-23. The loan to Bedhampton Methodist Church was to be repaid over 5 years with an extension to 2024 agreed in 2020-21; a total of £10,000 was paid back in 2021-22. The 2020-21 unpaid church assessments debt was written off with a grant from the Mission Fund as agreed at Circuit Meeting.

Debtors and prepayments were made up as follows:	2021-22	2020-21
	£	£
Debtors		
Contribution for Conference minutes	-	25
Contribution for Prayer handbooks	232	101
Contribution for church DBS checks	-	23
Unpaid church assessments 2020-21		16,484
Unpaid church assessments 2021-22	8,809	-
Prepayments		
Ministers' stipends paid in advance	22,390	12,715
Lettings fees paid in advance	210	-
Accrued income		
August rent paid in September	5,200	3,750
CMTF interest due for 31 August	385	46
Total	37,226	33,144
Loans by the Circuit		
Bedhampton Methodist Church	-	10,000
Total	37,226	43,144

18 Trustees for Methodist Church Purposes

The Circuit Model Trust Fund is held by TMCP in a Trustees Interest Fund on which interest is credited to the account each month. The Gane Bequest endowment fund is held by TMCP in a CFB Managed Mixed Fund on which the dividend distribution is credited to the Circuit's CFB deposit account each quarter. These are regarded as medium and long-term investments.

Market value	£
As at 1 September 2021	7,121
Revaluation	(447)
As at 31 August 2022	6,674
Net book value	
As at 31 August 2022	6,674
As at 31 August 2021	7,121

TMCP is the legal owner and Custodian Trustee of all Methodist Model Trust property, including Legacies, Endowments and Accumulated Funds. Trust property is held for and on behalf of local Managing Trustees who are responsible for the day-to-day management of trust property. TMCP ensure that, through providing guidance and acting under their direction, the Managing Trustees comply with charity law and Methodist law and policy as determined by the Methodist Conference.

19 Solicitors' Client Account

In June 2022 funds were transferred from the CMTF to Blake Morgan LLP Clients Account for the purchase of a replacement manse for a Deacon at 10 Panton Close, Emsworth. As at 31 August 2022, the purchase had not been completed and the funds are viewed as a liquid asset of the Circuit.

20 Central Finance Board (CFB) and Cash at Bank

The Circuit has one current account at CAF Bank Ltd, an authorised institution. The sums held on that account are immediately available. In addition, the Circuit has one deposit account at CFB, a common deposit fund. Interest is earned on this account and is credited monthly to the account; the sums deposited can be withdrawn without notice and without loss of interest. These sums are viewed as being liquid.

21 Creditors, accrued expenses and deferred income

	2021-22	2020-21
Creditors:	£	£
Audit fee	3,870	3,720
Expenses reimbursed	3,506	985
Assessment taken in error and owed to Cowplain Methodist Church	592	-
Balance of Connexional Grant due payable to Beacon Church Bordon	-	862
Balance of donations paid into Refugee Asylum Fund	94	93
Accruals:		
Accrued expenses	1,221	1,405
Manse repairs owed	442	3,968
Total creditors & accruals	9,725	11,033

Deferred income:

Assessments paid in advance	29,386	32,998
Rent paid in advance	3,535	1,000
Total	32,921	33,998

	Deferred 01-Sep-21	Released in year	Deferred in year	Deferred 31-Aug-22
Deferred income				
Assessments paid in advance	32,998	(32,998)	29,386	29,386
Rent paid in advance	1,000	(1,000)	3,535	3,535
Total	33,998	(33,998)	32,921	32,921

22 Grants payable within 1 year

It is Circuit policy to recognise committed grants immediately as expenditure and thus accrue the unpaid amounts at the year-end as liabilities. As at 31 August 2022, the Circuit had the following commitments to pay any grants from the CMTF and Mission Fund:

	2021-22	2020-21
	£	£
From CMTF:		
Grant agreed for Beacon Church Bordon	-	102,500
From Mission Fund:		
Remaining grant agreed for Beacon Church Bordon	50,516	94,471
Grant agreed towards Haslemere MC Mission Intern	22,000	22,000
From Beacon Church Fund:		
Grant agreed for Beacon Church Bordon	-	5,529
Total agreed grants payable	72,516	224,500

23 Unrestricted Funds**23.1 General Fund – balance £3,443,749 at 31 August 2022 (2021: £3,744,965)**

The purpose of the fund is for use at the discretion of the trustees in the furtherance of the general objectives of the Circuit and which have not been designated for other purposes. 90.3% of this fund is held as 11 freehold properties which are used as manses for the ministers of the Circuit. Those manses that are not currently needed for ministers are rented out until such time as they are needed.

23.2 CMTF – balance £805,746 at 31 August 2022 (2021: £235,738)

The Circuit Model Trust Fund (CMTF) is held by the TMCP, note 18, and is where the majority of the reserve funds of the Circuit are held. These funds are not restricted by any document or deed to a specific purpose. £443,008 of the CMTF are held in a solicitor's client account, pending the purchase of a replacement manse, note 19.

23.3 Designated Funds – balance £121,311 at 31 August 2022 (2021: £99,371)

The designated funds of the Circuit are: the Manse Fund which is funds that have been set aside to meet the repairs and maintenance as deemed necessary for the Circuit's manses; the Mission

and Outreach Fund which was funded by the equivalent salary costs of 3 lay employees made redundant in 2016-17 until 2021-22 when no further transfers were made, as agreed by Circuit Meeting; its purpose is to provide grants to Churches to assist with any mission and/or outreach projects. All of these funds have been set aside for specific purposes but none of them are restricted to that purpose alone by any document or deed. The balance at 31 August 2022 of £121,311 is made up of: £35,731 in the Manse Fund; £85,580 in the Mission and Outreach Fund plus £72,516 for agreed grants (note 22 above).

24 Restricted Funds – Beacon Church Fund and Local Preachers Fund

In 2017-18 a restricted fund was set up to collect donations made by Churches for the new Beacon Church in Bordon. These donations were all used towards paying the contributions to employment of a minister in Bordon by 31 August 2022. There were no donations in 2021-22 so that the balance in the Beacon Church Fund is zero and the fund is closed. In 2021-22 a grant of £250 was received towards the tuition costs for a local preacher and a restricted fund was set up. The tuition costs were all paid by 31 August 2022 and as there no further donations or grants in 2021-22, the balance in the Local Preachers Fund is zero.

25 Endowment Fund – Gane Bequest

The Gane Bequest endowment fund is from a bequest left to Lees Lane Methodist Church and is held by TMCP in the Ex Lees Lane Trust within the CFB Managed Mixed Fund. The dividends from this fund are paid into the Circuit's CFB deposit fund and are paid over to Gosport Methodist Church, by agreement of the trustees.

26 Movement in significant individual funds

Movement in funds for current year 12 months:

Fund	Balance at 01-Sep-21 £	Income £	Expenditure £	Transfers £	Gains/ Losses £	Balance at 31-Aug-22 £
General Fund	248,358	556,174	442,612	(29,000)		332,920
Property Reserve Fund	3,496,607				(385,778)	3,110,829
Circuit Model Trust Fund	235,738	3,367	264,600		831,241	805,746
Manse Fund (Des)	36,169		29,438	29,000		35,731
Mission & Outreach (Des)	63,202		(22,378)			85,580
Total unrestricted funds	4,080,074	559,541	714,272	0	445,463	4,370,806
Local Preachers (Res)	0	250	250	0	0	0
Total restricted funds	0	0	0	0	0	0
Gane Bequest	7,121				(447)	6,674
Total endowment funds	7,121	0	0	0	(447)	6,674
Total funds	4,087,195	559,791	714,522	0	445,016	4,377,480

Comparatives for movement in funds for prior year 12 months:

Fund	Balance at 01-Sep-20 £	Income £	Expenditure £	Transfers £	Gains/ Losses £	Balance at 31-Aug-21 £
General Fund	237,814	521,801	475,957	(35,300)		248,358
Property Reserve Fund	3,496,607					3,496,607
Circuit Model Trust Fund	287,458	1,037	21,257	(31,500)		235,738
Manse Fund (Des)	51,935		42,266	26,500		36,169
Mission & Outreach (Des)	12,902		(10,000)	40,300		63,202
Total unrestricted funds	4,086,716	522,838	529,480	0	0	4,080,074
Local Preachers (Res)	0					0
Total restricted funds	0	0	0	0	0	0
Gane Bequest	6,017				1,104	7,121
Total endowment funds	6,017	0	0	0	1,104	7,121
Total funds	4,092,733	522,838	529,480	0	1,104	4,087,195

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

Fund	Balance at 01-Sep-20 £	Income £	Expenditure £	Transfers £	Gains/ Losses £	Balance at 31-Aug-22 £
General Fund	237,814	1,077,975	918,569	(64,300)		332,920
Property Reserve Fund	3,496,607				(385,778)	3,110,829
Circuit Model Trust Fund	287,458	4,404	285,857	(31,500)	831,241	805,746
Manse Fund (Des)	51,935		71,704	55,500		35,731
Mission & Outreach (Des)	12,902		(32,378)	40,300		85,580
Total unrestricted funds	4,086,716	1,082,379	1,243,752	0	445,463	4,370,806
Local Preachers (Res)	0	250	250			0
Total restricted funds	0	250	250	0	0	0
Gane Bequest	6,017				657	6,674
Total endowment funds	6,017	0	0	0	657	6,674
Total funds	4,092,733	1,082,629	1,244,002	0	446,120	4,377,480

27 Volunteer contributions

Every entity (Connexion, District, Circuit and Church) within the Methodist Church in GB is heavily reliant on volunteers who contribute their skills, time and money in the furtherance of the work of the Church. Principally this contribution is by serving on committees of the Circuit that deal with mission, manses, finance, policy, grants, training, development. We are grateful to all of them for their help and commitment. It is impossible to put a monetary equivalent value on this.

28 Capital commitments and contingent liabilities

There were no capital commitments or contingent liabilities at the year end.

29 Auditor

An accrual has been made for the fee of the auditors in the sum of £3,870 for the year 2021-22 (2020-21 £3,720).

30 Related party disclosures

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

REPORT OF THE INDEPENDENT AUDITORS TO THE TRUSTEES OF EAST SOLENT AND DOWNS METHODIST CIRCUIT

Opinion

We have audited the financial statements of East Solent and Downs Methodist Circuit (the 'charity') for the year ended 31 August 2022 which comprise the Statement of Financial Activities, the Balance Sheet, the Cash Flow Statement and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the charity's affairs as at 31 August 2022 and of its incoming resources and application of resources for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Charities Act 2011.

Basis for opinion

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

Conclusions relating to going concern

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

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

Other information

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

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

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

Matters on which we are required to report by exception

We have nothing to report in respect of the following matters where the Charities Act 2011 requires us to report to you if, in our opinion:

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

REPORT OF THE INDEPENDENT AUDITORS TO THE TRUSTEES OF EAST SOLENT AND DOWNS METHODIST CIRCUIT

Responsibilities of trustees

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

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

Our responsibilities for the audit of the financial statements

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

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. To the extent to which our procedures are capable of detecting irregularities, including fraud is detailed below.

From discussion with management and those charged with governance information about the entity is documented to assess the activity within the organisation. We discuss management's assessment of risk in respect of irregularities, fraud and going concern.

Based on these discussions and our own assessments we determined that the key risk areas were income recognition in respect of cut off issues and management override concerning the size of the organisation.

We set financial statement materiality level based on the level of income. As a not for profit organisation raising income is its primary focus which is why income was used to determine the level of materiality. Our overall assessment of risk was used to determine performance materiality at an appropriate level.

Substantive audit tests were designed after assessing and performing walkthrough tests. The walkthrough testing confirmed documented systems which have been designed to act as a preventative measure against fraud and error which appear to be operating as documented. Substantive testing tested a sample of the population, representative of the population, to identify errors. The testing did not identify any material misstatements in areas tested.

Audit substantive tests concluded no material errors over the key risk areas of income recognition and management override.

The audit considers the organisation is not exposed to material risk of error as a result of assessing laws and regulations that are appropriate to the organisation.

Management assessed there is no going concern risk. The audit undertook a review of budgets, management accounts and the review of board minutes and came to the same conclusion as management.

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

Use of our report

This report is made solely to the charity's trustees, as a body, in accordance with Section 144 of the Charities Act 2011 and regulations made under Section 154 of that Act. Our audit work has been undertaken so that we might state to the charity's trustees those matters we are required to state to them in an auditors' report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the charity and the charity's trustees as a body, for our audit work, for this report, or for the opinions we have formed.

Morris Crocker

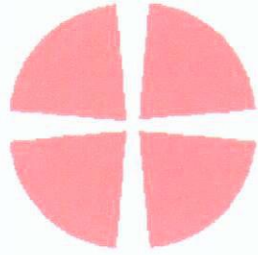
Morris Crocker Limited
Chartered Accountants
Statutory Auditors
Eligible to act as an auditor in terms of Section 1212 of the Companies Act 2006
Station House
North Street
Havant
Hampshire
PO9 1QU

Date: 30 March 2023

EAST SOLENT AND DOWNS METHODIST CIRCUIT

England & Wales - Charity number 1153209

Accounts



**EAST SOLENT AND DOWNS
METHODIST CIRCUIT**

TRUSTEES' ANNUAL REPORT

for the year ended

31 AUGUST 2021

1 Objectives and activities

In setting our objectives and planning our activities, the Circuit Meeting (under the leadership of the Circuit Leadership Team), which meets three times in each year, has given careful consideration to the Charity Commissioners' general guidance on public benefit and, in particular, to its supplementary public benefit guidance on advancing our objectives and conforms to the Charities Act 2011.

Our Mission is to resource and enable the Local Churches of the Circuit to pursue the mission of God through worship, learning and caring, service and evangelism.

This is done for as many people as possible within the geographical area the Circuit serves through the provision of staff, preachers, education and pastoral oversight. This enables the local Methodist Churches to provide Christian worship, spiritual development, and pastoral care both to church members and to the wider communities in which they are located.

The Circuit supports the advancement of the Christian Faith through ecumenical liaison with other Christian groups.

There is a significant increase in general house building and also accommodation for older people within the Circuit footprint. This is seen to be a growing opportunity for Mission and Outreach.

2 Achievements and performance

This has been a challenging year for the Circuit as for most of the time churches have been unable to meet in person due to the restrictions imposed by the pandemic. This impacted upon the worshipping communities as sharing together has become a more remote experience. The Circuit responded by making available a digital service each week which could be accessed by individuals in their own homes. The Circuit also provided some assistance to churches to enable them to receive the service in their buildings once small groups were able to meet. At the close of the year most churches have reported that numbers attending worship are down as folk remain reluctant to meet in larger groups. One church has decided to cease to meet because of low numbers.

Last year we reported on the appointment of a lay pastor to churches on the Gosport peninsular. Those churches have been particularly impacted by the pandemic in that numbers are significantly reduced and finances stretched. As the year concludes we are looking at the feasibility of continuing the lay pastor post in its present form.

Our plans with the Southampton District for a pioneering project have progressed. The research phase is well under way with an expectation that a new missionary will be appointed in the current year.

We have continued to work with the Diocese of Guildford and the United Reform Church in relation to the new church in Bordon. Agreement was reached to restructure the leadership of the church in Bordon to enable a more unified and affordable model, having one lead minister for both the established church and the pioneer church rather than having separate leaders. It was not until the late summer that we were able to appoint a new lead minister and this has meant that for much of 2021 there was a gap between paid staff and a lack of certainty about the future. These factors and the

pandemic have frustrated the lay leadership of the Beacon and despite their considerable hard work and effort at year end they are in a much less robust position.

We had anticipated and planned for one presbyter retiring during the year. Unexpectedly three other members of staff left at the end of August 2021. One linked to the change in Bordon, one through ill health and one to take up a chaplaincy post elsewhere. Because of the timings of these departures we were not able to seek replacement through the normal stationing process. We have been able to fill one of the presbyteral posts through local recruitment but the two diaconal posts remain unfilled and are likely to remain so for the coming year. This has added substantially to the workload on existing staff. Filling the plan has become extremely difficult and most churches now have at least one Sunday per month when it is not possible to plan a preacher.

The pandemic has also had a significant financial impact as income from community use of our buildings has reduced. At year end two churches have been unable to pay their assessment because of this loss of income. Fortunately the Circuit reserves have been able to cover this shortfall.

As the year ended we were able to meet again for worship in person. We look forward in the coming year to continuing to meet and to find new ways to share God's love in a post pandemic era.

2.1 Plans for future years

- To continue to focus on mission activity that will lead new people into faith and so grow the number of Christians.
- To focus on worship and spiritual development by a series of workshops and training events.
- To enable full and informed consultation with Circuit members regarding the Methodist church's policy on marriage and relationships.
- To continue to work with the Diocese of Guildford in developing the Local Ecumenical Partnership at Bordon.
- To continue to work with the District to enable the appointment of a Missioner for Portsmouth.
- To continue discussions with the United Reformed Church about shared ministry in the Haslemere area
- To review the provision of ministry on the Gosport peninsular
- To review with local churches the availability of local leadership and consider whether their witness would be enhanced by joining together
- To continue to seek ways to support local churches with the practicalities of buildings and finance.
- To continue to make best use of our buildings and support local initiatives.

3 Financial review

During the year the Circuit received total income of £522,838 (2019-20: £563,307) and dispersed £529,480 (2019-20: £733,901). Total unrestricted reserves carried forward were £583,467 (2019-20: £590,109). £99,371 of these reserves are designated: £63,202 in the Mission Fund, after deducting £116,471 pledged for future projects; and £36,169 in the

EAST SOLENT AND DOWNS METHODIST CIRCUIT
Year ended 31 August 2021

Manse Fund. The balance of £338,238 in the CMTF is reduced to £235,738 when the commitment of £102,500 pledged for the Beacon Church, Bordon, is recognised.

The trustees of the Circuit have every reason to believe that the Circuit is a going concern, principally because the vast majority of Churches continue to meet their assessments and the Circuit has adequate reserves to cover a shortfall in anticipated income. There are no subsidiary undertakings. The closure of church buildings occasioned by Covid-19 restrictions continued to significantly reduce the income from lettings upon which many churches rely, as anticipated. Two churches were unable to meet their assessments for part of the year and £31,500 was transferred from the CMTF to cover the shortfall. The trustees anticipate that the situation will start to improve in 2021-22 for the majority of churches but are confident that there are sufficient reserves to support any churches which continue to have financial difficulties.

The Circuit has the following sources of funds:

- Interest on investments
- Assessments on Churches within the Circuit
- Income from let manses

These sums are used to administer the Circuit and to provide grants to Churches and individuals in the Circuit so that they may embark on or continue with projects that fulfil the mission of the Circuit by bringing more people to Christ or by providing facilities that might enable this to happen.

3.1 Remuneration policy

The remuneration for ministerial staff is determined by the Methodist Conference, and the recommended basis of the annual increase is the average of the increases in the Consumer Price Index and the Average Weekly Earnings Index. The Circuit then applies the same annual increase to the salaries of its lay staff which is approved by Circuit Meeting as part of the annual budget

3.2 Investment Policy and Performance

To comply with Methodist Standing Orders, monies for long term investment are lodged with the Trustees for Methodist Church Purposes (TMCP). TMCP acts as custodian trustee for all real estate held by Circuits and for all large (over £20,000) bequests and for the proceeds of sale of any property formerly owned by the Circuit. These sums are invested in unitised investments or held on deposit. The investment returns are close to tracking the movements in the FTSE100 index. The deposit income mirrors the deposit rates available elsewhere. East Solent and Downs Circuit trustees' investment policy is aligned with that of the CFB and TMCP because these organisations take into consideration the social, environmental and ethical considerations, both negatively and positively, that make investments suitable for the Methodist Church.

Short term deposits are lodged directly with the Central Finance Board (CFB) and attract comparatively good rates of interest.

There are no bench marks for the expected returns or appreciation on investments at TMCP and CFB. It is the Circuit's policy to manage the cash and investment resources of the Circuit so that a rate of return on investment – both by way of dividend and capital appreciation – is obtained at least as good as market rate considering the Circuit's low appetite for risk.

3.3 Reserves level and policy

The unrestricted reserves readily available total £583,467: of which £235,738 is held in the Circuit Model Trust Fund; and the balance of £347,729 represents the year-end level of reserves; within which £63,202 has been designated for mission activity and £36,169 has been designated for future major repairs to manses.

The Circuit has a reserves policy covering all its unrestricted funds which is reviewed annually. Grants are made annually out of the Circuit Model Trust Fund (MTF). Some grants will be paid by annual instalments and there will be applications repeated in future years. The trustees seek to ensure that there are sufficient funds in the MTF to meet these anticipated requests and the trustees now recognise future grants as expenditure in the Resources Expended section of the SOFA and liabilities on the Balance Sheet.

Reserves Policy

(a) Our policy for the Circuit General Fund is to hold at least six month's expenditure in hand. Our undesignated reserves at 31st August 2021 amounted to approximately 50% of budget. The budget for 2021/22 plans for a deficit that will reduce our general fund reserve by £26,618, of which £10,000 will be transferred from the Manse Fund. Staffing levels have been reduced for 2021-22 which in turn reduces expenditure.

(b) Our policy for the designated Mission and Outreach fund is to achieve a balance of £20,000. We have plans to spend £116,471 over the next five years in support of the new church at Bordon and of a Mission Intern at Haslemere Church and our budget plans will enable us to achieve this.

(c) Our policy for the manse fund is to maintain a balance of £42,000 which equates to £3,500 per manse. The balance at 31st August 2021 was below the reserve level but will be restored from capital receipts in future years.

(d) Our Reserves Policy for the Circuit Model Trust Fund is to achieve a balance of £300,000 beyond our commitment of £102,500 to the new church at Bordon. With increased missional vision in the Circuit this will need to be supported in terms of both people and buildings. Our policy is that no more than 50% of the fund shall be expended in any one year.

3.4 Collaborative arrangements with connected charities

The Circuit's main source of funding was the assessments obtained from each Church within the Circuit based on the membership and ability to pay and this was used to defray most of the cost of administering the Circuit which amounted to £529,480 (2019-20: £499,401).

The Circuit holds no funds as custodian trustee.

4 Trustees' responsibilities

For each financial year ending on 31st August the Trustees are required to prepare financial statements that give a true and fair view of the Circuit's financial activities during the year and of its financial position at the end of the year. In preparing these financial statements, the Trustees must:

- select suitable accounting policies and apply them consistently using the accruals method
- make judgements and estimates that are reasonable and prudent
- follow applicable accounting standards
- prepare accounts to comply with the Charities SORP

EAST SOLENT AND DOWNS METHODIST CIRCUIT
Year ended 31 August 2021

The Trustees are responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the Circuit and enables them to ensure that the financial statements comply with the law. They are also responsible for safeguarding the assets of the Circuit and hence taking reasonable steps for the prevention and detection of fraud and other irregularities.

The Trustees are responsible for the maintenance and integrity of the corporate and financial information included on the Circuit's website. Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

4.1 Risk

The Circuit is largely risk averse. Risks are managed by being aware of them, quantifying their impact not only in cost terms but in possible reputational or structural damage, laying them off through an insurer and minimising them by not taking them or by setting up control systems that report any significant change in the risk. The three significant risks that have been identified are:

1. Inability to appoint ministers and being without presbyteral staff. This is managed by giving careful attention to future workforce planning, trying to ensure that we do not have multiple vacancies in any one year, and by engaging in early conversation with the District Chair who has a significant role in stationing decisions. This year three members of staff gave notice that they were leaving earlier than planned. We had insufficient notice to enter the full stationing process and have sought to replace them by making local appointments.
2. The Circuit's main source of funding is the assessments levied on each church and there is an increasing risk that some churches may not have sufficient funds to pay their assessment. This risk is managed by holding sufficient reserves, planning ahead with a five year budget and continually monitoring expenditure against budget.
3. Safeguarding children and vulnerable adults. The Circuit policy is to adhere to the Methodist Church's policy on Safeguarding Children and Vulnerable Adults and to require all churches to comply with the Methodist Church's Safeguarding policy. The Circuit provides regular safeguarding training that can be accessed by churches within the Circuit to support them in complying with the policy.

5 Structure, governance and management

The Circuit is an unincorporated association and is governed by the Methodist Church Act 1976, the Deed of Union and the Model Trust Deeds of the Methodist Church and was registered with the Charity Commissioners on 2 August 2013.

5.1 Structure

The Circuit is the coordinating charity for local groups of Churches, some of whom are registered as independent charities and the balance of whom are excepted charities. The Circuit pays the stipends of the ministers and employs lay staff to serve its Churches; most decisions are made at or ratified by the Circuit Meeting. The Circuit is part of the Southampton District which is the coordinating charity for a group of contiguous Circuits. District decisions are made at the half yearly synod to which the Circuit appoints both lay and ordained representatives. The Methodist Conference meets once each year as the supreme denominational body for all Methodist Churches.

EAST SOLENT AND DOWNS METHODIST CIRCUIT
Year ended 31 August 2021

1. Overall regulatory authority rests with the Methodist Conference.
2. The Connexional Office implements decisions made by Conference and is also responsible for the stationing of presbyters and deacons (collectively known as ministers) in individual Circuits.
3. Connexional decisions are passed via Districts to Circuits for local implementation by the Superintendent Minister, ministerial staff and Circuit Stewards, and authority is delegated to the Circuit Meeting for certain matters.
4. The Circuit Meeting passes regulatory control down to Church Councils for local implementation by the presbyter, the Church Stewards, and other officers, and this regulatory authority is then exercised by Church Councils as Managing Trustees of their charity.

5.2 Purpose of the Circuit

The Circuit is an expression, over a wider geographical area than any Church, of the Connexional character of the Church.

The purposes of the Methodist Church are and shall be deemed to have been since the date of the union the advancement of:

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

The primary purpose of this Circuit is to advance the mission of the Church in areas of Hampshire, Surrey and Sussex

- by providing opportunities for Churches to work together and support each other
- by offering to Churches resources of personnel and expertise and occasionally finance

The Circuit serves the Local Churches and the Conference in the support, deployment and oversight of the various ministries of the Church, and in programmes of training.

5.3 Governance

The Circuit operates within a statutory framework of regulation and seeks to ensure that it follows Methodist Standing Orders. It relies on the Connexional Office at 25 Marylebone Road, London NW1 5JR to provide guidance on changes that could affect the Circuit.

The Circuit Meeting meets three times a year and is the decision-making body for the Circuit. Membership of the Circuit Meeting is made up of Presbyters and Deacons who are stationed in the Circuit, Supernumerary Ministers stationed in the Circuit who chose to be members, two representatives from each Church chosen annually by each church, Circuit Stewards who are appointed annually by the Circuit Meeting and individual members appointed annually by the Circuit Meeting to ensure that all areas of the Circuit's work is appropriately represented.

EAST SOLENT AND DOWNS METHODIST CIRCUIT
Year ended 31 August 2021

The Circuit Leadership Team, whose membership comprises the Presbyters and Deacons stationed in the Circuit together with the Circuit Stewards, meet regularly between Circuit Meetings to implement the decisions of Circuit Meeting and to provide strategic leadership to the Circuit by formulating policies and proposals to bring to the Circuit Meeting for approval that will advance the Mission of the Circuit.

There are specific groups within the Circuit that focus on Mission and Finance, and who report to and are accountable to the Circuit Meeting.

6 Reference and Administrative Details

6.1 Name of the charity

The East Solent and Downs Methodist Circuit.

6.2 Charity registration number

1153209, registered in England and Wales

6.3 Principal Office

19/21 High Street
Emsworth
Hampshire
PO10 7AQ
Telephone 01243 371806

6.4 Circuit Superintendent

Revd David Muskett

6.5 Circuit Treasurer

Mr Nigel Cox

6.6 Names of trustees

The following served as trustees throughout part or all of the year 2020-21 or were trustees at the time of this report being approved:

Mr	M	Avis		Mrs	J	Martyn	
Mrs	P	Barrow	from 1/3/21	Miss	J	Mason	
Mr	K	Bassett		Revd	J	Mills	until 31/8/21
Mrs	D	Beesley		Mrs	J	Minnell	
Mr	D	Beesley		Mr	P	Moody	
Mr	R	Bond	until Oct 21	Mrs	H	Murphy	
Mrs	S	Bond	until 28/2/21	Revd	D	Muskett	
Mrs	J	Brandon		Mrs	M	Newnham	
Mrs	S	Calvert		Mrs	H	Nicholls	until 28/2/21
Revd	P	Cole	until 31/8/21	Mr	H	Nightingale	
Mrs	L	Collins		Mrs	B	Noakes	

EAST SOLENT AND DOWNS METHODIST CIRCUIT
Year ended 31 August 2021

Revd D Coote		Mr A Painter	
Mr N Cox		Mr G Paffett	deceased Aug 21
Mrs P Cuckow		Mrs J Pannell	
Mr A Dabbs		Mr M Petter	
Mrs A Davis		Mrs A Rice	from 1/3/21
Miss P Dimmick		Revd D Rice	
Mrs S Dewberry		Mrs B Ross	
Mrs P Dey	from Oct 21	Mr D Sawyer	
Mr B Dyer		Revd C Simpson	
Dcn L Evans	until 31/8/21	Mr G Smithers	
Revd E Goddess		Mrs R Standford	from 1/3/21
Revd R Goddess	from 14/9/21	Mrs A Steinhausen	from 1/9/21
Mrs A Griffiths		Mrs P Symonds	until 28/2/21
Mr P Gregory		Revd B Stilwell	until 31/8/21
Mr A Haynes		Mr M Thomas	
Mrs S Haynes		Mrs M Travell	
Mrs B Hayward		Mrs E Wade	
Dcn J Heys	until 31/8/21	Mrs M Wheeler	
Mrs E Hodges		Mrs C Wilkins	
Mr S Hudson	until 31/8/21	Mrs C Withers	until 1/5/21
Mr B James		Mrs L Wright	
Mrs F Jenkins		Revd S Wright	
Revd J Illsley			

No trustee claims exemption from disclosure of his or her name here.

6.7 Bankers

CAF Bank Ltd
25 Kings Hill Avenue
Kings Hill
West Malling
Kent
ME19 4JQ

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

6.8 Investment managers and custodian trustees

Trustees for Methodist Church Purposes
Central Buildings
Oldham Street
Manchester
M1 1JQ

6.9 Auditors appointed 1 March 2016

Morris Crocker
Chartered Accountants
Station House
North Street
HAVANT
PO9 1QU

EAST SOLENT AND DOWNS METHODIST CIRCUIT
Year ended 31 August 2021

Approvals

The Trustees' Report and the Financial Statements were approved by the Circuit Meeting on 1 March 2022

Signed on behalf of the Circuit, as authorised:

David Muskett (signed)



David Muskett
Circuit Superintendent

Date: 1 March 2022

Nigel Cox (signed)



Nigel Cox
Circuit Treasurer

Date: 1 March 2022

Statement of Financial Activities (SOFA) for the year ended 31 August 2021

	Notes to the accounts	General Fund (Unrestricted) £	Circuit Model Trust Fund (Unrestricted) £	Designated Funds (Unrestricted) £	Restricted Funds £	Endowment Funds £	Total 2020-21 £	Total 2019-20 £
Income and Endowments								
Income from investments		688	1,037	0	0	0	1,725	6,304
Income from charitable activities								
Assessments on churches	4	444,540					444,540	488,820
Total from charitable activities		444,540	0	0	0	0	444,540	488,820
Lettings		73,310					73,310	64,518
Total charitable income		518,538	1,037	0	0	0	519,575	559,642
Other income	6	3,263					3,263	3,665
Total income and endowments		521,801	1,037	0	0	0	522,838	563,307
Expenditure								
Expenditure on charitable activities								
Grants and donations	7,20	99		-10,000			-9,901	235,248
Stipends and associated costs	8	319,839					319,839	290,258
Maintenance on manses	9	260		33,588			33,848	23,399
Office expenses	10	4,624					4,624	7,112
Telephone and travel	10	11,767					11,767	17,222
Insurance and utility costs	11	21,005		8,678			29,683	28,770
District assessment		15,156					15,156	15,716
Methodist Church Fund		79,440					79,440	72,488
Contribution to District Advance Fund	13		20,478				20,478	21,933
Expenditure on other circuit property	9	10,204					10,204	8,677
Other outgoings	12,13	13,563	779				14,342	13,078
Total charitable expenditure		475,957	21,257	32,266	0	0	529,480	733,901
Net income before investment gains/losses								
		45,844	-20,220	-32,266	0	0	-6,642	-170,594
Net gains/(losses) on investments	13,17					1,104	1,104	-108
Net (expenditure)/income before transfers		45,844	-20,220	-32,266	0	1,104	-5,538	-170,702
Transfers between funds	14	-35,300	-31,500	66,800			0	0
Other gains/(losses)							0	0
Net movement in funds		10,544	-51,720	34,534	0	1,104	-5,538	-170,702
Total funds brought forward	21-24	3,734,421	287,458	64,837	0	6,017	4,092,733	4,263,435
							0	0
Total funds carried forward	21-24	3,744,965	235,738	99,371	0	7,121	4,087,195	4,092,733

Balance Sheet as at 31 August 2021

Notes to the accounts	General Fund (Unrestricted)	Circuit Model Trust Fund (Unrestricted)	Designated Funds (Unrestricted)	Restricted Funds	Endowment Funds	Totals 2021	Totals 2020
	£	£	£	£	£	£	£

Fixed Assets

Manses	15	3,496,607				3,496,607	3,496,607
Investment properties						0	0
Investments	17,23				7,121	7,121	6,017
Total fixed assets		3,496,607	0	0	0	7,121	3,503,728

Current Assets

Debtors and prepayments	16	33,098	46			33,144	25,476
Loans by the Circuit	16	10,000				10,000	10,000
Investments with TMCP	17		338,192			338,192	389,700
Central Finance Board Deposits	18	231,999		219,810	5,529	457,338	442,934
Cash at Bank and in hand	18	13,369			955	14,324	16,043
Total current assets		288,466	338,238	219,810	6,484	852,998	884,153

Current liabilities

Creditors (due in under 1 year)	19	40,108		3,968	955	45,031	59,544
Grants payable within 1 year	20		102,500	116,471	5,529	224,500	234,500
Total current liabilities		40,108	102,500	120,439	6,484	269,531	294,044
Net current assets/liabilities		248,358	235,738	99,371	0	583,467	590,109

Total assets less current liabilities		3,744,965	235,738	99,371	0	7,121	4,087,195
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Net assets		3,744,965	235,738	99,371	0	7,121	4,087,195
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Funds of the Circuit

Unrestricted:

General Fund	21.1	248,358				248,358	237,814
Property Fund	21.1	3,496,607				3,496,607	3,496,607
Circuit Model Trust Fund	21.2		235,738			235,738	287,458
Designated Funds	21.3			99,371		99,371	64,837
Total Unrestricted Funds						4,080,074	4,086,716
Restricted Funds	22				0	0	0
Endowment Funds	23					7,121	6,017
Total Funds	24	3,744,965	235,738	99,371	0	7,121	4,087,195

The financial statements were approved by the Board of Trustees on:

They were signed on behalf of the Board of Trustees by:

Rev'd D Muskett

Name of Circuit	East Solent and Downs Methodist Circuit		Circuit No 26/07
Statement of cash flows for the year ended:		31 August 2021	
		2021	2020
	Notes	£	£
Cash flows from operating activities:			
Cash generated from operations	1	-40,548	68,492
Net cash provided by (used in) operating activities		-40,548	68,492
Cash flows from investing activities:			
Interest received from investments		1,725	6,304
Sale/(purchase) of tangible fixed assets			
Net cash provided by (used in) investing activities		1,725	6,304
Change in cash and cash equivalents in the reporting period		-38,823	74,796
Cash and cash equivalents at the beginning of the reporting period		848,677	773,881
Cash and cash equivalents at the end of the reporting period:		809,854	848,677
1 Reconciliation of net income/(expenditure) to net cash flow from operating activities			
		2021	2020
		£	£
Net income/(expenditure) for the reporting period (as per the statement of financial activities)		(5,538)	(170,702)
Adjustments for:			
(Gains)/losses on investments		(1,104)	108
Interest received		(1,725)	(6,304)
(Increase)/decrease in debtors		(7,668)	(2,776)
(Decrease)/increase in creditors		(24,513)	248,166
Net cash provided by (used in) operating activities		(40,548)	68,492

1 Accounting framework and accounting policies

i Accounting framework

The financial statements have been prepared under the Charities Act 2011 in accordance with the 2015 version of *Accounting and Reporting by Charities: Statement of Recommended Practice (SORP)* applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (effective from 1 January 2015) – (the Charities SORP (FRS 102) as amended by Update Bulletin 2).

ii Public benefit entity

The East Solent and Downs (ESandD) Circuit meets the definition of a public benefit entity under FRS 102. Assets and liabilities are initially recognised at historical cost or transaction value unless otherwise stated in the relevant accounting policy notes below.

iii Basis

These accounts have been prepared on the basis of historical cost, except that investments are shown at their market value at the end of the year, on the accruals basis to show a true and fair view of the Circuit's financial position and activities.

iv Content

The financial information presented is relevant, reliable, comparable and complete. Where estimates are used these are based on experience, research and judgement. The accounts are expressed in £Sterling, rounded to the nearest pound.

v FRS102 SORP2015

These accounts are compliant with FRS102 and with the FRS102 SORP 2015.

vi Going concern

Based on the monetary assets and human resources available at 31 August 2021, the trustees believe that the Circuit is a going concern.

vii Income recognition

Income is brought into account when it is more likely than not that the economic benefit of the income will be forthcoming. No attempt is made to measure the value of services donated by volunteers and, in accordance with the Charities SORP (FRS 102) the time of volunteers is not recognised. Individual amounts categorised as other income in the SOFA will be shown separately if they are considered material. The Circuit acts as agent in the collection of donations to Connexional Funds from churches which are paid to the relevant Connexional Fund on a regular basis. The transactions are not reflected in the SOFA because the sums received cannot be recognised as income in the Circuit as they are the income of the Connexional Funds.

viii Expenditure

This is recognised when a liability is incurred, or a constructive obligation arises, that results in the payment being unavoidable. Liabilities are recognised as soon as an outflow of economic benefit is considered more likely than not under the legal or constructive obligation committing the Circuit to pay out resources.

ix Grants

Grants are recognised in full when the award is made once the Circuit accepts that there is a legal or constructive obligation to make payment and that such payment is probable.

x VAT

The Circuit is not VAT registered and all input VAT is charged with the expense to which it refers.

xi Tangible fixed assets

These are capitalised if they can be used for more than one year, and individually cost at least £1,000. The freehold property is shown in the accounts at the total cost value of all the manses on 1 September 2015, except for the new manse, purchased in 2016-17, which was brought into the accounts at its purchase price. The total land component is deemed to be £1,165,536, see Note 15. No depreciation is provided on the buildings because the trustees consider the residual value of the manses is not less than cost and the depreciation would be immaterial. The Circuit makes use of the deemed cost transitional provisions of the FRS 102 SORP.

xii Investment Properties

There are no investment properties. Those properties owned by the Circuit but not used as manses, are rented out, and are being kept by the Circuit, pending future staffing requirements

xiii Investments

The investments of ESandD Circuit are held by the Trustees for Methodist Church Purposes (TMCP) as custodian trustees. The valuations, at market value, are those provided by TMCP. The unrealised gains arising on investments at the end of the year are shown in the SOFA and in Notes 13, 17 and 24 below.

xiv Financial Instruments

The charity only enters into basic financial instruments transactions that result in the recognition of financial assets and liabilities like trade and other accounts receivable and payable investments in stocks and shares. The measurement basis used for these financial instruments is detailed below.

xv Receivables and Payables; Bank and Cash

Debtors are stated at the amounts owed to the Circuit or prepaid. Creditors are initially recognised at settlement amount after any trade discounts, where normal credit terms apply, or at amount advanced to the Circuit. Subsequently, creditors that are current liabilities are measured at the cash or other consideration, are expected to be paid. The liquid funds of bank balances and deposit account balances are shown at the realisable values.

xvi Loans

Where concessionary loans (*ie* free of interest) are made to (or received by) the Circuit to further its charitable purposes, and are repayable after more than one year, they are initially recognised at the amount paid [or received], with the carrying value adjusted in subsequent years to reflect repayments and any accrued interest, adjusted for any impairment, if necessary.

Where there is objective evidence of impairment, an immediate impairment loss is recognised in the Statement of Financial Activities. Subsequent reversals of an impairment loss that objectively relate to an event occurring after the impairment loss was recognised, are recognised immediately in the Statement of Financial Activities.

2 Glossary of terms

CFB: Central Finance Board of the Methodist Church manages a Common Deposit Fund and a series of pooled investment funds for Methodist entities in Great Britain and provides investment advice to those entities

Church: a group of members from fewer than 10 to more than 300

Circuit: a group of Methodist Churches near each other, typically between 10 and 30

CMTF: Circuit Model Trust Fund

Connexion: The Methodist Church in GB which includes the national office at Methodist Church House, all Methodist Districts, Circuits and Churches in Great Britain

FRS: Financial Reporting Standard

MCF: Methodist Church Fund
SOFA: Statement of Financial Activities
SORP: Statement of Recommended Practice
TMCP: Trustees for Methodist Church Purposes, the legal owner and Custodian Trustee of all Methodist Model Trust property, including Legacies, Endowments and Accumulated Funds

3 Statement of Financial Activities for the year ended 31 August 2020

	General Funds (Unrestricted) £	Designated Funds (Unrestricted) £	Restricted Funds £	Endowment Funds £	Total 2019-20 £
Income and Endowments					
Income from investments	6,304	0	0	0	6,304
Income from charitable activities					
Assessments on churches	488,820				488,820
Total from charitable activities	488,820	0	0	0	488,820
Lettings	64,518				64,518
Total charitable income	559,642	0	0	0	559,642
Other income	3,540	0	125	0	3,665
Total income and endowments	563,182	0	125	0	563,307
Expenditure					
Expenditure on charitable activities					
Grants and donations	102,159	127,560	5,529		235,248
Stipends and associated costs	290,258				290,258
Maintenance on manses	780	22,494	125		23,399
Office expenses	7,112				7,112
Telephone and travel	17,222				17,222
Insurance and utility costs	20,550	8,220			28,770
District assessment	15,716				15,716
Methodist Church Fund	72,488				72,488
Contribution District Advance Fund	21,933				21,933
Expenditure on other circuit property	8,677				8,677
Other outgoings	13,078				13,078
Total charitable expenditure	569,973	158,274	5,654	0	733,901
Net income before investment gains/(losses)	-6,791	-158,274	-5,529	0	-170,594
Net (losses)/gains on investments				-108	-108
Net (expenditure)/income before transfers	-6,791	-158,274	-5,529	-108	-170,702
Transfers between funds	-83,400	83,400			0
Other gains/(losses)					
Net movement in funds	-90,191	-74,874	-5,529	-108	-170,702
Total funds brought forward	4,112,070	139,711	5,529	6,125	4,263,435
Less future instalments of grant					
Total funds carried forward	4,021,879	64,837	0	6,017	4,092,733

4 Assessments on Churches

The Circuit oversees the work of the following Churches:

Beacon Church, Bordon
Bedhampton Methodist Church
St Mark's, Bordon
Bridgemary Methodist Church
Cowplain Methodist Church
Drayton United Church
Emsworth Methodist Church
Fareham Methodist Church
Gosport Methodist Church
Hart Plain Church
Haslemere Methodist Church
Havant Methodist Church
Lee on the Solent Methodist Church
Lindford Methodist Church
Liphook Methodist Church
Midhurst Methodist Church
Petersfield Methodist Church
Portchester Methodist Church
Portsmouth Methodist Church
Stubbington Methodist Church
Wymering Methodist Church

The Beacon Church at Bordon is subject to a partnership agreement with the Anglican Guildford Diocese and is grant funded by the Guildford Diocese, the Methodist Connexion, the Methodist Southampton District and the Circuit. The Circuit is represented on the Mission Initiative Council which oversees the work at the Beacon Church. During 2020-21 the staffing arrangements for the churches in Bordon was changed and the Methodist funding commitments are under review. A new legal framework is being prepared which is hoped will become operational in 2022.

During the year Horndean Methodist Church changed its name to Cowplain Methodist Church.

In normal years the assessment paid by churches is calculated using a formula of 12.5% membership, 12.5% attendance and 75% ability to pay. The exceptions to this are the local ecumenical partnership churches at Hart Plain and St Mark's church Bordon who pay a parish share to the relevant Diocesan authority and the contribution they make to Circuit funds is reduced to take account of this. For all churches, in recognition of the financial impact of the pandemic, assessments were reduced by 10% with the balance being taken from reserves. Unfortunately, 2 churches were still unable to pay their full assessment: Gosport Church 5 months; and Lee on the Solent Church 7 months. These have been entered as a debt, to be reviewed in 2021-22 depending on how those churches' finances recover.

5 Payments to trustees

It is Circuit policy to offer to reimburse Ministers, Circuit Stewards, Local Preachers and Supernumerary Ministers for expenditure properly incurred in carrying out their duties. Expenses that have been reimbursed are itemised under office expenses, telephone and travel, and other outgoings under Notes 10 and 12. The total amount reimbursed is £8,836 to 12 trustees.

6 Other income

The figure of £3,262 (2019-20: £3,665) is all from bookkeeping services offered to Churches.

7 Grants and donations and related support costs

The only grant or donation made during 2020-21 was the payment of the £99 interest received from the Gane Bequest. However, the £10,000 grant agreed towards the rent for the Beacon Church Bordon was removed as it was no longer needed and this resulted in the negative net total of £9,901 (2019-20: £748).

	2020-21	2019-20
	£	£
From General Fund:		
Gane Bequest interest paid to Gosport MC	99	109
Grant returned from Liphook MC		-450
Total	99	-341
From Local Preachers Fund:		
Donation to Connexional LWPT Fund		179
Total		179
From Mission & Outreach Fund:		
Remove agreed grant to Beacon Church	-10,000	
Grants to Churches for mission projects		910
Total	-10,000	910
Total grants and donations	-9,901	748

8 Salaries and associated costs

Gross salaries paid to 11 (12 in 2019-20) employees were as follows:

	2020-21	2019-20
	£	£
Gross pay	247,880	226,645
Employer's National Insurance Contributions	20,747	18,270
Employer's pension contributions to defined benefit schemes	51,212	45,343
Total stipends and associated costs	319,839	290,258

No employees received employee benefits that totalled more than £60,000. There were no accruals for holiday pay. All staff were paid at or above the living wage. There are no key management personnel.

Most ordained presbyters and deacons are members of the Methodist Ministers' Pension Scheme (MMPS). This is a defined benefit scheme. The Supreme Court held in 2014 that Methodist ministers (which term includes presbyters and deacons) are not employees of the Church. For simplicity, however, when dealing with National Insurance Contributions and pension contributions, the terms 'employer' and 'employee' are used as they would be in an employing body.

ESandD Circuit is registered with the NEST Pension Scheme and contributes 6% of gross salary for its eligible employees and any other employees that elect to join the pension scheme. This is in accordance with the directive from Conference.

9 Maintenance on manses and expenditure on other Circuit property

	2020-21	2019-20
	£	£
Maintenance and repairs on manses	33,588	22,494
Quinquennial inspections on manses	260	780
Donations used towards fridge freezer	-	125
Maintenance on manses total	33,848	23,399
Quinquennial inspections on churches	3,250	1,925
Letting agent fees	6,474	6,752
Manse purchase costs	480	-
Expenditure on other Circuit property total	10,204	8,677

10 Office expenses and telephone and travel

	2020-21	2019-20
	£	£
Ministers' & Lay employees office costs	1,392	2,918
Circuit office costs	3,232	4,194
Office expenses total	4,624	7,112
Ministers' & Lay employees travel costs	6,492	12,690
Circuit Stewards' travel costs	732	573
Ministers' & Lay employees telephone costs	4,543	3,959
Telephone and travel total	11,767	17,222

11 Insurance and utility costs

	2020-21	2019-20
	£	£
Manses insurance	8,678	8,220
Manses council tax	17,955	17,274
Manses water & sewerage rates	3,050	3,276
Total	29,683	28,770

12 Other outgoings

	2020-21	2019-20
	£	£
Local preachers' expenses	520	1,068
Supernumeraries' expenses	1,050	2,241
Training and Development costs	40	566
Audit fees	3,640	3,800
TMCP admin charge	779	818
Bank charges	98	74
Contribution to URC for Drayton United Church	992	992
Miscellaneous costs	2,345	2,004
Removal costs	4,278	1,515
Relocation allowance	600	-
Total	14,342	13,078

None of the remaining individual amounts – aggregated as ‘miscellaneous costs’ above - is considered material and therefore, none are listed separately.

13 Investment management

During the year the Circuit paid £779 (2019-20: £818) to TMCP, the custodians of the CMTF. This was levied at 0.2% on the value of the funds at the end of the previous year (£389,700) and is shown in the other outgoings line on SOFA and in Note 12 above.

The Circuit paid £20,478 (2019-20: £21,933) to the District Advance Fund of Southampton District which was levied on an asset value in the CMTF of £389,700 as at 31 August 2020 and calculated on the following basis: 2.5% on first £100,000; 5% on £100,000 - £250,000; 7.5% on anything above £250,000.

The amount of £1,104 (2019-20: -£108) on the net gains/(losses) on investments line of the SOFA, represents the net unrealised gain in the Gane Bequest endowment funds. More information can be found at Notes 17, 23 and 24.

14 Transfers between funds

The transfers between funds shown on the SOFA, represents transfers of budget amounts and a transfer from the CMTF as agreed by Circuit Meeting, and the amounts shown are:

1. £35,300 net out of the General Fund: £17,500 for manse repairs and £9,000 for manse insurance to the Manse Fund as agreed by the Trustees in the budget; £40,300 to the Mission & Outreach Fund as agreed by the Trustees in the budget; £31,500 from the CMTF to cover the shortfall in assessments from those churches unable to pay as agreed by Circuit Meeting.
2. £26,500 (£17,500 plus £9,000) transferred into the Manse Fund from the General Fund.
3. £40,300 transferred to the Mission & Outreach Fund from the General Fund as agreed by the Trustees in the budget as the equivalent salary amount for the 3 lay employees made redundant on 31 August 2017.
4. £31,500 transferred from the CMTF to the General Fund as agreed by Circuit Meeting.

15 Manse and other property

The basis for the deemed cost of the 12 manses is the total of the building insured values as at 1 September 2015 except for the new manse for which the purchase value was used. This amount has been split into one third land value and two thirds buildings value. The frozen valuation option has been adopted.

There is no depreciation on the manses as the informal review of the manses as carried out at the end of the year by the Circuit Stewards, confirmed that the current residual market value of the buildings was greater than the carrying value of that part of the asset's cost to date.

	Land £	Buildings £	Total £
Cost or valuation			
Balance brought forward at 31 August 2019, frozen at 1 September 2015, deemed cost	1,165,536	2,331,071	3,496,607
Transfers between categories	-	-	-
Balance carried forward at 31 August 2021	1,165,536	2,331,071	3,496,607

16 Debtors and prepayments

All sums paid in advance at 1 September 2020 were for costs incurred during 2020-21. Similarly, it is expected that payments in advance at 1 September 2021 will be expensed in 2021-22. The loan to Bedhampton Methodist Church is to be repaid over 5 years; no instalment payment was made in 2020-21 and Circuit Meeting approved an extension of the loan to 2024.

Debtors and prepayments were made up as follows:

	2020-21	2019-20
	£	£
Debtors		
Contribution for Conference minutes	25	25
Contribution for Prayer handbooks	101	-
Contribution for church DBS checks	23	-
Unpaid church assessments 2020-21	16,484	-
Bookkeeping paid for in September	-	50
Late assessment paid in September	-	200
Prepayments		
Ministers' stipends paid in advance	12,715	21,193
Accrued income		
August rent paid in September	3,750	3,750
CMTF interest due for 31 August	46	258
Total	33,144	25,476
Loans by the Circuit		
Bedhampton Methodist Church	10,000	10,000
Total	43,144	35,476

17 Trustees for Methodist Church Purposes

The Circuit Model Trust Fund is held by TMCP in a Trustees Interest Fund on which interest is credited to the account each month. The Gane Bequest endowment fund is held by TMCP in a CFB Managed Mixed Fund on which the dividend distribution is credited to the Circuit's CFB deposit account each quarter. These are regarded as medium and long-term investments.

Market value	£
As at 1 September 2020	6,017
Revaluation	1,104
As at 31 August 2021	7,121
Net book value	
As at 31 August 2021	7,121
As at 31 August 2020	6,017

TMCP is the legal owner and Custodian Trustee of all Methodist Model Trust property, including Legacies, Endowments and Accumulated Funds. Trust property is held for and on behalf of local Managing Trustees who are responsible for the day to day management of trust property. TMCP ensure that, through providing guidance and acting under their direction, the Managing Trustees comply with charity law and Methodist law and policy as determined by the Methodist Conference.

18 Central Finance Board (CFB) and Cash at Bank

The Circuit has one current account at CAF Bank Ltd, an authorised institution. The sums held on that account are immediately available. In addition, the Circuit has one deposit account at

CFB, a common deposit fund. Interest is earned on this account and is credited monthly to the account; the sums deposited can be withdrawn without notice and without loss of interest. These sums are viewed as being liquid.

19 Creditors, accrued expenses and deferred income

	2020-21	2019-20
	£	£
Creditors:		
Audit fee	3,720	3,800
Expenses reimbursed	985	1,461
Balance of Connexional Grant due payable to Beacon Church Bordon	862	14,357
Balance of donations paid into Refugee Asylum Fund	93	-
Accruals:		
Accrued expenses	1,405	2,178
Manse repairs owed	3,968	586
Total creditors & accruals	11,033	22,382
Deferred income:		
Assessments paid in advance	32,998	36,212
Rent paid in advance	1,000	950
Total	33,998	37,162

	Deferred 01-Sep-20	Released in year	Deferred in year	Deferred 31-Aug-21
Deferred income				
Assessments paid in advance	36,212	(36,212)	32,998	32,998
Rent paid in advance	950	(950)	1,000	1,000
Total	37,162	(37,162)	33,998	33,998

20 Grants payable within 1 year

It is Circuit policy to recognise committed grants immediately as expenditure from the CMTF and thus accrue the unpaid amounts at the year-end as liabilities. As at 31 August 2021, the Circuit had the following commitments to pay any grants from the CMTF and Mission Fund:

	2020-21	2019-20
	£	£
From CMTF:		
Grant agreed for Beacon Church Bordon	102,500	102,500
From Mission Fund:		
Grant agreed for Beacon Church Bordon	94,471	94,471
Grant agreed towards rent for Beacon Church Bordon	-	10,000
Grant agreed towards Haslemere MC Mission Intern	22,000	22,000
From Beacon Church Fund:		
Grant agreed for Beacon Church Bordon	5,529	5,529
Total agreed grants payable	224,500	234,500

21 Unrestricted Funds

21.1 General Fund – balance £3,744,965 at 31 August 2021 (2020: £3,734,421)

The purpose of the fund is for use at the discretion of the trustees in the furtherance of the general objectives of the Circuit and which have not been designated for other purposes. 93.4% of this fund is held as 12 freehold properties which are used as manses for the ministers of the Circuit. Those manses that are not currently needed for ministers are rented out until such time as they are needed.

21.2 CMTF – balance £235,738 at 31 August 2021 (2020: £287,458)

The Circuit Model Trust Fund (CMTF) is held by the TMCP, note 17, and is where the majority of the reserve funds of the Circuit are held. These funds are not restricted by any document or deed to a specific purpose. There are additional funds of £102,500 held in the CMTF which are committed to be paid as a grant to the Beacon Church, Bordon over the next 5 years.

21.3 Designated Funds – balance £99,371 at 31 August 2021 (2020: £64,837)

The designated funds of the Circuit are: the Manse Fund which is funds that have been set aside to meet the repairs and maintenance as deemed necessary for the Circuit's manses; the Mission and Outreach Fund which is funded by the equivalent salary costs of 3 lay employees made redundant in 2016-17 as agreed by Circuit Meeting, and its purpose is to provide grants to Churches to assist with any mission and/or outreach projects. All of these funds have been set aside for specific purposes but none of them are restricted to that purpose alone by any document or deed. The balance at 31 August 2021 of £99,371 is made up of: £36,168 in the Manse Fund; £63,202 in the Mission and Outreach Fund plus £116,471 for agreed grants (note 20 above).

22 Restricted Fund – Beacon Church Fund

In 2017-18 a restricted fund was set up to collect donations made by Churches for the new Beacon Church in Bordon. These donations will be paid to the Beacon Church, Bordon when the Circuit starts to pay the grant of £202,500 that it has been agreed will form part of the Beacon Church's funding over the next 5 years now that the partnership agreement has been signed with the Anglicans. There were no donations in 2020-21 and the total of the donations received as at 31 August 2021 remains as £5,529, all of which is pledged to be paid to the Beacon Church, Bordon so that the balance in the Beacon Church Fund is zero.

23 Endowment Fund – Gane Bequest

The Gane Bequest endowment fund is from a bequest left to Lees Lane Methodist Church and is held by TMCP in the Ex Lees Lane Trust within the CFB Managed Mixed Fund. The dividends from this fund are paid into the Circuit's CFB deposit fund and are paid over to Gosport Methodist Church, by agreement of the trustees.

24 Movement in significant individual funds

Movement in funds for current year 12 months:

Fund	Balance at					Gains/ Losses	Balance at 31-Aug-21
	01-Sep-20	Income	Expenditure	Transfers			
	£	£	£	£	£	£	£
General Fund	237,814	521,801	475,957	(35,300)			248,358
Property Reserve Fund	3,496,607						3,496,607
Circuit Model Trust Fund	287,458	1,037	21,257	(31,500)			235,738
Manse Fund (Des)	51,935		42,266	26,500			36,169
Mission & Outreach (Des)	12,902		(10,000)	40,300			63,202
Local Preachers (Des)	0						0
Total unrestricted funds	4,086,716	522,838	529,480	0	0	0	4,080,074
Beacon Church (Res)	0						0
Penarth Furniture (Res)	0						0
Total restricted funds	0	0	0	0	0	0	0
Gane Bequest	6,017					1,104	7,121
Total endowment funds	6,017	0	0	0	1,104	1,104	7,121
Total funds	4,092,733	522,838	529,480	0	1,104	1,104	4,087,195

Comparatives for movement in funds for prior year 12 months:

Fund	Balance at					Gains/ Losses	Balance at 31-Aug-20
	01-Sep-19	Income	Expenditure	Transfers			
	£	£	£	£	£	£	£
General Fund	206,047	559,889	444,722	(83,400)			237,814
Property Reserve Fund	3,496,607						3,496,607
Circuit Model Trust Fund	409,416	3,293	125,251				287,458
Manse Fund (Des)	48,949		30,714	33,700			51,935
Mission & Outreach (Des)	90,583		127,381	49,700			12,902
Local Preachers (Des)	179		179				0
Total unrestricted funds	4,251,781	563,182	728,247	0	0	0	4,086,716
Beacon Church (Res)	5,529		5,529				0
Penarth Furniture (Res)	0	125	125				0
Total restricted funds	5,529	125	5,654	0	0	0	0
Gane Bequest	6,125					(108)	6,017
Total endowment funds	6,125	0	0	0	(108)	(108)	6,017
Total funds	4,263,435	563,307	733,901	0	(108)	(108)	4,092,733

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

Fund	Balance at					Balance at
	01-Sep-19	Income	Expenditure	Transfers	Gains/ Losses	
	£	£	£	£	£	£
General Fund	206,047	1,081,690	920,679	(118,700)		248,358
Property Reserve Fund	3,496,607					3,496,607
Circuit Model Trust Fund	409,416	4,330	146,508	(31,500)		235,738
Manse Fund (Des)	48,949		72,980	60,200		36,169
Mission & Outreach (Des)	90,583		117,381	90,000		63,202
Local Preachers (Des)	179		179			0
Total unrestricted funds	4,251,781	1,086,020	1,257,727	0	0	4,080,074
Beacon Church (Res)	5,529		5,529			0
Penarth Furniture (Res)	0	125	125			0
Total restricted funds	5,529	125	5,654	0	0	0
Gane Bequest	6,125				996	7,121
Total endowment funds	6,125	0	0	0	996	7,121
Total funds	4,263,435	1,086,045	1,263,381	0	996	4,087,195

25 Volunteer contributions

Every entity (Connexion, District, Circuit and Church) within the Methodist Church in GB is heavily reliant on volunteers who contribute their skills, time and money in the furtherance of the work of the Church. Principally this contribution is by serving on committees of the Circuit that deal with mission, manses, finance, policy, grants, training, development. We are grateful to all of them for their help and commitment. It is impossible to put a monetary equivalent value on this.

26 Capital commitments and contingent liabilities

There were no capital commitments or contingent liabilities at the year end.

27 Auditor

An accrual has been made for the fee of the auditors in the sum of £3,720 for the year 2020-21 (2019-20: £3,800).

28 Related party disclosures

There was one related party transaction of £40 for the year ended 31 August 2021.

REPORT OF THE INDEPENDENT AUDITORS TO THE TRUSTEES OF EAST SOLENT AND DOWNS METHODIST CIRCUIT

Opinion

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

In our opinion the financial statements:

- give a true and fair view of the state of the charity's affairs as at 31 August 2021 and of its incoming resources and application of resources for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Charities Act 2011.

Basis for opinion

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

Conclusions relating to going concern

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

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

Other information

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

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

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

Matters on which we are required to report by exception

We have nothing to report in respect of the following matters where the Charities Act 2011 requires us to report to you if, in our opinion:

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

REPORT OF THE INDEPENDENT AUDITORS TO THE TRUSTEES OF EAST SOLENT AND DOWNS METHODIST CIRCUIT

Responsibilities of trustees

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

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

Our responsibilities for the audit of the financial statements

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

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. To the extent to which our procedures are capable of detecting irregularities, including fraud is detailed below.

From discussion with management and those charged with governance information about the entity is documented to assess the activity within the organisation. We discuss management's assessment of risk in respect of irregularities, fraud and going concern.

Based on these discussions and our own assessments we determined that the key risk areas were income recognition in respect of cut off issues and management override concerning the size of the organisation.

We set financial statement materiality level based on the level of income. As a not for profit organisation raising income is its primary focus which is why income was used to determine the level of materiality. Our overall assessment of risk was used to determine performance materiality at an appropriate level.

Substantive audit tests were designed after assessing and performing walkthrough tests. The walkthrough testing confirmed documented systems which have been designed to act as a preventative measure against fraud and error which appear to be operating as documented. Substantive testing tested a sample of the population, representative of the population, to identify errors. The testing did not identify any material misstatements in areas tested.

Audit substantive tests concluded no material errors over the key risk areas of income recognition and management override.

The audit considers the organisation is not exposed to material risk of error as a result of assessing laws and regulations that are appropriate to the organisation.

Management assessed there is no going concern risk. The audit undertook a review of budgets, management accounts and the review of board minutes and came to the same conclusion as management.

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

Use of our report

This report is made solely to the charity's trustees, as a body, in accordance with Section 144 of the Charities Act 2011 and regulations made under Section 154 of that Act. Our audit work has been undertaken so that we might state to the charity's trustees those matters we are required to state to them in an auditors' report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the charity and the charity's trustees as a body, for our audit work, for this report, or for the opinions we have formed.

Morris Crocker

Morris Crocker Limited
Chartered Accountants
Statutory Auditors
Eligible to act as an auditor in terms of Section 1212 of the Companies Act 2006
Station House
North Street
Havant
Hampshire
PO9 1QU

Date: 22 March 2022