

**BASINGSTOKE & READING METHODIST CIRCUIT**  
**ANNUAL REPORT AND FINANCIAL STATEMENTS**

*For the year ended 31 August 2019*

# **BASINGSTOKE & READING METHODIST CIRCUIT**

## **Annual Report and Financial Statements** ***For the year ended 31 August 2019***

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## **REFERENCE AND ADMINISTRATIVE DETAILS**

### **The Circuit**

Basingstoke and Reading Methodist Circuit was formed on 1 September 2014 as a result of the merger of Basingstoke Methodist Circuit and Reading & Silchester Methodist Circuit. The Circuit is a separate legal entity within the Methodist Church and is required under Charity law to prepare separate accounts.

The Circuit is a registered charity (England & Wales) number 1134891.

There are 23 churches within the Circuit, with a total membership of 1,140. The churches are spread around Reading and Basingstoke and the neighbouring towns and villages of Bradfield, Burghfield Common, Mortimer, Tadley and Silchester. Several have local ecumenical partnerships with Anglican, Baptist and/or United Reformed churches.

### **Trustees**

The Circuit's trustees, who are all members of the Circuit Meeting, are listed on page 2.

### **Executive and leadership functions**

The Circuit Stewards (who are ex officio members of the Circuit Meeting) are responsible for ensuring that the decisions of the Circuit Meeting are executed. The following served as Circuit Stewards during the year:

Alan Harland (also Circuit Treasurer)  
Margaret Hayes  
Julie Marsh  
Marianne Sales  
Jon Tagoe  
Robin Gowers (part of the year)

The Strategic Executive Group (SEG) gives longer-term vision to the Circuit's affairs and comprises a mix of stipendiary and lay members of the Circuit Meeting. The following, who are also members of the Circuit Meeting, served on SEG this year: Reverends David Shaw, Audrey Browne, Ruth Midcalf, Jenny Dowding, Alison Parker and Deacon Maria Howard; three circuit stewards (Alan Harland ex officio Finance, Margaret Hayes and Marianne Sales); two representing local preachers and worship leaders (June Hardcastle and Paddy Jose); and Mary Ludlow, representing lay employees. Sarah Liriano, who is not a member of the Circuit Meeting, was secretary to SEG until March 2019.

### **Custodian trustees**

The custodian trustees are the Trustees for Methodist Church Purposes

### **Contacting the Circuit**

The Circuit's principal office is 84 Queen's Road, Reading RG1 4BW, telephone 0118 958 1505. The Circuit's website is [www.basingstokereadingmethodists.uk](http://www.basingstokereadingmethodists.uk)

### **Bankers**

The Circuit's bankers are the Central Finance Board of the Methodist Church, 9 Bonhill Street, London EC2A 4PE; and CAF Bank Ltd, 25 Kings Hill Avenue, West Malling, Kent ME19 4JQ.

### **Auditors and professional advisers**

The Circuit's auditors are James Cowper Kreston, Reading Bridge House, George Street, Reading, RG1 8LS.

The Circuit engages advisers for legal affairs and property services as required.

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**Managing trustees**

The managing trustees, who are all members of the Circuit Meeting are as follows:

Mrs Annie Ainger	Mr Alvin Laird
Mrs Anthonia Allen	Mrs Linda Langridge
Dr Stephen Appiah	Mrs Gill Lawson
Mrs Diane Bath	Mrs Jenny Leighton
Mrs Tracy Bennett	Mrs Rosemary Lister
Mr Peter Boardley	Mrs Mary Ludlow
Mr Tony Bonnett	Mrs Julie Marsh
Miss Christine Bosley	Mrs Valerie Main
Rev Audrey Browne	Mr Alan Meakin
Mrs Dusty Brough	Mrs Grace Mercer
Mrs Patricia Brown	Rev Dr Ruth Midcalf
Mrs Brenda Caborn	Rev Andrew Moffoot
Mr Ray Chalk	Rev Martyn Neads (until 31 <sup>st</sup> March 2019)
Mr Peter Chapman	Mr Sam Nyamakope
Mr David Cliffe	Mrs Monica Ogden
Dr Tracey Darling (until 31 <sup>st</sup> July 2019)	Rev Alison Parker
Mr Barrie Davies	Mr Michael Parker
Mrs Jan Davies	Mrs Helen Parry
Rev Judy Davies	Mrs Ann Peddle
Mrs Jenny Dimmock	Mr James Peddle
Rev Jenny Dowding	Mrs Hilary Reed
Mrs Jill Draper	Ms Shona Reeves
Mrs Margaret Ellison	Rev Brian Rich
Mrs Christine Embelton	Mr Terry Rowell
Rev Chris Evans	Miss Marianne Sales
Rev Valerie Fisher	Rev Jonathan Salmon
Mrs Ruth Fleming	Rev David Shaw
Mr Kenneth Fordjour	Mrs Margaret Simpson
Mr Donald Fraser	Mrs Angela Slark
Mr Peter Frank	Mr Steve Skelton
Mrs Llyn Frost	Deacon Marlene Skuce (until 31 <sup>st</sup> July 2019)
Mr Martin Goodwin	Mrs Maz Slater
Mr Robin Gowers	Mr Michael Slater
Mr Neil Graham	Miss Samantha Slater
Mr David Gunton	Mr Norman Smart
Ms Pam Guy	Ms Joyce Smith
Mrs June Hardcastle	Miss Ruth Stacey
Mr Alan Harland	Rev Dr John Sumitra
Mrs Phyllis Harris (ceased November 2019)	Mrs Gina Tagoe
Mrs Charmian Harrison	Mr Jon Tagoe
Mrs Margaret Hayes	Ms Janet Talbot
Mr Colin Hinks	Mrs Ruth Taylor
Mrs Linda Hoe	Mr Keith Waite
Mr Alan Holloway	Mr Tim Wale
Mrs Beverley Holloway	Mr Richard Walkem
Deacon Maria Howard	Mrs Jean Walsh
Mrs Pearl Howard	Ms Marion Wales
Rev David Jenkins	Mr Michael Warner
Mrs Paddy Jose	Mr Richard Warner
Mrs Kim Kelly	Rev Angela Webb
Mr Michael Kimber	Mrs Sarah Whithorn
Mrs Tricia Kinchington	Mrs Beryl Wootton
Mr Stephen King	Miss Shelagh Wythe
Miss Helen Khan	Mrs Marion Young
	Mr Peter Young



**Basingstoke & Reading Methodist Circuit**  
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The members of the Circuit Meeting (as managing trustees) have pleasure in presenting their annual report and the audited accounts for the year.

## **1. Objectives and activities**

The Circuit's vision statement is *"Inspired and led by the Holy Spirit, we shall love, resource and encourage one another; share Christ with our neighbour; and grow God's kingdom. In doing that, we shall place people before buildings; mission before maintenance; and God over church."*

The Circuit's purpose is to provide resources to support ministry in local churches. The Circuit does this through the provision of ordained ministers and deacons, lay staff and Circuit officers to support service and ministry from the Circuit's 23 churches to their local communities. The Circuit also has responsibility for the upkeep and maintenance of 7 manses and 6 investment properties.

The Circuit produces a quarterly preaching plan to ensure regular acts of worship take place at each of the 18 Methodist Churches and 5 Local Ecumenical Partnerships in its geographical area. These are available to all people without charge. The Circuit is also directly involved with outreach work, with a particular emphasis on children and families, schools, and support for people hard of hearing.

The trustees confirm that they have referred to the guidance contained in the Charity Commission's general guidance on public benefit, including the guidance 'Public benefit: running a charity (PB2)', when reviewing the Circuit's aims and objectives. The Circuit is pursuing its objectives through the following strategies by providing:

- Staffing resources and other assistance to churches for ministry to their communities;
- Grants for outreach activities and improvements to churches' premises that will facilitate access to ministry;
- Training through study, mentoring and examination for lay preachers and worship leaders;
- Training and support in safeguarding awareness;
- Opportunities for staff and members of church congregations to meet for fellowship, worship and learning; and
- Care for those who have retired from full-time service in the Methodist Church.

## **2. Achievements and performance**

The Circuit has continued to benefit from strong and effective ministerial and lay leadership. This is now focussed through the Strategic Executive Group, which was formed in September 2015 and comprises representatives from ordained staff, the circuit stewards, and lay members of the circuit meeting. The Group's brief is to take a more strategic view in leading the Circuit through a period of change and guiding the allocation of resources in the most effective direction.

The Circuit has also continued to benefit from its large group of established local preachers. Currently two individuals are 'on note' as intending local preachers and two more are 'on trial' whilst they undertake training. Churches continued to develop worship using a variety of forms and technology and 23 accredited worship leaders with five more in training. The Circuit participated in developing several ministers in training, either working in the Circuit or on placement from their colleges.

The musical 'Apostle' was staged by members of the Circuit's churches with professional support at Trinity Church, Basingstoke, in May and was well received. St Andrews, Basingstoke, hosted a knitted Christmas tree, which proved a great community activity and raised money for a local hospice.

The Circuit's 'Mission Grant Scheme' provides grants from the Model Trust Fund to churches, enabling them to undertake specific mission activities that would not otherwise be possible. A grant of £50,000 was made to Tilehurst Methodist Church in June after an individual had been appointed. Other grants totalling £4,100 were approved in the year and paid on four church projects, and £600 was given to support work of Churches Together in Berkshire. Further details are provided in Note 10 to the Accounts.

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The Circuit produced devotional resources for Advent 2018 that were distributed to all the Circuit's churches for use by individuals, small groups, or in worship. The Circuit is actively involved through lay staff with outreach projects in Basingstoke, with young people and the Town Centre Chaplaincy.

All of the church buildings in the Circuit are well used, whether for activities organised or sponsored by the churches, such as cafes, Boys' or Girls' Brigades or youth clubs, or by local community organisations notably those promoting fitness and health, music and dance. The income from external lettings makes a valued contribution towards upkeep of church premises.

The churches continue to develop ways and means for outreach into local communities, for example the quiet garden at Silchester and community cafés. Several churches have Messy Church; lunch, holiday and after-school clubs; or tailored children, families and youth work. Churches near the Reading Festival site offer breakfast for those attending this annual event. Other churches supported the Old Basing Carnival. Some churches act as a collection point for shoe boxes for Operation Christmas Child.

Many outreach projects are carried out in partnership with churches from other denominations, such as the REinspired and 'Open the Book' programmes for delivering religious education in schools, a weekly lunch club in Whitley, and the 'Loneliness Project' in Caversham. Wesley Methodist Church participates in 'Bed for the Night', an ecumenical initiative providing accommodation and food for the homeless in Reading. Trinity Basingstoke's Soup Lunch is developing contacts with Food Bank users.

### **3. Financial review**

The attached Statement of Financial Affairs (SOFA) summarises the Circuit's income and expenditure for the year, supplemented by the Cash Flow statement and the Notes to the Financial Statements. The Balance Sheet shows the Circuit's assets, liabilities and reserves.

The net expenditure for the year was £104,833 before investment gains (2018: net expenditure of £76,778). The increase in net expenditure of £28,055 resulted from the following:

	£
Staff costs were higher after filling a ministerial vacancy, and engaging additional lay staff	78,470
Contributions to the Southampton District and Methodist Church funds were lower	-4,285
The Maintenance of Ministry assessment to the URC decreased after staff changes	-10,938
Small grants and donations were higher	2,785
Professional fees for property work were higher	7,280
Assessments on churches increased	-21,452
Donations and legacies were received, but not 2018	-27,973
Rental income from manses was lower due to void periods	3,860
Other variations, net	308
	<b>28,055</b>

After recognising losses on investment properties and other assets of £61,271, net expenditure for the year was £166,104 (2018: net expenditure of £111,883 after investment losses of £35,105). Downward revaluation of freehold property depleted funds by £90,000 (2018: £90,000).

The Balance Sheet summarises the Circuit's assets, liabilities and funds. Net assets (and thus aggregate funds) at 31<sup>st</sup> August 2019 were £6,482,977 (2018: £6,739,081). The reduction in net assets of £256,104 results from changes to assets and liabilities as follows:

	£
Downward revaluation of freehold properties	90,000
Investment valuation losses	61,271
Investment sales less purchases	3,700
Net expenditure funded through investment portfolio (principally model trust fund)	190,297
Increase in net current assets	-89,164
Reduction in net assets	<b>256,104</b>

The Circuit's net assets are held in either endowment, restricted or unrestricted funds. A full analysis of the individual funds, and the objectives for which income and/or capital may be applied, is provided in Notes 20 to 22 in these financial statements. These funds may be summarised as follows:

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	£	£
<u>Endowment funds</u>		
The income from these funds is applied to ministry within the Circuit, The capital is not available for use*		232,718
<u>Restricted funds</u>		
Available for financing capital schemes - Arthur Newbery Trust*	195,500	
Available for funding revenue expenditure as specified by donors	<u>16,984</u>	212,484
<u>Unrestricted funds</u>		
Manse capital fund (equivalent to the value of manse and investment properties)		5,371,500
Circuit Model Trust Fund, for financing churches' property and mission schemes through grants*		321,947
Funds available for financing Circuit occasional expenditure:		
Circuit development fund, for training and mission projects	40,125	
Kentwood fund, for supporting churches small building schemes	<u>15,971</u>	56,096
Funds for financing Circuit annual operating expenditure		
General funds, for all purposes	229,490	
Manse maintenance fund, for repairs, maintenance and refurbishment	<u>58,742</u>	288,232
<u>Total funds</u>		<u>6,482,977</u>

#### **4. Reserves policies**

The Circuit is required to have policies regarding the level of reserves to be held in respect of funds for financing Circuit annual operating expenditure. Policies are not required in respect of other funds since these are not held primarily for revenue purposes and there are restrictions on how the funds may be used. The funds marked (\*) are managed by the Trustees for Methodist Church Purposes.

The Circuit's annual operating expenditure includes the cost of ministerial and lay staff, provision of manses, travel and administrative expenses, and contributions to the Methodist Southampton District and Methodist Church central funds. This expenditure is funded by assessments on the Circuit's churches, income from investments, rents on surplus manses, and agreed contributions from the Model Trust Fund.

Assessments on churches are calculated as part of the Circuit's annual budget process. Increases in assessments on churches are limited to 10%, and not more than 95% of a church's income (70% if the church has no buildings).

The Circuit's budget reflects the impact of anticipated changes in staffing levels, the maintenance needs of its residential property portfolio, and any amounts to be drawn from reserves to support the planned expenditure. The Circuit Meeting approves the budget and assessments, and the amounts to be carried forward in reserves.

Proposed drawings from the restricted funds of the Circuit to assist churches with building improvements and fund improvements to the manses are considered and approved on a case by case basis by the Circuit Meeting.

In setting its reserves policy the Circuit Meeting also considers the financial health of the churches in the Circuit which has impacted on their ability to fund the annual Circuit assessment. The Circuit's reserves policies are to maintain at least:

- A general fund balance of £150,000, sufficient to cover three months' running costs; and
- A manse maintenance fund balance of at least £50,000, sufficient also for three months' running costs of approximately £20,000 plus £30,000 for unexpected repairs to manses,

The amounts held on these reserves at 31<sup>st</sup> August 2019 were £229,490 and £58,742 respectively.

The Circuit's draft budget for the year commencing 1 September 2019 shows a deficit of £38,252 on general funds, of which some £50,171 is exceptional expenditure that will be funded from the

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reserves. The manse maintenance draft budget shows a surplus of £2,251, which will be added to from reserves.

The trustees consider the Circuit to be a going concern.

## **5. Investment policies**

In accordance with the Standing Orders of the Methodist Church, the Circuit's investments are managed on its behalf by the Trustees for Methodist Church Purposes (TMCP), Central Buildings, Oldham Street Manchester M1 1JQ. TMCP acts as custodian trustee for all properties held by Circuits, for all large bequests (ie over £20,000) and for the proceeds of sale of any property where the Circuit was managing trustee. These sums are invested in unitised investments or held on deposit.

Short term deposits are lodged with the Central Finance Board (CFB) of the Methodist Church.

The Circuit's investment policies are aligned with those of TMCP and the CFB because these organisations take into consideration the social, environmental and ethical issues, both negatively and positively, that make investments suitable for the Methodist Church.

## **6. Pay and remuneration policies**

Ministers are stationed in the Circuit by the Methodist Conference. Ministers' remuneration is set nationally by the Methodist Church. Ministers are members of the Methodist Ministers Pension Scheme. Contribution rates are set nationally by the Methodist Church.

Lay employees are directly employed by the Circuit. Lay employee remuneration is based on the Methodist Church's guidance for the setting of pay rates for lay employees. Lay employee pay rates are in excess of the National Living Wage. The Circuit offers a pension scheme to its lay employees. The Circuit matches lay employee contributions up to 10% of salary. The minimum employer contribution rate is 6%. No member of staff is paid in excess of £60,000 per annum.

Information on the payment of expenses to trustees and remuneration of key management personnel is disclosed in the notes to the Circuit's accounts.

## **7. Structure and governance**

The Circuit was established in accordance with the constitution of the Methodist Church. Its organisation is structured around its bi-annual circuit meeting. The Circuit also holds bi-annual gatherings to which members of all churches are invited for worship, discussion, prayer and activities.

The members of the Circuit Meeting are the trustees of the Circuit. The Circuit Meeting comprises the Circuit staff and officers, and representatives from each church in the Circuit and the local preachers' meeting. Each church council and the local preachers meeting elect representatives to the Circuit Meeting annually. The Circuit officers are appointed annually by Circuit Meeting.

The Circuit Meeting is supported by separate monthly meetings of ordained staff and circuit stewards to conduct day-to-day business and consider matters to be brought to the attention of the Circuit Meeting. A Strategic Executive Group was set up in September 2015 following a review of the Circuit's governance. This group's responsibilities include circuit strategy and vision, resource planning and oversight of probationers and candidates. A number of focussed 'Getting It Done' and 'Special Interest' Groups focus on prayer, preparation of worship materials, arranging Circuit gatherings and managing our property portfolio.

## **8. Administrative details**

These details are provided on page 1 to these financial statements.

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**9. Principal risks and uncertainties**

The major risks to which the Circuit is exposed have been identified by the Circuit Meeting and are listed below. A major risk is defined as one that, if realised could fundamentally affect the way in which the Circuit operates or achieves its outcomes in the next one to three years.

	Risk	Evaluation	Commentary
A	Churches cannot afford to pay their assessments. This would affect the ability of the Circuit to fund staffing	Low	The Circuit takes into account church income when setting assessments on churches.
B	The Circuit cannot maintain residential properties to appropriate standards	Low	Surveyors carry out inspections every five years to assist planning repairs and maintenance. There is sufficient in the Model Trust Fund for works needed in the medium term
C	The Circuit is unable to fill stations with presbyters, deacons or lay staff where appropriate.	Moderate	There is a Connexional shortage of presbyters, and sometimes vacancies cannot be filled immediately
D	The Circuit is unable to attract circuit stewards and other office holders with appropriate skills and expertise	Moderate	The Circuit is heavily dependent on such individuals and the time that they commit to the Circuit's life and work. At present most posts are filled.
E	Churches are unable to attract office holders with sufficient time, skills and expertise to enable them to continue operating	Moderate	If churches cease to operate, the Circuit may need to become managing trustee for the site.

**10. Further information**

If further information is required on the Circuit's life and witness, please first contact Mrs Marion Young, at the Circuit office (see paragraph 8 above).

**11. Statement of trustees' responsibilities**

Charity law requires the Circuit Meeting to prepare financial statements for each financial year, which give a true and fair view of the state of the Circuit as at the balance sheet date and of its incoming resources and application of resources, including income and expenditure, for the financial year. In preparing those financial statements, the Circuit Meeting are required to:

- select suitable accounting policies and then apply them consistently;
- make judgments and estimates that are reasonable and prudent;
- state whether applicable accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charity will continue on that basis.

The Circuit Meeting are responsible for maintaining proper accounting records which disclose with reasonable accuracy at any time the financial position of the charity and enable them to ensure that the financial statements comply with the Charities Act 2011. They are also responsible for safeguarding the assets of the charity and hence for taking reasonable steps for the prevention and detection of fraud or other irregularities.

Signed on behalf of the Circuit Meeting

Rev David Shaw  
 Superintendent Minister, 27 February 2020



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**Independent Auditor's Report to the Trustees of Basingstoke & Reading Methodist Circuit**

**Opinion**

We have audited the financial statements of Basingstoke & Reading Methodist Circuit (the 'charity') for the year ended 31 August 2019 which comprise the Statement of Financial Activities, Balance Sheet and 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, including FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" (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 2019 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.

This report is made solely to the charity's trustees, as a body, in accordance with Chapter 3 of Part 8 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 auditor's 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 its trustees as a body, for our audit work, for this report, or for the opinions we have formed.

**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 Auditor's 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 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 audit opinion.

**Conclusions relating to going concern**

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

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

**Other information**

The trustees are responsible for the other information. The other information comprises the information included in the annual report, other than the financial statements and our auditor's report 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

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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 Trustees' Annual Report 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.

**Responsibilities of trustees**

As explained more fully in the trustees' responsibilities statement set out on page 7, the trustees are responsible for the preparation of the financial statements and for being satisfied that they 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.

**Auditor's responsibilities for the audit of the financial statements**

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report 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.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Councils website at: [www.frc.org.uk/auditorsresponsibilities](http://www.frc.org.uk/auditorsresponsibilities). This description forms part of our auditor's report.



Darren O'Connor BSc (Hons) FCCA FCA, *Senior Statutory Auditor*  
For and on behalf of James Cowper Kreston, Statutory Auditor

James Cowper Kreston is eligible to act as an auditor in terms of section 1212 of the Companies Act 2006

Reading Bridge House  
George Street  
Reading  
Berkshire  
RG1 8LS

12/3/20

# BASINGSTOKE & READING METHODIST CIRCUIT

## STATEMENT OF FINANCIAL ACTIVITIES For the year ended 31 August 2019

	Notes	Unrestricted funds General Funds £	Designated Funds £	Restricted Funds £	Endowment Funds £	Total 2019 £
<b>INCOME AND ENDOWMENTS</b>						
Donations and legacies		-	27,973	-	-	27,973
Charitable income						
Assessments on churches		479,921	-	-	-	479,921
Other income	4	887	6,500	-	-	7,387
Investments						
Lettings income		-	57,238	-	-	57,238
Investment income and interest	3	11,456	4,095	274	342	16,167
<b>Total income and endowments</b>		<b>492,264</b>	<b>95,806</b>	<b>274</b>	<b>342</b>	<b>588,686</b>
<b>EXPENDITURE</b>						
Charitable expenditure						
Stipends, salaries and associated costs	5	341,033	-	-	-	341,033
Assessments and levies	6	120,324	29,864	-	-	150,188
Manse running costs	7	-	109,711	-	-	109,711
Grants and donations	10	600	4,100	-	-	4,700
Administration and travel	8	38,845	-	-	-	38,845
Other outgoings	9	17,142	29,170	-	-	46,312
Raising funds						
Investment management costs		-	1,030	64	1,636	2,730
<b>Total expenditure</b>		<b>517,944</b>	<b>173,875</b>	<b>64</b>	<b>1,636</b>	<b>693,519</b>
<b>Net income/(expenditure) before investment gains/losses</b>		<b>(25,680)</b>	<b>(78,069)</b>	<b>210</b>	<b>(1,294)</b>	<b>(104,833)</b>
Investment realised & unrealised gains/(losses)						
Investment properties	15	-	(65,905)	-	-	(65,905)
Other	16	-	-	1,887	2,747	4,634
<b>Net income/(expenditure) before transfers</b>		<b>(25,680)</b>	<b>(143,974)</b>	<b>2,097</b>	<b>1,453</b>	<b>(166,104)</b>
Transfers between funds		83,857	(82,357)	(1,500)	-	-
Revaluation of freehold property	14	-	(90,000)			(90,000)
<b>Net movement in funds</b>		<b>58,177</b>	<b>(316,331)</b>	<b>597</b>	<b>1,453</b>	<b>(256,104)</b>
<b>Total funds brought forward</b>		<b>171,313</b>	<b>6,124,616</b>	<b>211,887</b>	<b>231,265</b>	<b>6,739,081</b>
<b>Total funds at 31 August 2019</b>		<b>229,490</b>	<b>5,808,285</b>	<b>212,484</b>	<b>232,718</b>	<b>6,482,977</b>

The statement of financial activities includes all gains and losses recognised in the year.

The notes on pages 14 to 23 form part of these Financial Statements.



# BASINGSTOKE & READING METHODIST CIRCUIT

## STATEMENT OF FINANCIAL ACTIVITIES For the year ended 31 August 2018

	Notes	Unrestricted Funds General Funds £	Designated Funds £	Restricted Funds £	Endowment Funds £	Total 2018 £
<b>INCOME AND ENDOWMENTS</b>						
Charitable income						
Assessments on churches		458,469	-	-	-	458,469
Other income	4	384	5,429	99	-	5,912
Investments						
Lettings income		-	61,098	-	-	61,098
Investment income and interest	3	10,572	3,122	517	404	14,615
<b>Total income and endowments</b>		<b>469,425</b>	<b>69,649</b>	<b>616</b>	<b>404</b>	<b>540,094</b>
<b>EXPENDITURE</b>						
Charitable expenditure						
Stipends, salaries and associated costs	5	262,563	-	-	-	262,563
Assessments and levies	6	132,930	32,121	-	-	165,051
Manse running costs	7	-	108,880	1,081	-	109,961
Grants and donations	10	500	1,119	296	-	1,915
Administration and travel	8	38,337	-	-	-	38,337
Other outgoings	9	16,765	14,908	3,302	-	34,975
Raising funds						
Investment management costs		-	1,089	396	2,585	4,070
<b>Total expenditure</b>		<b>451,095</b>	<b>158,117</b>	<b>5,075</b>	<b>2,585</b>	<b>616,872</b>
<b>Net income/(expenditure) before investment gains/losses</b>		<b>18,330</b>	<b>(88,468)</b>	<b>(4,459)</b>	<b>(2,181)</b>	<b>(76,778)</b>
Investment realised & unrealised gains/(losses)						
Investment properties		-	(47,595)	-	-	(47,595)
Other investments	16	-	-	6,204	6,286	12,490
<b>Net income/(expenditure) before transfers</b>		<b>18,330</b>	<b>(136,063)</b>	<b>1,745</b>	<b>4,105</b>	<b>(111,883)</b>
Transfers between funds		(35,000)	35,000	-	-	-
Revaluation of freehold property		-	(90,000)	-	-	(90,000)
<b>Net movement in funds</b>		<b>(16,670)</b>	<b>(191,063)</b>	<b>1,745</b>	<b>4,105</b>	<b>(201,883)</b>
<b>Total funds brought forward</b>		<b>187,983</b>	<b>6,315,679</b>	<b>210,142</b>	<b>227,160</b>	<b>6,940,964</b>
<b>Total funds at 31 August 2018</b>		<b>171,313</b>	<b>6,124,616</b>	<b>211,887</b>	<b>231,265</b>	<b>6,739,081</b>

The statement of financial activities includes all gains and losses recognised in the year.


The notes on pages 14 to 23 form part of these Financial Statements.

# BASINGSTOKE & READING METHODIST CIRCUIT

## BALANCE SHEET As at 31 August 2019

	Notes	2019 £	2018 £
<b>FIXED ASSETS</b>			
Freehold properties; manses	14	3,210,000	3,300,000
Investment properties	15	2,161,500	2,227,405
Investments	16	760,849	950,212
		<u>6,132,349</u>	<u>6,477,617</u>
<b>CURRENT ASSETS</b>			
Debtors	17	30,945	35,339
Central Finance Board deposits		379,149	375,774
Cash at bank and in hand		21,723	9,507
		<u>431,817</u>	<u>420,620</u>
<b>Creditors</b>			
Amounts falling due within one year	18	<u>81,189</u>	<u>159,156</u>
<b>Net Current Assets</b>		350,628	261,464
<b>NET ASSETS</b>	19	<u><u>6,482,977</u></u>	<u><u>6,739,081</u></u>
<b>FUNDS</b>			
Endowment funds	20	232,718	231,265
Restricted funds	21	212,484	211,887
Unrestricted funds	22	6,037,775	6,295,929
		<u><u>6,482,977</u></u>	<u><u>6,739,081</u></u>

The Financial Statements were approved by the Managing Trustees on 27 February 2020 and are signed on their behalf by:-

  
.....  
Rev David Shaw  
Superintendent minister

  
.....  
Alan Harland  
Circuit steward & treasurer

The notes on pages 14 to 23 form part of these Financial statements

**BASINGSTOKE & READING METHODIST CIRCUIT**

**CASH FLOW STATEMENT FOR THE YEAR ENDED 31 AUGUST 2019**

		<b>2019</b>	<b>2018</b>
	<b>Notes</b>	<b>£</b>	<b>£</b>
<b>Cash used in operating activities</b>	<b>25</b>	<u><b>(251,811)</b></u>	<u><b>(109,401)</b></u>
<b>Cash flows from investing activities</b>			
Dividends, interest and rents from investments		73,405	75,713
Proceeds from sale of property		-	-
Expenditure funded through investment portfolio		190,297	30,217
Purchase of investments		(19,424)	(31,776)
Investment sale proceeds		23,124	33,705
		<u>267,402</u>	<u>107,859</u>
<b>Cash provided by investing activities</b>		<u><b>267,402</b></u>	<u><b>107,859</b></u>
Increase in cash and cash equivalents in year		15,591	(1,542)
Cash and cash equivalents at the beginning of the year		385,281	386,823
		<u>400,872</u>	<u>385,281</u>
<b>Total cash and cash equivalents at the end of year</b>		<u><b>400,872</b></u>	<u><b>385,281</b></u>

**BASINGSTOKE & READING METHODIST CIRCUIT**  
**NOTES FORMING PART OF THE FINANCIAL STATEMENTS**  
*For the year ended 31 August 2019*

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**1 STATEMENT OF ACCOUNTING POLICIES**

**Basis of Preparation**

The financial statements have been prepared in accordance with 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 1 January 2015) - (Charities SORP (FRS 102)), the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) as updated by Bulletin 1, and the Companies Act 2006. These statements are denominated in Sterling, rounded to the nearest £.

The Basingstoke and Reading Methodist Circuit meets the definition of a public benefit entity under FRS 102. The accounts have been prepared on the basis of historic cost except that investments and properties are shown at their market value.

Based on the monetary assets and human resources available to the Circuit at 31 August 2019 the trustees believe that the Circuit is a going concern.

**Fund Accounting**

The funds constitute:

Unrestricted funds which include general funds held for any purpose of the Circuit; the Circuit Model Trust Fund which has wide purposes defined in Standing Orders and is categorised as unrestricted; and other designated funds that are held for purposes agreed by the Circuit Meeting.

Restricted funds are funds that can only be used for specific restricted purposes as laid down by the donor.

Endowment funds which represent gifts that are held as capital to generate income that is available for either restricted or unrestricted purposes.

**Income and endowments**

All incoming resources are included in the Statement of Financial Activities when the Circuit becomes entitled to the resources, the trustees are virtually certain they will receive the resources, and the monetary value can be measured with sufficient reliability.

**Expenditure**

Resources expended are accounted for on an accruals basis. Expenditure is recognised when a liability is incurred or a constructive obligation arises that results in the payment being unavoidable. The Circuit is not VAT registered so expenditure is stated inclusive of VAT where applicable.

**Grants**

Grants by the Circuit are recognised at the time of agreement to pay (without performance conditions), or when it is accepted there is an obligation to pay (if subject to performance conditions). Where grants are payable over more than one year, the accrual is discounted to net present value if the difference is material.

**Connexional donations - acting as agent**

The Circuit acts as agent in collecting from churches and then paying over their contributions to various Methodist Connexional funds and other external organisations. These transactions are therefore not reflected in the SOFA but are disclosed in Notes to the Accounts as required by the SORP (FRS102), module 19.12.

**Ownership of Methodist property**

Under the Methodist Church Act 1976 the ownership of Methodist property in England, Wales and Scotland was on 16 April 1977 automatically transferred to the Trustees for Methodist Church Purposes (TMCP). Property includes stocks, shares, unit trust investments and all other securities as well as land, buildings and chattels. TMCP holds such property as custodian trustees. The management of this property is vested in the relevant managing trustees who must act in accordance with the Model Trusts and the Standing Orders made under them. The property for which the Circuit are managing trustees is included in the Circuit's accounts.

**BASINGSTOKE & READING METHODIST CIRCUIT**  
**NOTES FORMING PART OF THE FINANCIAL STATEMENTS**  
*For the year ended 31 August 2019 (cont'd)*

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**1 STATEMENT OF ACCOUNTING POLICIES (continued)**

**Tangible fixed assets**

Assets are capitalised if they can be used for more than one year and cost more than £2,500. Freehold property is stated at market value, which is reviewed annually. Office equipment and other plant is stated at cost. Depreciation is calculated on the straight line basis at 4% on the cost or valuation of buildings (excluding the element relating to land) and 20% on office equipment and other plant.

**Investment properties**

Properties that are no longer required as manses are held as investment properties. They are stated at market value, which is reviewed annually.

**Financial instruments**

The Circuit only has financial assets and financial liabilities of a kind that qualify as basic financial instruments. Basic financial instruments are initially recognised at transaction value and subsequently measured at their settlement value with the exception of bank loans which are subsequently measured at amortised cost using the effective interest method.

**Investments**

Investments are included at market value at the Balance Sheet date. Investment income is included in the accounts when receivable and any gains or losses on revaluation at the year end are included in the Statement of Financial Activities.

The investments are in monetary assets. Except for the Briggs Trust funds which are managed by Lloyds Bank, the Circuit's investment assets are held by the Trustees for Methodist Church Purposes (TMCP) as custodian trustees. The valuations, at market value, are those as provided by Lloyds Bank and TMCP as at 31 August 2019.

**Staff costs**

The ministers are paid stipends at rates set by the Methodist Conference. The lay employees are paid salaries at rates set by the Circuit.

The Circuit makes payments to the Methodist Ministers Pension Fund and into a pension scheme for its lay employees. The charge represents the amount payable in respect of the year.

**Ministers' manse costs**

The Circuit is required to provide accommodation for each minister and their families, and ministers are expected to occupy them. The Circuit bears the cost of repairs and maintenance, premises insurance, council tax and water charges. These are not regarded as benefits in kind by HM Revenue & Customs.

**2 CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS**

Estimates and judgements are continually evaluated and are based on historical experience and current factors, including expectations of future events that are believed to be reasonable under the circumstances.

The Circuit trustees make estimates and assumptions concerning the future. The resulting accounting estimates and assumptions will, by definition, seldom equal the related actual results. The only estimates and assumptions that have significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are discussed below.

**Land and buildings**

The carrying values of land and buildings within tangible fixed assets and investment properties have been reviewed by the trustees based on a professional valuation for accounts purposes at the balance sheet date.

# BASINGSTOKE & READING METHODIST CIRCUIT

## NOTES FORMING PART OF THE FINANCIAL STATEMENTS

For the year ended 31 August 2019 (cont'd.)

### 3 INTEREST & INVESTMENT INCOME

	Unrestricted Funds				Total	Total
	General Funds	Designated Funds	Restricted Funds	Endowment Funds	2019	2018
	£	£	£	£	£	£
Bank interest	2,150	-	-	-	2,150	1,640
Investment income	9,306	4,095	274	342	14,017	12,975
	<u>11,456</u>	<u>4,095</u>	<u>274</u>	<u>342</u>	<u>16,167</u>	<u>14,615</u>

### 4 OTHER INCOME

	Unrestricted Funds				Total	Total
	General Funds	Designated Funds	Restricted Funds	Endowment Funds	2019	2018
	£	£	£	£	£	£
District grants	-	-	-	-	-	-
Internal organisations	-	-	-	-	-	99
Staffing and shared manse costs	-	6,095	-	-	6,095	5,429
Other	887	405	-	-	1,292	384
	<u>887</u>	<u>6,500</u>	<u>-</u>	<u>-</u>	<u>7,387</u>	<u>5,912</u>

### 5 STAFF COSTS

	Unrestricted Funds				Total	Total
	General Funds	Designated Funds	Restricted Funds	Endowment Funds	2019	2018
	£	£	£	£	£	£
Stipends and salaries	263,079	-	-	-	263,079	205,642
National Insurance	20,363	-	-	-	20,363	14,447
Pension contributions	54,104	-	-	-	54,104	41,439
Apprenticeship levy	1,313	-	-	-	1,313	1,035
Relocation expenses	2,174	-	-	-	2,174	-
	<u>341,033</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>341,033</u>	<u>262,563</u>

The ministers are stationed in the Circuit by the Methodist Conference and are paid stipends at rates agreed by the Conference. The lay employees are employees of the Circuit and are paid salaries at rates set by the Circuit. The pay costs of both the ministers and lay employees are reflected in the accounts. The remuneration of those members of staff in senior management positions (ie on the Strategic Executive Team) were £130,165 (2018: £103,048); and the full cost including employer pension and National Insurance contributions was £173,963 (2018: £136,934).

Salaries and pension contributions are in line with guidance provided by the Methodist Church.

The number of staff during the year was

15

14

No members of staff received emoluments amounting to over £60,000 in the year.

During the year, no trustee received any remuneration for the role of trustee.

### 6 ASSESSMENTS AND LEVIES

	Unrestricted Funds				Total	Total
	General Funds	Designated Funds	Restricted Funds	Endowment Funds	2019	2018
	£	£	£	£	£	£
District assessment	15,924	-	-	-	15,924	15,150
Methodist Church Fund	75,528	-	-	-	75,528	78,330
Contributions to District Advance Fund	-	29,864	-	-	29,864	32,121
United Reformed Church assessments	28,512	-	-	-	28,512	39,450
Church of England assessments	360	-	-	-	360	-
	<u>120,324</u>	<u>29,864</u>	<u>-</u>	<u>-</u>	<u>150,188</u>	<u>165,051</u>

**BASINGSTOKE & READING METHODIST CIRCUIT**  
**NOTES FORMING PART OF THE FINANCIAL STATEMENTS**  
*For the year ended 31 August 2019 (cont'd.)*

**7 MANSE RUNNING COSTS**

	Unrestricted Funds		Restricted Funds	Endowment Funds	Total 2019	Total 2018
	General Funds	Designated Funds	Funds	Funds		
	£	£	£	£	£	£
Insurance and utilities	-	34,035	-	-	34,035	28,968
Rent payable	-	7,542	-	-	7,542	2,500
Repairs and maintenance	-	68,134	-	-	68,134	78,493
	-	109,711	-	-	109,711	109,961

**8 ADMINISTRATION AND TRAVEL**

	Unrestricted Funds		Restricted Funds	Endowment Funds	Total 2019	Total 2018
	General Funds	Designated Funds	Funds	Funds		
	£	£	£	£	£	£
Telephone costs	6,928	-	-	-	6,928	5,838
Administrative expenses	6,438	-	-	-	6,438	6,653
Publications	2,112	-	-	-	2,112	2,439
Circuit office rent	4,000	-	-	-	4,000	3,600
Travel expenses	19,367	-	-	-	19,367	19,807
	38,845	-	-	-	38,845	38,337

**9 OTHER OUTGOINGS**

	Unrestricted Funds		Restricted Funds	Endowment Funds	Total 2019	Total 2018
	General Funds	Designated Funds	Funds	Funds		
	£	£	£	£	£	£
Depreciation	-	-	-	-	-	-
Audit fees	6,480	-	-	-	6,480	7,200
Professional expenses	576	20,475	-	-	21,051	13,771
Internal organisations	-	-	-	-	-	207
Abortive manse purchase costs	-	8,695	-	-	8,695	-
Other expenditure	10,086	-	-	-	10,086	13,797
	17,142	29,170	-	-	46,312	34,975

**10 GRANTS AND DONATIONS**

The following grants were agreed and/or paid during the year and charged to the funds concerned (see Notes 18 - 20). Associated support costs are insignificant and have not been disclosed separately

	Paid	Accrued	Total 2019	Total 2018
	£	£	£	£
<b>General funds (unrestricted)</b>				
Reading University Chaplaincy	-	-	-	500
Churches Together in Berkshire (paid after 31 August 2019)	-	600	600	-
	-	600	600	500
<b>Designated funds (unrestricted)</b>				
Kentwood Fund				
Kempshott Methodist Church, roof repairs	350	-	350	-
Silchester Methodist Churches, kitchen refurbishment	2,750	-	2,750	-
Oakridge Methodist Church re water leak	500	-	500	-
Old Basing Methodist Church, kitchen refurbishment	500	-	500	-
Grants paid in prior year to other churches	-	-	-	1,119
Model Trist Fund				
Tilehurst Methodist Church from Mission Grant Scheme towards lay employee (expense to SOFA in previous year, so payment excluded in	50,000	(50,000)	-	-
	54,100	(50,000)	4,100	1,119
<b>Benevolence fund (restricted)</b>				
Payments	-	-	-	296
	54,100	(49,400)	4,700	1,915

## **BASINGSTOKE & READING METHODIST CIRCUIT**

### **NOTES FORMING PART OF THE FINANCIAL STATEMENTS**

*For the year ended 31 August 2019 (cont'd.)*

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#### **11 VOLUNTEER CONTRIBUTIONS**

The Circuit is heavily reliant on volunteers who contribute their skills and time in the furtherance of the work of the Circuit. Principally this contribution is by serving as circuit and manse stewards and serving on groups that plan circuit events and meetings, support the Circuit's safeguarding work and the Circuit's Strategic Executive Group.

No attempt has been made by the Trustees to value the non monetary contributions made by volunteers in monetary terms.

#### **12 PAYMENTS TO TRUSTEES**

Several of the Circuit staff are also trustees of the Circuit. The ministers are paid stipends and travel expenses at the rates agreed annually by the Methodist Conference. The lay employees who are Trustees are paid in line with the principles of the Methodist Church's policy for payment of lay employees. The ministers Rev'ds Shaw, Browne, Jenkins, Dowding, Moffoot and Midcalf and Deacons Maria Howard and Marlene Skuce and the lay employees Mary Ludlow, Angela Slark and Marion Young received stipend and salary payments of £202,283 (2018: £174,537).

Some of the members of the Circuit meeting have received payments from the Circuit in their capacity as manse or property stewards where they have either carried out maintenance work at manses rather than employing a contractor or incurred expenses connected with their role. Other members of the Circuit meeting have been employed as a contractor in connection with their trade or business. These amounted to £30,220 during the year (2018: £5,290).

Expenses paid to members of the Circuit Meeting were as follows:	2019 £	2018 £
Travel expenses	12,665	15,233
Pulpit supply costs	3,900	3,800
Manse expenses reimbursed	7,471	1,388
Administration and other ministry expenses reimbursed	6,955	1,914
Number of trustees who were paid expenses	21	17



**BASINGSTOKE & READING METHODIST CIRCUIT**  
**NOTES FORMING PART OF THE FINANCIAL STATEMENTS**  
*For the year ended 31 August 2019 (cont'd.)*

**13 PENSIONS**

The ministers belong to the Methodist Ministers' Pension Scheme. This is a defined benefit scheme. The Circuit pays a contribution of 26.95% of stipend to the scheme. It is not possible to identify the Circuit's share of assets and liabilities. The results of the latest actuarial valuation which was carried out on 1 September 2017, assuming that the Scheme continues into the future, were as follows:

	<u>2017</u>	<u>2014</u>
	<u>£'m</u>	<u>£'m</u>
Target level of assets	449.7	424.0
Actual value of assets	469.3	384.0
Surplus/shortfall(-) in assets	19.6	-40.0
Funding level	90.60%	90.60%

As the Scheme was in surplus at 1 September 2017, a recovery plan was no longer required; but, because the margin of surplus was relatively small, it was considered prudent to maintain contributions at existing levels rather than reduce and have to increase again. Circuits have been paying total contributions at 26.9% of stipend remuneration since 1 September 2013. The next review is due for 1 September 2020.

The Circuit belongs to a multi-employer defined contribution pension scheme operated by The Pensions Trust which is offered to lay employees. The Circuit matches their contributions to the scheme up to 10% of pay.

In line with FRS102 28.38, there is no contractual agreement and therefore the cost recognised is equal to the contributions payable for the period.

**14 TANGIBLE FIXED ASSETS**

	<u>Land</u> <u>£</u>	<u>Buildings</u> <u>£</u>	<u>Total</u> <u>£</u>
<b>Valuation</b>			
At 1 September 2018	1,095,000	2,205,000	3,300,000
Revaluation deficit	(20,000)	(70,000)	(90,000)
At 31 August 2019	<u>1,075,000</u>	<u>2,135,000</u>	<u>3,210,000</u>
<b>Depreciation</b>			
At 1 September 2018	-	-	-
Provision for the year	-	-	-
At 31 August 2019	<u>-</u>	<u>-</u>	<u>-</u>
<b>Net Book Value</b>			
At 1 September 2018	1,095,000	2,205,000	3,300,000
At 31 August 2019	<u>1,075,000</u>	<u>2,135,000</u>	<u>3,210,000</u>

The manse were revalued by the trustees at 31 August 2019, following a professional valuation for accounts purposes as at that date by Haslams, Chartered Surveyors. The historical value of the land and buildings if they had not been revalued was £2,941,004.

**15 INVESTMENT PROPERTIES**

	<u>Land</u> <u>£</u>	<u>Buildings</u> <u>£</u>	<u>Total</u> <u>£</u>
<b>Valuation</b>			
At 1 September 2018	739,155	1,488,250	2,227,405
Revaluation deficit	(22,655)	(43,250)	(65,905)
At 31 August 2019	<u>716,500</u>	<u>1,445,000</u>	<u>2,161,500</u>

The manse were revalued by the trustees at 31 August 2019, following a professional valuation for accounts purposes as at that date by Haslams, Chartered Surveyors. The historical value of the land and buildings if they had not been revalued was £1,546,000.

**BASINGSTOKE & READING METHODIST CIRCUIT**  
**NOTES FORMING PART OF THE FINANCIAL STATEMENTS**  
*For the year ended 31 August 2019 (cont'd.)*

<b>16 INVESTMENTS</b>	<b>2019</b>	<b>2018</b>
	<b>£</b>	<b>£</b>
Balance at 1 September 2018	342,954	332,394
Additions	19,424	31,776
Disposals	(23,124)	(33,706)
Unrealised gains	4,634	12,490
	<u>343,888</u>	<u>342,954</u>
Cash held	416,961	607,258
<b>Balance at 31 August 2019</b>	<b><u>760,849</u></b>	<b><u>950,212</u></b>

**Analysis of investments**

Investments listed on a recognised Stock Exchange or held in common investment funds, unit trusts or other collective investment schemes	343,888	342,954
Other investments	95,014	92,399
Circuit Model Trust cash holdings	321,947	514,859
	<u>760,849</u>	<u>950,212</u>

<b>17 DEBTORS</b>	<b>2019</b>	<b>2018</b>
	<b>£</b>	<b>£</b>
Sundry debtors	-	2,787
Stipends paid in advance	18,004	19,775
Prepayments	12,941	12,777
	<u>30,945</u>	<u>35,339</u>

<b>18 CREDITORS</b>	<b>2019</b>	<b>2018</b>
	<b>£</b>	<b>£</b>
Assessments	39,162	36,689
Other creditors	6,893	8,063
Whitley Methodist Church, share of legacy payable	16,982	-
Grants payable (see Note 10)	600	50,000
Accruals	17,552	64,404
	<u>81,189</u>	<u>159,156</u>

<b>19 ANALYSIS OF NET ASSETS BETWEEN FUNDS</b>	<b>Fixed Assets</b>	<b>Investment Property</b>	<b>Other Investments</b>	<b>Current Assets (net)</b>	<b>Total</b>
	<b>£</b>	<b>£</b>	<b>£</b>	<b>£</b>	<b>£</b>
<b>Funds, year ended 31 August 2019</b>					
Endowment funds	-	-	232,718	-	232,718
Restricted funds	-	-	206,184	6,300	212,484
Unrestricted funds	3,210,000	2,161,500	321,947	344,328	6,037,775
	<u>3,210,000</u>	<u>2,161,500</u>	<u>760,849</u>	<u>350,628</u>	<u>6,482,977</u>
<b>Funds, year ended 31 August 2018</b>					
Endowment funds	-	-	231,265	-	231,265
Restricted funds	-	-	204,088	7,799	211,887
Unrestricted funds	3,300,000	2,227,405	514,859	253,665	6,295,929
	<u>3,300,000</u>	<u>2,227,405</u>	<u>950,212</u>	<u>261,464</u>	<u>6,739,081</u>

**BASINGSTOKE & READING METHODIST CIRCUIT**  
**NOTES FORMING PART OF THE FINANCIAL STATEMENTS**  
*For the year ended 31 August 2019 (cont'd.)*

**20 ENDOWMENT FUNDS**

	Opening balances	Net income or expenditure(-)	Investment Gains/Losses	Transfers	Closing balances
	£	£	£	£	£
<b>Movements in year ended 31 August 2019</b>					
Arthur Newbery Trust 5446 (Trustees Investment Fund: TIF)	359	5	-	-	364
Arthur Newbery Trust 4345 (TIF)	30,202	197	-	-	30,399
Arthur Newbery Trust 4763 (Methodist Managed Mixed Funds & TIF)	85,735	-	1,061	-	86,796
Arthur Newbery Trust 5447 (TIF)	337	-	-	-	337
Arthur Newbery Trust 3669 (TIF)	9,412	61	-	-	9,473
AJ Briggs Trust (managed by Lloyds Bank Private Banking)	105,220	(1,557)	1,686	-	105,349
	<u>231,265</u>	<u>(1,294)</u>	<u>2,747</u>	<u>-</u>	<u>232,718</u>
<b>Movements in year ended 31 August 2018</b>					
Arthur Newbery Trust 5446 (Trustees Investment Fund: TIF)	359	-	-	-	359
Arthur Newbery Trust 4345 (TIF)	30,080	122	-	-	30,202
Arthur Newbery Trust 4763 (Methodist Managed Mixed Funds & TIF)	82,246	-	3,489	-	85,735
Arthur Newbery Trust 5447 (TIF)	337	-	-	-	337
Arthur Newbery Trust 3669 (TIF)	9,374	38	-	-	9,412
AJ Briggs Trust (managed by Lloyds Bank Private Banking)	104,764	(2,341)	2,797	-	105,220
	<u>227,160</u>	<u>(2,181)</u>	<u>6,286</u>	<u>-</u>	<u>231,265</u>

The investment income generated by funds 5446, 4763 and 3669 is used to fund the Circuit's day to day running costs. The investment income generated by funds 4345 and 3669 is held in the fund. The income generated by the AJ Briggs Trust is used to fund ministry in Basingstoke.

**21 RESTRICTED FUNDS**

	£	£	£	£	£
<b>Movements in year ended 31 August 2019</b>					
Benevolence fund	4,104	-	-	-	4,104
Edith Bailey Bequest (supporting people)	10,707	(21)	-	-	10,686
Arthur Newbery Trust (financing capital schemes in the Circuit)	193,380	231	1,889	-	195,500
Fund for the Worker with the Deaf	3,694	-	-	(1,500)	2,194
	<u>211,885</u>	<u>210</u>	<u>1,889</u>	<u>(1,500)</u>	<u>212,484</u>
<b>Movements in year ended 31 August 2018</b>					
Internal organisation - Network (closed August 2018)	107	(107)	-	-	-
Benevolence fund	4,401	(297)	-	-	4,104
George Henry Webb Bequest (closed August 2018)	275	(275)	-	-	-
Retford Close manse repairs (closed August 2018)	1,081	(1,081)	-	-	-
Edith Bailey Bequest (supporting people)	10,664	43	-	-	10,707
Arthur Newbery Trust (financing capital schemes in the Circuit)	187,100	77	6,203	-	193,380
Fund for the Worker with the Deaf	4,389	(695)	-	-	3,694
Circuit Youth Fund (closed August 2018)	2,125	(2,125)	-	-	-
	<u>210,142</u>	<u>(4,460)</u>	<u>6,203</u>	<u>0</u>	<u>211,885</u>

The Benevolence Fund is held by the Circuit to support individuals in need. The Edith Bailey Bequest is to be used to support individuals in need. The Arthur Newbery Trust is available to fund capital schemes. The Fund for the Worker with the Deaf reserve contributes towards the cost of this post.

**BASINGSTOKE & READING METHODIST CIRCUIT**  
**NOTES FORMING PART OF THE FINANCIAL STATEMENTS**  
*For the year ended 31 August 2019 (cont'd.)*

**22 UNRESTRICTED FUNDS**

	Opening balances £	Net income or expenditure(-) £	Investment Gains/Losses £	Transfers £	Closing balances £
<b>Movements in year ended 31 August 2019</b>					
General fund (day to day running costs)	171,313	(25,680)	-	83,857	229,490
<b>Designated Funds:</b>					
Manse Maintenance fund	50,534	(75,548)	-	83,756	58,742
Manses capital (value of manses)	5,527,405	(155,905)	-	-	5,371,500
Circuit development fund (training, outreach, small projects)	11,747	28,378	-	-	40,125
Kentwood Fund (grants for buildings projects)	20,071	(4,100)	-	-	15,971
Circuit Model Trust fund	514,859	(26,799)	-	(166,113)	321,947
	<u>6,295,929</u>	<u>(259,654)</u>	<u>-</u>	<u>1,500</u>	<u>6,037,775</u>
<b>Movements in year ended 31 August 2018</b>					
General fund (day to day running costs)	187,983	18,330	-	(35,000)	171,313
<b>Designated Funds:</b>					
Manse Maintenance fund	72,795	(57,261)	-	35,000	50,534
Manses capital (value of manses) - restated	5,665,000	-	(137,595)	-	5,527,405
Circuit development fund (training, outreach, small projects)	11,747	-	-	-	11,747
Kentwood Fund (grants for buildings projects)	21,190	(1,119)	-	-	20,071
Circuit Model Trust fund	544,947	(30,088)	-	-	514,859
	<u>6,503,662</u>	<u>(70,138)</u>	<u>(137,595)</u>	<u>-</u>	<u>6,295,929</u>

**23 TRANSFERS BETWEEN FUNDS**

The transfers between funds represent amounts drawn down by authorisation of the Circuit Meeting

**24 AGENCY COLLECTIONS AND PAYMENTS**

The Circuit acted as agent in either the collection or facilitation of the monies tabulated below. None of these collections were for related parties as defined in Note 1 and do not appear elsewhere in these accounts.

	<u>Receipts</u> £	<u>Payments</u> £	<u>Balance 31 August 2019</u> £
<b>Methodist Connexional Funds</b>			
Methodist Church Fund	7,995	7,995	-
Funds for: Property	2,497	2,497	-
Mission in Britain	4,042	4,042	-
World Missions	4,508	4,508	-
Ministers' Training	157	157	-
Methodist Homes for the Aged	350	350	-
All We Can	50	50	-
Methodist Ministers' Housing Society	989	989	-
Leaders of Worship & Preachers' Trust	100	100	-
Southampton District Network	28	28	-
	<u>20,716</u>	<u>20,716</u>	<u>-</u>

**BASINGSTOKE & READING METHODIST CIRCUIT**  
**NOTES FORMING PART OF THE FINANCIAL STATEMENTS**  
*For the year ended 31 August 2019 (cont'd.)*

**25 RECONCILIATION OF NET (OUTGOING)/ INCOMING RESOURCES TO NET CASH INFLOWS FROM OPERATIONS**

	<b>2019</b>	<b>2018</b>
	<b>£</b>	<b>£</b>
Net movement in funds	(166,104)	(111,883)
(Gains)/losses on investments		
Investment properties	65,905	47,595
Other investments	(4,634)	(12,490)
Investment income and rent from investments	(73,405)	(75,713)
Loss/(profit) on sale of fixed assets	-	-
(Increase)/decrease in debtors	4,394	(4,502)
Increase/(decrease) in creditors	(77,967)	47,592
<b>Net cash used in operating activities</b>	<b>(251,811)</b>	<b>(109,401)</b>
<b>Analysis of cash and cash equivalents</b>		
CFB deposits	379,149	375,774
Cash at bank and in hand	21,723	9,507
<b>Net cash used in operating activities</b>	<b>400,872</b>	<b>385,281</b>