

**Circuit
Accruals Accounts
2017-2018**

**THE METHODIST CHURCH
REPORT AND ACCOUNTS
(ACCRUALS BASIS)
for the year ended 31 August 2018**

Mid Cheshire Methodist

Circuit

Registered Charity - Registration number

1135031

Chester and Stoke on Trent

District No / Circuit No

11/04/2011

Ministers

Rev C Pritchard
Rev Dr P Levitt
Rev J P Bell
Rev T Simms
Deacon R Thomas-Prasad

Circuit Stewards

Mrs P Williams
Miss A Dennigan
Mrs S Benyon
Mrs A Fletcher
Mrs I Collie
Mr R Hill

Circuit Treasurer

Mr R Hill

**Mid Cheshire Methodist Circuit
TRUSTEES' ANNUAL REPORT**

FOR THE YEAR ENDED 31 AUGUST 2018

Introduction

The Circuit is made up of nineteen individual churches and the Northwich Methodist Outreach Centre witnessing the Methodist faith and promoting Christian faith and values within their local community.

Aims and organisation

Showing God's love to the world and especially to the people of Northwich, Winsford and the surrounding area.

Review of the year

At the start and end of the financial year there were 19 active local churches witnessing the Methodist Faith. It should however be noted that just before the end of the financial year the Methodist Churches at Cuddington and Acton Bridge took the decision to close, however because of the constitutional requirements of the Methodist Church of Great Britain they did not actually close until well into the next financial year. This may have an effect on the income of the circuit in the future and the costs of the circuit will have to spread over fewer churches.

At the end of the year we said good bye to Rev Peter Levitt who had served as a circuit minister since September 2009. He curtailed his appointment a year early, with the blessing of the circuit. This was because his wife, who is also a presbyter, was asked to take new appointment in different part of the country and it was felt appropriate that they should both move. Peter has not been replaced and the circuit is now service by a three quarter time Deacon and three Presbyters.

The reduction in the number of staff has reduced the costs of running the circuit but has meant that the remaining ministers have had to take on a much greater work load.

Income trends

Circuit income is primarily drawn from the assessment paid by the circuit churches.

Expenditure trends

Stipend expenditure has increased each financial year in line with conference approved increases. Stipends equates to 59% of our expenditure (excluding Circuit Model Trust Fund (CMTF)).

18% (excluding CMTF) 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.

Fund balances

As at 31 August 2018 the net current assets of the Circuit were £56k (excluding CMTF), giving approximately 3 months cover for expenditure.

Plans for 2018/19

Circuit financial plans for the coming year have been prepared on the basis that there will be 3.75 full time ordained staff with anticipated cost of living stipend increases combined with an increase in the assessment paid to the district such that on average a 0.3% assessment increase has been requested from the circuit churches.

Mid Cheshire Methodist Circuit
Trustee's Annual Report on Finance and Governance

Basis of preparation and legal framework

The Charity's annual report and accounts for the year ended 31 August 2018 have been prepared in accordance with the Charities Act 2011 and the Charities: Statement of Recommended Practice 2015 as applicable to the Financial Reporting Standard (FRS) 102

Full Name of Charity: Mid Cheshire Methodist Circuit

Registration Charity Number: 1135031

Date of registration: 18 March 2010

Main communication address: Northwich Methodist Church, Witton Street, Northwich, Cheshire, CW9 5LP

The members of the Mid Cheshire Methodist Circuit meeting are the Charity Trustees, membership being made up of circuit office holders, ministers and representatives appointed by the local churches.

Fully membership is shown as Appendix A to this report.

Circuit Ministers and officers

Active Circuit Ministers:	Rev C Pritchard
	Rev Dr P Levitt
	Rev J P Bell
	Rev T Simms
	Deacon R Thomas -Prasad
Circuit Stewards:	Mrs P Williams
	Miss A Dennigan
	Mrs S Benyon
	Mr R Hill
	Mrs A Fletcher
	Mrs I Collie

Mr Rob Hill acted as the principal officer overseeing the day to day financial management and accounting for the circuit during the year.

Independent examiner: *Murray Smith LLP, Darland House, 44 Winnington Hill, Northwich, Cheshire, CW8 1AU*

Investment Bankers: *Central Finance Board of the Methodist Church , Trustees for Methodist Church purposes*

Mid Cheshire Methodist Circuit

Aims and organisation

Charity objective is to act as a Resource provider within the area around Mid Cheshire for the Methodist Church:

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 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

The organisation and resourcing of regular public acts of worship open to members of the church and non members alike.

The teaching of Christianity through sermons, courses and small groups.

The resourcing of pastoral work including visiting the sick and bereaved.

Taking religious assemblies in local schools.

Promotion of Christianity through the staging of events and services.

Provision of chaplaincy services to the local university and other institutions.

Public Benefit

We confirm the trustees have had regard to the Charity Commission's guidance on public benefit.

Structure, Governance and Management

The governing document for the circuit is the Deed of Union (1932) and Methodist Church Act (1976)

Detailed governance arrangements are outlined within the Constitutional Practice and Discipline of the Methodist Church by order of the annual conference (CPD).

Day to day management of the circuit is undertaken by the Circuit Leadership team along with the Local Preachers meeting and the circuit management committee.

Trustee Training

A range of guidance produced by Methodist Connexion to support the effective running of the circuit, specifically the leaflet 'The Role of a Trustee in The Methodist Church' is given to all new Circuit meeting members as induction to their role as trustees.

Related Parties

The Circuit is part of the Chester & Stoke District and is also accountable to the Methodist Conference.

The following Methodist Churches are linked to the circuit:

Acton Bridge, Barnton, Bartington, Castle, Chester Road, Comberbach,
Cuddington, Davenham, Hartford, Little Budworth, Lostock Green, Moulton,
Pickmere, Sandiway, Shurlach, St Andrews, Trinity, Weaver, Weaverham

Mid Cheshire Methodist Circuit

Risk Management

The major risks have been identified and recorded by the Circuit Leadership Team with professional advice taken as required.

There is a regular annual review process undertaken and recorded.

Income and Expenditure is being monitored in total and is compared with the approved annual budget on a half yearly basis to detect trends as part of the risk management process to avoid unforeseen calls on reserves.

Safeguarding

Every person has a value and dignity which comes directly from the creation of male and female in God's own image and likeness. Christians see this potential as fulfilled by God's re-creation of us in Christ. Among other things this implies a duty to value all people as bearing the image of God and therefore to protect them from harm.

Methodist Connexional practice outlines commitment to the following principles:

- the care and nurture of, and respectful pastoral ministry with, all children, young people and adults
- the safeguarding and protection of all children, young people and adults when they are vulnerable
- the establishing of safe, caring communities which provide a loving environment where there is informed vigilance as to the dangers of abuse.
- We will carefully select and train all those with any responsibility within the Church, in line with Safer Recruitment principles, including the use of criminal records disclosures and registration with the relevant vetting and barring schemes.
- We will respond without delay to every complaint made which suggests that an adult, child or young person may have been harmed, cooperating with the police and local authority in any investigation.
- We will seek to work with anyone who has suffered abuse, developing with them an appropriate ministry of informed pastoral care.
- We will seek to challenge any abuse of power, especially by anyone in a position of trust.
- We will seek to offer pastoral care and support, including supervision and referral to the proper authorities, to any member of our church community known to have offended against a child, young person or vulnerable adult.
- In all these principles we will follow legislation, guidance and recognised good practice

The Mid Cheshire Methodist Circuit commits itself to ensuring the implementation of Connexional Safeguarding Policy; government legislation, guidance and safe practice in the circuit and in the churches.

The Mid Cheshire Methodist Circuit commits itself to the provision of support, advice and training for lay and ordained people that will ensure people are clear and confident about their roles and responsibilities in safeguarding and promoting the welfare of children and adults who may be vulnerable.

Reserves Policy

The Reserves Policy for the Circuit is to hold a minimum sum equivalent to 6 months' average expenditure. This should be sufficient to meet any unforeseen item of major expenditure on manses and / or to be able to continue, in the short term, funding planned activities in the event of any inability to raise the full Circuit Assessment from churches.

Statement of Financial Activities (SOFA) for the year ended 31 August 2018

	Notes to the accounts	General Fund (Unrestricted) £	Circuit Model Trust (Unrestricted) £	Designated Funds (unrestricted) £	Restricted Funds £	Endowment Funds £	Total 2017-18 £
Income							
1 Donations and legacies	4	696,239					696,239
2 Income from monetary investments	7	114	1,276		331		1,721
3 Income from investment properties							-
4 Assessments on Churches		225,734					225,734
5 Capital Receipts							-
6 Grants received	6	2,500					2,500
7 Other charitable income	6	8,374	493				8,867
8 Total income		932,961	1,769	-	331	-	935,061
Expenditure							
9 Grants and donations		180					180
10 Salaries and associated costs	10	159,339					159,339
11 Property maintenance		3,766					3,766
12 Connexional assessment & model trust levy							-
13 District Assessment & Levy		48,236					48,236
14 Depreciation							-
15 Office expenses		43,716	445				44,161
16 Other outgoings		6,001	51,649		10		57,660
17 Total charitable expenditure		261,238	52,094	-	10	-	313,342
18 Gains/(losses) on monetary investments							-
19 Gains/(losses) on investment properties							-
20 Net income/(expenditure)		671,723	(50,325)	-	321	-	621,719
21 Transfers between funds		29,626	(29,493)		(133)		-
22 Other gains/(losses)							-
23 Net movement in funds		701,349	(79,818)	-	188	-	621,719
24 Total funds brought forward		1,152,013	716,465	-	5,095	-	1,873,573
25 Total funds carried forward		1,853,362	636,647	-	5,283	-	2,495,292

Statement of Financial Activities (SOFA) for the year ended 31 August 2017

	Notes to the accounts	General Fund (Unrestricted) £	Circuit Model Trust (Unrestricted) £	Designated Funds (unrestricted) £	Restricted Funds £	Endowment Funds £	Total 2016-17 £
Income							
1 Donations and legacies	4	696,239					696,239
2 Income from monetary investments	7	261	2,396		431		3,088
3 Income from investment properties							-
4 Assessments on Churches		224,205					224,205
5 Capital Receipts							-
6 Grants received	6						-
7 Other charitable income	6	16,149					16,149
8 Total income		936,854	2,396	-	431	-	939,681
Expenditure							
9 Grants and donations		130					130
10 Salaries and associated costs	10	166,295					166,295
11 Property maintenance		3,655	5,000				8,655
12 Connexional assessment & model trust levy							-
13 District Assessment & Levy		46,032					46,032
14 Depreciation							-
15 Office expenses		32,612	815				33,427
16 Other outgoings		5,336	186,278		10		191,624
17 Total charitable expenditure		254,060	192,093	-	10	-	446,163
18 Gains/(losses) on monetary investments							-
19 Gains/(losses) on investment properties							-
20 Net income/(expenditure)		682,794	(189,697)	-	421	-	493,518
21 Transfers between funds			127		(127)		-
22 Other gains/(losses)							-
23 Net movement in funds		682,794	(189,570)	-	294	-	493,518
24 Total funds brought forward		469,219	906,035		4,801		1,380,055
25 Total funds carried forward		1,152,013	716,465	-	5,095	-	1,873,573

Balance Sheet as at 31 August 2018

Notes to the Accounts		General Fund (Unrestricted)	Circuit Model Trusts (Unrestricted)	Designated Funds (Unrestricted)	Restricted Funds	Endowment Funds	Totals 2018	Totals 2017
		£	£	£	£	£	£	£
Fixed Assets								
Circuit Manses & Equipment	11	453,290	498,155				951,445	951,445
Investment properties		696,239					696,239	
Investments							0	
Total fixed assets		1,149,529	498,155	0	0	0	1,647,684	951,445
Current Assets								
Debtors	12	1,682					1,682	1,693
Loans by the Circuit							0	
Investments with TMCP			138,492		5,283		143,775	223,404
Central Finance Board Deposits	12	52,996					52,996	49,592
Cash at Bank and in hand	12	3,373					3,373	3,309
Total current assets		58,051	138,492	0	5,283	0	201,826	277,998
Current liabilities								
Creditors (due in under 1 year)	13	50,457					50,457	52,109
Grants payable within 2018-19							0	
Total current liabilities		50,457	0	0	0	0	50,457	52,109
Net current assets/liabilities		7,594	138,492	0	5,283	0	151,369	225,889
Total assets less current liabilities		1,157,123	636,647	0	5,283	0	1,799,053	1,177,334
Long term liabilities (due after more than one year)								
Grants payable after 2018-19							0	
Loans to the Circuit							0	
							0	
Net assets		1,157,123	636,647	0	5,283	0	1,799,053	1,177,334
Funds of the Circuit								
General Fund (Unrestricted)		1,157,123					1,157,123	1,152,013
Circuit Model Trust Fund (Unrestricted)			636,647				636,647	716,465
Designated Funds (Unrestricted)				0			0	0
Total Unrestricted Funds							1,793,770	1,868,478
Restricted Funds					5,283		5,283	5,095
Endowment Funds						0	0	
Total Funds		1,157,123	636,647	0	5,283	0	1,799,053	1,873,573

Signed

Circuit Treasurer

Notes to the Accounts

1 Basis of accounting

The financial statements have been prepared under the Charities Act 2011 in accordance with the 2014 version of Accounting and Reporting by Charities: Statement of Recommended Practice (SORP) applicable to charities preparing their accounts in accordance with the Financial Reporting Standard 102.

2 Funds

The funds held constitute: General Funds held for any purpose of the Circuit which are Unrestricted. The Circuit Model Trust Fund has wide purposes defined in Standing Orders and is categorised as unrestricted. Restricted funds which are held for a narrower purpose. There are also the following Endowment funds as listed. Details of each material fund are disclosed in the final note to these accounts. Any funds may be represented by more than just cash.

3 Accounting policies

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.

Income Recognition

Income is included in the Statement of Financial Activities (SOFA) when the Circuit becomes entitled to the resources, and the trustees are reasonably certain they will receive the resources; and the monetary value can be measured with sufficient reliability.

Resources Expended

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.

Grants

Grants made by the Circuit from its own funds are recognised in full at the time of agreement or when the Circuit accepts that there is a legal or operational obligation to make the payment. When the grant is recurrent over more than one year the balance payable in future years is treated as a provision for future commitments in the Balance Sheet against the appropriate fund, the provision being released in future years as instalments are paid in accordance with the originally agreed terms.

VAT

Since the Circuit is not VAT registered, all input VAT is charged with the expenses to which it refers.

Tangible fixed assets for use by the Circuit

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 2015 deemed values. No depreciation is provided on the building because the trustees consider the current residual fair value of the manse buildings (on the assumption that it had reached the end of its useful economic life by the year-end) to be not less than its current value. Any depreciation would not be material. The property has been reviewed for impairment.

Investment Properties

Investment properties - no property is currently deemed to not be held for the long term purposes of the charity.

Investments

Investments are valued in the balance sheet at market value at the year end. Investment income is included in the accounts when receivable and any gains or losses on revaluation at the year end are shown in the SOFA.

Debtors and Prepayments

Debtors relate to the payment of the September stipend in August.

Creditors

Creditors include both sundry expenses and specifically the 1st quarter assessment received in August.

Impact of Accounting changes

A statement is required if there has been any restatement required to previous reported information as a consequence of the new SORP.

Mid Cheshire Methodist Circuit

4. Donations and legacies	Unrestricted	Circuit Model Trust Fund	Restricted	2018 Total	2017 Total
	£000		£000	£000	£000
Donations	696,239	-	-	696,239	-
Legacies	-	-	-	-	-
Total	696,239	-	-	696,239	-

5. Charitable activities - other	Unrestricted	Circuit Model Trust Fund	Restricted	2018 Total	2017 Total
	£000		£000	£000	£000
Sale of Land	-	-	-	-	-
Total	-	-	-	-	-

6. Other trading activities	Unrestricted	Circuit Model Trust Fund	Restricted	2018 Total	2017 Total
	£000		£000	£000	£000
Other income	8,374	-	-	8,374	16,149
Grants received	2,500	-	-	2,500	-
Total	10,874	-	-	10,874	16,149

7. Investment income	Unrestricted	Circuit Model Trust Fund	Restricted	2018 Total	2017 Total
	£000		£000	£000	£000
Central Finance Board	114	-	-	114	261
TMCP	-	1,276	331	1,607	2,827
Other	-	-	-	-	-
Total	114	1,276	331	1,721	3,088

8. Payment to Trustees

This year

Last year

Payments made to trustees for additional services provided to the Circuit by agreement with the Circuit Meeting

£

Number of trustees who were paid expenses

Nature of the expenses

Expense payments primarily relate to reimbursement for travel and computing costs

Total amount paid

£

9. Fees for examination or audit of the accounts

Independent examiner's or auditors' fees for reporting on the accounts

£

Other fees (eg: advice, accountancy services) paid to the independent examiner or auditor

£

10. Paid employees

Staff Costs paid during the year were:

Gross wages, salaries and benefits in kind

£

Employer's National Insurance costs

£

Pension costs

£

Total staff costs

£

Average number of staff employed during the year were:

11 Tangible Fixed Assets

Mid Cheshire Methodist Circuit

Detail of assets held,
State number of manse, specifically reference other buildings managed by the circuit and separately identify property treated as investment property.
Provided summary information in respect of other categories and specific reference should be made in respect of any assets under construction.

Cost or valuation

	Residential Land £	Other Land £	Manse £	Other buildings £	Other fixed assets including motor vehicles £	Fixtures, fittings and equipment £	Payments on account and assets under construction £	Total £
Balance brought forward			951,445		-			951,445
Additions								
Revaluations (+/-)								-
Disposals (-)								-
Transfers * (+/-)								-
Balance carried forward	-	-	951,445	-	-	-	-	951,445

Accumulated depreciation

** Basis								
** Rate								

Balance brought forward								
Depreciation charge for year (-)								
Revaluations (+/-)								
Disposals (-)								
Transfers* (+/-)								
Balance carried forward								

Net book value

Brought forward	-	-	951,445	-	-	-	-	951,445
Carried forward	-	-	951,445	-	-	-	-	951,445

* The "transfers" row is for movements between fixed asset categories.

** Indicate the method of depreciation by deleting the method not applicable (SL = straight line; RB = reducing balance). Also indicate the rate of depreciation: for straight line, depreciation is based on the anticipated life of the asset (in years); for reducing balance, a percentage annual deduction is made each year.

12. Analysis of current assets

Mid Cheshire Methodist	Circuit
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	This year	Last year
	£	£
Debtors and prepayments		
Pre paid assessments		
Accrued income		
Other debtors	1,682	1,693
Total debtors and prepayments	1,682	1,693

Analysis of cash at bank

Bank balance held in Natwest	3,373	3,309
Bank balance held in Central Finance Board	52,996	49,592
Bank balance held in other	-	-
Total Cash and Bank	56,369	52,901

13. Analysis of current liabilities and long term creditors

Trade Creditors	£		
Other Creditors	£	50,457	52,109
Total Current Liabilities	£	50,457	52,109

14. Capital Commitments and Contingent Liabilities

At the 31 August 2018 the Circuit has no capital commitments.

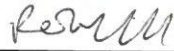
No Contingent liabilities were identified at 31 August 2018.

**Mid Cheshire Methodist Circuit
DECLARATIONS**

Treasurer

I confirm that I have prepared the accounts from the records of the Circuit and that they include all funds under the control of the Circuit Meeting

Signature of Treasurer



Date

11-Mar-19

Name

Rob Hill

Address


44 Essex Road, Church Stretton, SY6 6AY

Presentation to the Circuit Meeting for approval.

I confirm that the Accounts have been presented to the Circuit Meeting on
and were approved.

11-Mar-19

Signature of the Chair of
the meeting



Name of the Chair of the
meeting

Chris Pritchard

Date

24/4/19

Independent Examiner's Report to the Trustees of the

Mid Cheshire Methodist

Circuit

This Report is on the Circuit Accounts for the year ended 31st August

2018

Respective responsibilities of Trustees and Examiner

The charity's trustees are responsible for the preparation of the accounts. The Charity's Trustees consider that an audit is not required for this year under Section 144 of the Charities Act 2011 (the Charities Act) and that an independent examination is needed.

It is my responsibility to:

- examine the accounts under section 145 of the Charities Act;
- to follow the procedures laid down in the general Directions given by the Charity Commission under Section 145(5)(b) of the Charities Act; and
- to state whether particular matters have come to my attention.

Mid Cheshire Methodist Circuit

Basis of Independent Examiner's Report

My examination was carried out in accordance with the general Directions given by the Charity Commission. An examination includes a review of the accounting records kept by the charity and a comparison of the accounts presented with those records. It also includes consideration of any unusual items or disclosures in the accounts, and seeking explanations from you as Trustees concerning any such matters. The procedures undertaken do not provide all the evidence that would be required in an audit and consequently no opinion is given as to whether the accounts present a "true and fair view" and the report is limited to those matters set out in the statement below.

Independent Examiner's Statement

In connection with my examination, no matter has come to my attention:

(1) which gives me reasonable cause to believe that in any material respect the requirements:

- to keep accounting records in accordance with Section 130 of the Charities Act.
- to prepare accounts which accord with the accounting records and comply with the accounting requirements of the Charities Act

have not been met; or

(2) to which, in my opinion, attention should be drawn in order to enable a proper understanding of the accounts to be reached.

Name

Murray Smith LLP

Signature



Relevant Professional qualification or body

ICAEW

Address

Darland House, 44 Winnington Hill, Northwich, Cheshire, CW8 1AU

Date

11/03/2019

THE METHODIST CHURCH

Appendix A

Ministers

Rev C Pritchard

Rev Dr P Levitt

Rev J P Bell

Rev T Simms

Deacon R Thomas-Prasad

Stewards

Mrs P Williams

Miss A Dennigan

Mrs S Benyon

Mrs A Fletcher

Mrs I Collie

Mr R Hill

Treasurer

Mr R Hill