

**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.

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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.

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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

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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

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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:

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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	

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Mr	D	Hall		Rev	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	
Rev	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

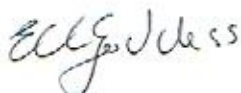
Morris Crocker
Chartered Accountants
Station House
North Street
HAVANT
PO9 1QU

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)



Rev. Elize Goddess
Circuit Superintendent

Date: 6 January 2026

Mark Wade (signed)



Mark Wade
Circuit Treasurer

Date: 6 January 2026

Name of Circuit

East Solent and Downs Methodist Circuit

Circuit No 26/07

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

Manse	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	3,461,312

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	220,633		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	1,594,701

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	34,537	41,250
Net current assets/liabilities		235,279	1,000,318	64,825	0	1,300,422	1,553,451

Total assets less current liabilities		3,689,706	1,000,318	64,825	6,898	4,761,747	5,014,763
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Net assets		3,689,706	1,000,318	64,825	6,898	4,761,747	5,014,763
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Funds of the Circuit

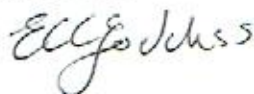
Unrestricted:

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	5,014,763

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:

Rev'd E Goddess



Name of Circuit	East Solent and Downs Methodist Circuit	Circuit No 26/07	
Statement of cash flows for the year ended:		31 August 2025	
	Notes	2025 £	2024 £
Cash flows from operating activities:			
Cash generated from operations	1	(307,414)	300,341
Net cash provided by (used in) operating activities		(307,414)	300,341
Cash flows from investing activities:			
Interest received from investments		62,263	81,464
Sale/(purchase) of tangible fixed assets			
Net cash provided by (used in) investing activities		62,263	81,464
Change in cash and cash equivalents in the reporting period		-245,151	381,805
Cash and cash equivalents at the beginning of the reporting period		1,531,415	1,149,610
Cash and cash equivalents at the end of the reporting period:		1,286,264	1,531,415
1 Reconciliation of net income/(expenditure) to net cash flow from operating activities			
		2025 £	2024 £
Net income/(expenditure) for the reporting period (as per the statement of financial activities)		(253,016)	441,698
Adjustments for:			
Losses/(gains) on investments		(13)	(494)
Interest received		(62,263)	(81,464)
Decrease/(increase) in debtors		14,591	(1,524)
(Decrease)/increase in creditors		(8,713)	(57,875)
Net cash provided by (used in) operating activities		(307,414)	300,341

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 income	Deferred	Released	Deferred	Deferred
	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 Bridgemaury 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.....