

Annual Report and Financial Statements for the year ended 31 August 2020

Charity Registration Number 1145485

MINISTERS	Rev Graham Edwards Rev Helen Byrne Rev Ros Watson
TRUSTEES	See main body of the report
CIRCUIT STEWARDS	Mr Robert Ayerst Mrs Barbara Ogle Mrs Ruth Linde Mr David Dippie
CIRCUIT TREASURER	Vacant
ADDRESS	c/o Langley Methodist Church Main Road Langley Macclesfield SK11 0BU
BANKERS	Barclays Bank Cooperative Bank
INVESTMENT MANAGERS	Central Finance Board TMCP
INDEPENDENT EXAMINERS	Chittenden Horley Limited Chartered Accountants 456 Chester Road Old Trafford Manchester M16 9HD

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TRUSTEES REPORT

INTRODUCTION

The trustees present the annual report together with the financial statements of the charity for the year ended 31 August 2020.

On 1 September 2019, Poynton & Green Close Methodist churches joined the existing Macclesfield circuit following the formation of the new United Stockport circuit which saw the break-up of the Hazel Grove & Poynton circuit. This increased the size of our circuit to eight churches of varying sizes and locations within East Cheshire from Gawsorth in the south to Poynton in the north.

REPORTING FRAMEWORK

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

OBJECTIVES AND ACTIVITIES

Charitable Objectives

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

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

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

Circuit Mission Statement

Our mission statement is as follows...

Macclesfield Methodist Circuit



CIRCUIT MISSION STATEMENT

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

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

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

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

Our priorities:

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

How?

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

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

Our priorities:

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

How?

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

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

Our priorities

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

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How?

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

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

Our priorities

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

How?

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

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

Our priorities

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

How?

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

Contribution of Volunteers

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

ACHIEVEMENT & PERFORMANCE

The financial year started well as we welcomed Poynton and Green Close Methodist churches into the Macclesfield circuit. Green Close had formerly been a member of the Macclesfield circuit prior to Methodist Union in 1932 so it has been good to be expanding the circuit and making new friends and colleagues, whilst bringing back a little bit of history.

By the time the financial year ended in August 2020, we had been through the first wave of the Coronavirus pandemic and our churches were closed. Not the first year of togetherness we had hoped for. Sunday Services and children's ministry had quickly and efficiently moved online and we sought to build communication with our congregations as much as we could whilst following the government advice and rules.

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Following lockdown worship has continued online with weekly services led by our ministers and these have been much appreciated. For those who cannot access them online we operate a 'Dial in' system so they can listen over the telephone, also DVDs have been distributed. Evening prayers are conducted via Zoom. We have also established a Circuit newsletter which has been produced weekly during lockdown with hard copies sent to those not able to access via email. Individual churches have also continued with their usual communications either via email or in hard copy format. The CLT has met online along with other business meetings and some churches have established regular zoom coffee mornings/quizzes etc to stay in touch. The circuit staff have a weekly zoom meeting to discuss any issues arising.

Reopening of the churches will begin on a gradual basis. The decision is made by each individual church and their congregations based on compliance with all the necessary risk assessments.

We have been fortunate that our churches were able to continue the payment of the assessments to the circuit despite the churches being closed from March 2020 to the end of the financial year.

Financial accounts for the circuit have previously been prepared on a Receipts and Payments basis. However, gross income for the 2019/2020 year has exceeded the Charity Commissions threshold of £250,000 and the accounts have therefore been prepared on an Accruals basis as required.

Income trends

Circuit income is primarily drawn from the assessment paid by the circuit churches. This increased by £46,488 over the year following the merger. We also received a financial share of the funds from the breakup of the Hazel Grove & Poynton Circuit by way of transfer, totalling £75,759. Further funds can be anticipated following the sale of another church building from within the former circuit.

It is hoped that churches will continue to meet their assessment contributions for the 2020/2021 financial year. However, we do not know what rules and regulations will apply as the Government seek to control the pandemic so this will be held as a constant review.

With an ageing population there is likely to be a falling off of income over the next few years because of falling member numbers which is a feature across all the churches. Additionally, many of our churches were well used by the communities in which they serve and are therefore affected by the loss of rental income. This will obviously impact on their ability to meet their circuit assessment.

There is also the possibility that one or more of the churches may choose not to reopen as a result of the pandemic.

The rental income relates to the rental of a manse and the tenancy was renewed for a further 12 months up to 30 March 2021. Since then it has continued to be let on a periodic tenancy, pending agreement of a longer term renewal. The property is let to a family in housing need and they may be rehoused by the Local Authority at any time, subject to the circuit being given one month's notice.

Income from the Graveyards owned by the circuit has been lower than in previous years with more burials into existing graves, as opposed to new graves, which attract a lower level of fees. Quinquennial reports on the graveyards also identified necessary expenditure and work is ongoing.

All these issues will be ongoing considerations of Circuit Leadership Team.

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Expenditure trends

The circuit finances are concentrated on allowing the paid staff (ministers, mission workers and administrator,) to be paid and maintaining the residences of the ministers in good order.

Stipend expenditure has increased each financial year in line with conference approved increases and also over the 2019/2020 period with the addition of another minister into the circuit following the merger.

Over £48,000 of expenditure is the Circuit contribution to the District and Connexion, of which a significant part is used to fund the work of the wider Methodist Church. The other expenditure includes staff costs and maintenance of the manses.

Our work with Children & Families within the circuit had previously been reviewed and the Trustees gave approval to the appointment of a Children & Families Co-ordinator. We were pleased to make a successful appointment with effect from 1 September 2019 requiring a commitment of approximately £100,000 over a three-year period. The Trustees have committed existing reserves for this purpose. This role has enabled us to build on the relationships we have developed with families and schools locally through our previous appointments of Children & Families Workers and is meeting a huge need enhancing children's ministry across the circuit.

Circuit grants paid were lower than the previous year partly reflecting that the churches were closed for a time and it is anticipated that this figure will be higher once again in the forthcoming year.

Risk management

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

Principal Funding Sources

Contributions from the Churches by way of Circuit Assessment continue to be the main source of funding, accounting for 84% (2019: 89%) of normal unrestricted income. The letting of the manse at Atholl Close is reviewed annually with rental income accounting for 6% (2019: 8%) of normal unrestricted income.

Fund balances

Over the year fund balances increased to stand at £1,798,306. Following the break-up of assets of the Hazel Grove and Poynton circuit, we received a payment of just over £53,000 into the circuit Model trust Fund and an additional payment into unrestricted funds of £22,632. These funds were initially earmarked for grant purposes with plans afoot for improvements to Poynton and Green Close churches but the pandemic has led to some decisions being put on hold for the time being. Contingency reserve balances were increased to £27,000 over the year to enable an amount equivalent to one quarter of stipends costs to be held and readily accessible in case of need.

Reserves

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

In order to meet its ongoing financial obligations - including the payment of stipends and of District and Connexional assessments quarterly in advance - and to meet unforeseen circumstances, the Circuit needs to

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maintain sufficient free reserves. These reserves would enable the Circuit to maintain its mission and ministry in the short term if, for whatever reason, individual Churches encounter difficulties in paying their assessments. Free reserves are defined as unrestricted reserves less the investment in tangible fixed assets.

1. General reserves

At 31st August general reserves totalled £1,615,687, of which £1,432,915 are tied up in fixed assets (properties), leaving liquid reserves of £182,772. This includes the benefit of nearly £76k transferred into reserves after the transfer to Macclesfield of part of the old Poynton circuit.

Our policy is to maintain 6 months of general expenditure in reserves (excluding fixed assets). Expenditure in 2019/20 was £191k thus requiring a reserve of approximately £96k. In addition, we have four manses which need to be maintained and always carry a risk of significant repair or needing significant renewal. A reserve of about £25k is considered prudent for this purpose.

On this basis total general reserves required are approximately £121k compared to £183k available. In view of the Covid pandemic and its potential to impact the ability of churches to meet their assessment obligations in full, we consider it prudent to retain this extra contingency in the shorter term. Longer term, our funding for the children and families coordinator in designated funds (item 3 below), expires by 31st August 2022; it is likely that we will wish to continue with this work and draw on these excess general reserves for that purpose. Finally, some project work around the Circuit has been put on hold during the pandemic, for example the redevelopment of the church entrance at Poynton. We expect to require some of these excess reserves to make grants in respect of this work as and when it resumes.

2. Circuit Model Trust Fund

This represents a further unrestricted fund, held with TMCP. The Circuit has not identified a specific use for this fund at present so it can be considered as a contingency. Each year it attracts a 5% District levy.

3. Designated funds

These total £69,913 and represent unrestricted funds that the Circuit trustees have agreed to set aside for funding a children and families co-ordinator role. The designation was made in 2019 for three years, there being two years of funding now remaining.

4. Restricted funds

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

5. Endowment funds

These funds total £34,965 and represent bequests that have been left in favour of former Bollington and Over Alderley churches, the benefit of which has passed to the Circuit. The capital cannot be accessed but the investment income accrues to the Circuit and can be used towards its mission.

Going Concern

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

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Plans for 2020/2021

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

With anticipated cost of living stipend increases combined with an increase in the assessment paid to the district such that on average a 5% assessment increase has been requested from the circuit churches.

STRUCTURE, GOVERNANCE AND MANAGEMENT

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

Connected charities

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

Appointment of Trustees – Circuit Constitution

Macclesfield Circuit Meeting constitution [S.O. 510]

September 2019 [\[45 members – currently 1 multiple with qualifications\]](#)

(i) The ex officio members (S.O. 552) [\[8 members\]](#)

The Superintendent Minister

The Revd Dr Graham Edwards

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

The Revd Helen Byrne
The Revd Ros Watson

The circuit stewards

Mr Rob Ayerst Mr David Dippie
Mrs Ruth Linde
Mrs Barbara Ogle
Mr Don Riseley (Treasurer)

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

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

The Revd Shelia Bishop

(iv) such persons, if any, as the Circuit Meeting judges it appropriate to appoint from among those employed by the meeting under Standing Order 570; [1 member]

Mrs Angela Bourne (Circuit Children and Families Coordinator)

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

Mrs Julia Tibbles

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

Mr Steve Oliver

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

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

Broken Cross Methodist Church [3]

Church Steward	Mrs Liz Hammond
Treasurer	Mr John Bird
1 representative	Mrs Joan Green

Gawsworth Methodist Church [3]

Church Steward	Mrs Jillian Longson
Treasurer	Mrs Margaret Parkin
1 representative	Mrs Carolyn Boden

Green Close Methodist Church [3]

Church Steward	Mrs Brenda Wainwright
Treasurer	Mrs Shelia Sheldon
1 representative	**Vacant

Langley Methodist Church [3]

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

Macclesfield Methodist Church [4]

Church Steward	Mrs Margery Wilson
Treasurer	Mrs Ruth Linde*
2 representatives	Mr Roger Moss
	Mr Ian Wardle

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Poynton Methodist Church [4]

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

Prestbury Methodist Church [3]

Church Steward	Mrs Muriel Ayerst
Treasurer	Mrs Vivian Slater
1 representative	Mr Eddie Jones

Walker Barn Methodist Church [3]

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

(ix) Additional Persons as the Circuit Meeting may desire and appoint to ensure that all areas of the life of the circuit are adequately represented, provided that the total number appointed under this head shall not exceed the total of the numbers specified by the circuit meeting for the purposes of head (viii). [\[7 Members\]](#)

Circuit Admin	Mrs Jane Walker
MWiB	Mrs Brenda Chapman
CFW Advisor	Mrs Joan Pritchard
MHA	Mrs Ruth Gunning
Missions	Mrs Brenda Bailey
Action for Children	Mrs Anne Fenton
Hope in NE Cheshire	**vacant

* Circuit Steward & Church Treasurer

Trustee recruitment, induction and training

As outlined above, the appointment of the majority of the members of the Circuit Meeting is outside the control of the Meeting. We encourage trustees to undertake Governance training when available. The circuit held its own session in 2016 and trustees were offered the opportunity to attend a similar session which was held nearby during February 2020. In appointing the Circuit Leadership Team and other officers, the Meeting has regard to the balance of skills and gifts that are needed to further the work of the Church. New members of the Leadership Team are inducted by the Leadership Team. We have been pleased to appoint Mr David Dippie from Poynton Methodist Church as an additional Circuit Steward following the merger. Mr Rob Ayerst has completed his term as Circuit Steward and Mr Alex Price will take over from him going into the new financial year. Rob will however, liaise with Alex to ensure a smooth handover.

We thank Rob for his contribution over the years.

Organisation

The Circuit Meeting is convened biannually usually in September and March. The Circuit Leadership Team, appointed by the Circuit Meeting, is responsible for acting on behalf of the Circuit Meeting at other times. The Leadership Team usually meets at least six times per year. The Circuit Meeting retains responsibility for setting

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the mission priorities of the Circuit, the overall strategy to deliver those priorities, the invitation of ministers, the oversight of local churches, the admission of people to the office of Local Preacher, and decisions on formal explorations of calls to ministry and candidates for the ordained ministry.

The Leadership Team is assisted in the task of financial oversight by the Circuit Treasurer. At the end of the financial year, the circuit received the resignation of Mr Donald Riseley who had served as Circuit Treasurer for many years. Due to family commitments and ill health, Don is no longer able to serve in this role and the Circuit is looking to appoint a replacement Treasurer as soon as possible.

We thank Don for his contribution over the years.

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

Pay and Remuneration

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

FUTURE PLANS

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

The online Sunday services and weekly zoom prayers have been extremely successful in continuing relationships during the pandemic and also in establishing new relationships with viewers from outside of the circuit. It is planned to continue with online services whilst initial easing of lockdowns take place and this provision will be reviewed constantly as restrictions are removed.

2020-2021 will be the second year of our Children & Families Coordinator's contract and this work will be a continued focus, engaging further with the families already in contact and to continue to extend our outreach to new families. Our social media provision was considerably enhanced during 2019/20 and this is likely to be a recognised channel for interacting with our families' long term. We hope the coming year will enable us to resume face to face activities such as Toddler Groups, Messy Church, Breakfast Church and Holiday Club.

TRUSTEES' RESPONSIBILITIES IN RELATION TO THE FINANCIAL STATEMENTS

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

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

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

INDEPENDENT EXAMINERS

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

REV GRAHAM EDWARDS

18 JUNE 2021

ON BEHALF OF CIRCUIT MEETING

Independent Examiner's Report to the Trustees of the Macclesfield Methodist Circuit for the year ended August 31 2020

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

Responsibilities and basis of report

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

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

Independent examiner's statement

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

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

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

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

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

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

Peter Smith BA FCA DChA

For and on behalf of:
Chittenden Horley Limited
Chartered Accountants
456 Chester Road
Old Trafford
Manchester M16 9HD

Date:



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Statement of Financial Activities

Statement of Financial Activities (SOFA) for the year ended 31 August 2020							
	Notes to the accounts	General Fund (Unrestricted)	Circuit Model Trust (Unrestricted)	Designated Funds (unrestricted)	Restricted Funds	Endowment Funds	Total 2019-20
		£	£	£	£	£	£
Income							
Donations and legacies							0
Income from monetary investments		1,120	325	714	551	328	3,038
Income from investment properties							0
Assessments on Churches		195,221					195,221
Capital Receipts		22,632	53,128				75,760
Grants received							0
Other charitable income	12	364,945			6,370		371,315
Total income		583,918	53,453	714	6,921	328	645,334
Expenditure							
Grants and donations							0
Salaries and associated costs		127,383		30,412			157,795
Property maintenance		1,626					1,626
District & Connex. Assessment & Levy		46,628	712	1,585			48,925
Depreciation		9,715					9,715
Office expenses		11,476		127			11,603
Other outgoings		4,015	57		8,404	70	12,546
Total charitable expenditure		200,843	769	32,124	8,404	70	242,210
Gains/(losses) on monetary investments						229	229
Gains/(losses) on investment properties							
Net income/(expenditure)		383,075	52,684	-31,410	-1,483	487	403,353
Transfers between funds	13	52,259 -	53,000	1,000	-	259	0
Other gains/(losses)							
Net movement in funds		435,334	-316	-30,410	-1,483	228	403,353
Total funds brought forward		1,180,353	28,473	100,323	59,982	34,737	1,403,868
Total funds carried forward		1,615,687	28,157	69,913	58,499	34,965	1,807,221

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Statement of Financial Activities (SOFA) for the year ended 31 August 2019

	Notes to the accounts	General Fund (Unrestricted)	Circuit Model Trust (Unrestricted)	Designated Funds (unrestricted)	Restricted Funds	Endowment Funds	Total 2018-19
		£	£	£	£	£	£
Income							
Donations and legacies							0
Income from monetary investments		729	241	858	495	479	2,802
Income from investment properties							0
Assessments on Churches		136,500					136,500
Capital Receipts							0
Grants received							0
Other charitable income		15,410			7,559		22,969
Total income		152,639	241	858	8,054	479	162,271
Expenditure							
Grants and donations							0
Salaries and associated costs		83,225		27,533			110,758
Property maintenance		5,043					5,043
District & Connex. Assessment & Levy		30,749	725	1,615			33,089
Depreciation		7,370					7,370
Office expenses		27,851		129			27,980
Other outgoings		14,348	58		8,507	66	22,979
Total charitable expenditure		168,586	783	29,277	8,507	66	207,219
Gains/(losses) on monetary investments						1,732	1,732
Gains/(losses) on investment properties							
Net income/(expenditure)		-15,947	-542	-28,419	-453	2,145	-43,216
Transfers between funds		414			-	414	0
Other gains/(losses)							
Net movement in funds		-15,533	-542	-28,419	-453	1,731	-43,216
Total funds brought forward		1,195,886	29,015	128,742	60,435	33,006	1,447,084
Total funds carried forward		1,180,353	28,473	100,323	59,982	34,737	1,403,868

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Balance Sheet

Balance Sheet as at 31 August 2020

	Notes to the Accounts	General Fund (Unrestricted) £	Circuit Model Trusts (Unrestricted) £	Designated Funds (Unrestricted) £	Restricted Funds £	Endowment Funds £	Totals 2019/20 £	Totals 2018/19 £
Fixed Assets								
Circuit Manses & Equipment	5	1,432,915					1,432,915	1,092,630
Investment properties							0	
Investments	6	38,504	28,157		58,139	34,965	159,765	160,166
Total fixed assets		1,471,419	28,157	0	58,139	34,965	1,592,680	1,252,796
Current Assets								
Debtors	7	9,293					9,293	8,844
Loans by the Circuit							0	
Investments with TMCP				62,232			62,232	63,411
Central Finance Board Deposits		167,478		7,681	360		175,519	107,063
Cash at Bank and in hand		19,860					19,860	22,126
Total current assets		196,631	0	69,913	360	0	266,904	201,444
Current liabilities								
Creditors (due in under 1 year)	8	52,363					52,363	50,370
Grants payable within 2018-19							0	
Total current liabilities		52,363	0	0	0	0	52,363	50,370
Net current assets/liabilities		144,268	0	69,913	360	0	214,541	151,074
Total assets less current liabilities		1,615,687	28,157	69,913	58,499	34,965	1,807,221	1,403,870
Long term liabilities (due after more than one year)								
Grants payable after 2018-19							0	
Loans to the Circuit							0	
Net assets		1,615,687	28,157	69,913	58,499	34,965	1,807,221	1,403,870
Funds of the Circuit								
General Fund (Unrestricted)		1,615,687					1,615,687	1,180,353
Circuit Model Trust Fund (Unrestricted)			28,157				28,157	28,473
Designated Funds (Unrestricted)				69,913			69,913	100,323
Total Unrestricted Funds							1,713,757	1,309,149
Restricted Funds					58,499		58,499	59,982
Endowment Funds						34,965	34,965	34,737
Total Funds		1,615,687	28,157	69,913	58,499	34,965	1,807,221	1,403,868
Signed								
Circuit Treasurer								

Macclesfield Methodist Circuit



Cash Flow Statement

						2020		2019
						£		£
Cash used in operating activities			Note 10			61,345		(27,962)
Cashflows from investing activities								
Interest and dividends						3,038		2,802
Proceeds of disposal of fixed assets						-		-
Transfer in of tangible fixed assets						-		-
Proceeds of sale of investments						1,712		725
Reclassification as Current Assets						53,000		-
Purchase of investments						(54,082)		(880)
Cash provided by/(used in) investing activities						3,668		2,647
Cashflows from financing activities								
Proceeds from new borrowings						-		-
Repayment of borrowing						-		-
Cash used in financing activities						-		-
Increase/(decrease) in cash & cash equivalents in the year						65,013		(25,315)
Cash and cash equivalents brought forward						192,598		217,913
Cash and cash equivalents carried forward						257,611		192,598

Macclesfield Methodist Circuit



Notes to the Financial Statements

1 ACCOUNTING POLICIES

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

Scope of the financial statements

The financial statements relate solely to Macclesfield Methodist Circuit.

Basis of preparation

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

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

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

Income

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

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

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

Income includes grants in respect of revenue and capital items.

Macclesfield Methodist Circuit



Income recognition

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

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

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

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

Deferred income

Income is only deferred and included in creditors when:

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

Expenditure and irrecoverable VAT

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

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

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

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

Taxation

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

Fixed assets and depreciation

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

Macclesfield Methodist Circuit



Investments, gains and losses

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

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

Financial instruments

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

Methodist Ministers' Pension Fund

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

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

Judgements and key sources of estimation uncertainty

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

Macclesfield Methodist Circuit



Notes 2 – 4

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

Macclesfield Methodist Circuit



4 STAFF INFORMATION						2020		2019
						£		£
a Staff costs								
Stipends and salaries						105,457		78,735
Pension contributions - Methodist Ministers Scheme						9,161		6,106
Employer's NI contributions						21,133		14,818
						135,752		99,660
No staff member was paid more than £60,000 p.a. in either year.								
b Key management personnel								
The key management of the charity comprise the trustees, which includes the ordained members of staff who are <i>ex officio</i> members of the Circuit Meeting but do not receive any payment specifically for acting as trustees.								
The other trustees do not receive any remuneration for their services.								
						£		£
The total remuneration benefits of the key management								
Stipends						135,752		99,660
c Average staff numbers								
The average number of members of staff was as follows:-								
						2020		2019
						Average		Average
						number		number
Ordained staff (office holders not employees)						3		2
Lay employees						2		3
						5		5

Macclesfield Methodist Circuit

Note 5 – fixed assets



Macclesfield Methodist Circuit									
5. Tangible Fixed Assets									
Detail of assets held:									
4 Manses - 1 acquired during the year									
(See notes below)									
Cost or valuation									
	Land £	Manses £	Other buildings £	Other fixed assets including motor vehicles £	Fixtures, fittings and equipment £	Payments on account and assets under construction £	Total £		
Balance brought forward	0	1,100,000	0	0	0	0	1,100,000		
Additions		+350,000					350,000		
Revaluations & Gain/Loss on Disposal (+/-)							0		
Disposals (-)							0		
Transfers (+/-)							0		
Balance carried forward	0	1,450,000	0	0	0	0	1,450,000		
Accumulated depreciation									
Balance brought forward		7,370					7,370		
Depreciation charge for year (-)		9,715					9,715		
Revaluations (+/-)							0		
Disposals (-)							0		
Transfers* (+/-)							0		
Balance carried forward	0	17,085	0	0	0	0	17,085		
Net book value									
Brought forward	-	1,092,630	-	-	-	-	1,092,630		
Carried forward	-	1,432,915	-	-	-	-	1,432,915		
Notes : The Ivy Road, Poynton manse was transferred to the Circuit from Hazel Grove & Poynton Circuit during the year									
The other manses are at Marlborough Drive, Tytherington, Moss Brow, Bollington and Atholl Close, Macclesfield									

Macclesfield Methodist Circuit

Notes 6 – 9



6. FIXED ASSET INVESTMENTS		2020	2019
	£	£	£
Market value brought forward	160,167	158,281	
Income re-invested	954	880	
Additions at cost	53,128	-	
Disposals at carrying value	(1,712)	(725)	
Reclassification as Current Assets	(53,000)	-	
Net gain/(loss) on revaluation	229	1,731	
Market value carried forward	159,766	160,167	
Investments at fair value comprise:			
Cash held within investment portfolio	159,766	160,167	
	159,766	160,167	
Unrestricted funds (CMTF & Ebenezer)		Restricted funds (Graveyards)	
2020	2019	2020	2019
£	£	£	£
Market value brought forward	66,725	58,705	58,255
Income re-invested	520	434	450
Additions at cost	53,128	-	-
Disposals at carrying value	(712)	(1,000)	-
Reclassification as Current Assets	(53,000)	-	-
Net gain/(loss) on revaluation	-	-	-
Market value carried forward	66,661	58,139	58,705
		Endowment funds	
		2020	2019
		£	£
		34,737	33,006
		-	-
		-	-
		-	-
		229	1,731
		34,966	34,737

Macclesfield Methodist Circuit



7.	Analysis of current assets			This year £	Last year £
	Debtors and prepayments				
	Prepayments			9,293	8,844
	Other debtors			Nil	Nil
	Total debtors and prepayments			9,293	8,844
8.	Analysis of current liabilities and long term creditors				
	Trade Creditors			Nil	Nil
	Other Creditors (principally assessments received in advance)			52,363	50,370
	Total Current Liabilities			52,363	50,370
9.	Capital Commitments and Contingent Liabilities				
	At the 31st August 2020 the Circuit has no capital commitments.				
	No Contingent liabilities were identified at 31st August 2020.				

Macclesfield Methodist Circuit



Notes 10 - 13

10 RECONCILIATION OF NET MOVEMENT IN FUNDS TO NET CASHFLOW FROM OPERATING ACTIVITIES									
								2020	2019
								£	£
Net income/(expenditure) before transfers								403,353	(43,216)
Deduct/(add) gains/(losses) on investments								(229)	(1,732)
Add back depreciation on fixed assets								9,715	7,370
Deduct interest income shown in investing activities								(3,038)	(2,802)
Deduct non cash income (receipt of manse fixed asset ex Poynton circuit)								(350,000)	-
Decrease/(increase) in debtors								(449)	(2,944)
Increase/(decrease) in creditors								1,993	15,362
Net cash generated from/(used in) operating activities								61,345	(27,962)

11 RELATED PARTY TRANSACTIONS

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

The following Ministers received the basic stipend £24,852 (2018/19 - £24,157) and were provided with living accommodation in 2019/20: The Revd Dr Graham Edwards, The Revd Helen Byrne and The Revd Ros Watson (2019/20 in Macclesfield Circuit)

The Revd Graham Edwards received the Connexionally agreed additional superintendents' allowance of £2,485 (2018/19 - £1,813).

12 OTHER CHARITABLE INCOME

Other charitable income in 2019/20 of £364,945 included a manse transferred from the disbanded Poynton Circuit at a value of £350,000 at no cost to the Macclesfield Circuit and rental income from letting out a manse of £12,960. The previous year's income of £15,410 included rental income from letting out a manse of £12,960.

13 CIRCUIT MODEL TRUST MONEY

During the year, £53,000 was released from Circuit Model Trust money held at TMCP in readiness to provide a grant to Poynton Methodist Church for works in connection with a new entrance and related works. However with the onset of the COVID pandemic, the project was not started and it has since been decided to cancel it. The funds will be transferred back to TMCP before the end of the financial year 31st August 2021.

