



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.

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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

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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.

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

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- 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

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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	

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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

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	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

Manse	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	6,391
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

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 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 £
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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
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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

