



Trustees' Annual Report
and Financial Statements
for the year
1st September 2019 to 31st August 2020

registered charity number 1132306

Kennet and Test Valley Methodist Circuit
registered charity number 1132306

Trustees' Annual Report for year to 31st August 2020

1 Objectives and activities

1.1 Charity objectives

As set out in the Methodist Church Act 1976 (clause 4).

Synopsis: Advancement of religion and any charitable purpose of the Methodist Church or church organisation.

1.2 Main activities

1. The provision of regular public acts of worship open to members of the church and non-members alike.
2. The teaching of Christianity through sermons, courses and small groups.
3. Pastoral work including visiting the sick and bereaved.
4. Promotion of Christianity through the staging of events and services.

1.3 Public benefit

The trustees have had regard to the guidance issued by the Charity Commission on public benefit.

1.4 Grant-making policy

The Circuit Model Trust Fund consists of proceeds of sale of property no longer required for charity purposes. From time to time grants are made from this fund to local churches towards projects with a strong mission purpose. Normally the maximum grant is one third of the estimated project cost.

2 Achievements and performance

In the Methodist Church structure, a circuit is a grouping of local churches. Ministers are stationed to circuits rather than to churches directly. The circuit also depends on the contribution made by many volunteers, such as local preachers, without whom its functioning would be impossible. The main function of the circuit is to organise the deployment of the ministers and volunteers in an effective manner. This includes the provision and maintenance of manses to house the ministers.

The Circuit welcomed Rev Andy Fitchet, a Baptist minister appointed under special provisions for two connexional years, to his position serving mainly in the two churches at Andover.

Of course, COVID-19 had an enormous impact on the work that would normally have been undertaken. Churches had to close for many months and alternative forms of worship were developed: streaming over the internet, printed and recorded services for use at home, etc. Circuit Leadership Team meetings were continued using the Zoom platform. Alternative ways of keeping in touch pastorally were used as visits in person were impossible for some time and very difficult thereafter. Practical help with things such as shopping were provided as appropriate.

As the time came for allowing churches to reopen, the circuit arranged for legionella testing in those places where reopening was practical. Connexional advice on reopening requirements was tailored to local circumstances and check lists provided to the churches. The financial impact of COVID-19 is discussed below.

The Safeguarding Policy was updated. A GDPR data review was initiated.

The Circuit Meeting discussed part of the connexional publication *Our Calling* under the heading Adoration, Celebration and Transformation in Worship. Feedback on the results of these discussion was passed back to the connexion.

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Scaled back plans to develop the property at Andover (Bridge Street) church were presented to the circuit early in the year. However, under the guidance of the new minister there, these were again reviewed from the perspective of mission to see what benefits they provided. The result was a proposal for further reduction in scale and cost. At the year end it was anticipated that the revised scheme would be brought to the next Circuit Meeting with a request for a grant of £100,000 from the Circuit Model Trust Fund, significantly less than had earlier been anticipated.

On 1st September 2019 the circuit took responsibility for the Kintbury church premises which had closed for worship late in the previous connexional year. The pipe organ was of historic interest and the circuit made arrangements for a historic organ society to remove it with the aim of rebuilding it in a suitable location where it could continue to be played. Although this did not result in income for the circuit, neither did it involve expenditure for removal. It also ensured the survival of a historical artefact for future generations, which was the wish of those who had played and listened to it over many years.

Once the organ had been removed, it was the intention to clear the remaining contents from Kintbury church and proceed with the process of selling the property. However, COVID-19 struck and this has been delayed until the following connexional year.

Letting of the rental property in Thatcham was transferred from the agent in Andover to the one in Newbury, as the closer proximity makes it easier for the agent to instruct local contractors when urgent repairs are necessary. New tenancy agreements approved by TMCP were arranged for all rental properties. Rent guarantee insurance for two rental properties was taken out before the cost increased substantially due to COVID-19.

3 Financial review

The main source of regular income is the assessment paid by the nine churches. In turn, the circuit pays assessments to the Southampton District and the Methodist Church Fund.

The circuit planned for a deficit of £22,000 over the year, choosing to reduce reserves rather than increase the assessment on churches. As things turned out, the actual deficit was around £18,000, as travel by the ministers was significantly reduced due to COVID-19 restrictions. COVID-19 has thus not yet significantly impacted on the circuit finances. However, the churches are badly affected, especially where income from lettings was substantial and because of reductions in collections. All assessments were paid in full, but in some cases this was a struggle and it has eaten into churches' reserves.

How long the effects of COVID-19 will last is uncertain, but it is clear that recovery will not be quick. It is anticipated that some churches will not reopen, either temporarily or permanently. The circuit must therefore plan accordingly. In the coming year, all assessments may not be paid in full. It is the charity's policy ordinarily to maintain General Fund reserves of six to nine months' typical outgoings, so as to be able to continue funding usual activities even in such a situation. At £118,524, the General Fund balance at the year end represented around eight months' normal expenditure, down from nine months a year ago. Clearly it is not the time to start increasing assessments, which have therefore been left at the current level for the coming year.

The uncertainty was taken into consideration as regards reappointments for Rev. Rachel Borgars and Rev. Andy Fitchet whose current terms both end in August 2021. The recommendation to the Circuit Meeting will be that Rachel is reinvited for 5 years (until 2026) and Andy for 2 years (until 2023). It was noted that Rev. Peter Bennett's appointment comes to an end in August 2024, so there are points where the ministerial staffing levels could be changed if necessary because of reduced finances.

The closing balance of the Property Fund, designated for managing all the circuit's property in both short and long term, was £54,605, a decrease on the previous year's figure of £71,668. Significant amounts were spent on the Whitchurch manse (boiler replacement), Andover manse (central heating pipework replacement) and 133 Weyhill Road (maintenance overdue from previous years).

No grants from the Circuit Model Trust Fund were made during the year. However, £103 was paid from general resources for the purchase of puppets for use in informal worship. This was from the £2,000 designated last year as being available for small projects in churches outside their normal work. The puppets will be kept at Andover Bridge Street church, but as a circuit resource they are available for use in other churches.

The trustees have no reason to doubt the circuit's ability to continue functioning as a going concern. No funds or subsidiary undertakings were in deficit at the year end.

Kennet and Test Valley Methodist Circuit
registered charity number 1132306

4 Structure, governance and management

4.1 Governing documents

Act of Parliament (Methodist Church Act 1976) and Deed of Union (1932).

4.2 Charity constitution

Trust.

4.3 Trustee selection

Some ex-officio (because they are ordained ministers)

Most appointed by Circuit Meeting, Local Preachers Meeting or Local Church Councils

4.4 Trustee training

A range of guidance is produced by the Methodist Church which is available on its web site at:

<http://www.methodist.org.uk/ministers-and-office-holders/managing-trustees>

4.5 Structure

The circuit is part of the Southampton Methodist District and is ultimately accountable to the Methodist Conference.

4.6 Risks

These are discussed by Circuit Leadership Team from time to time and reported to the Circuit Meeting where necessary. Professional advice is taken as required.

4.7 Safeguarding

A comprehensive safeguarding policy has been adopted. This includes training for individuals as appropriate and supervision of the safeguarding processes in the churches within the circuit.

5 Reference and administrative details

5.1 Charity name

Kennet and Test Valley Methodist Circuit.

5.2 Charity registration

Registered in England and Wales with charity number 1132306.

5.3 Principal address

11 Lapwing Rise Whitchurch RG28 7SU

Kennet and Test Valley Methodist Circuit

registered charity number 1132306

5.4 Managing trustees

Name	Office	Dates (if not whole year and thereafter)	Appointed by
Rachel Borgars	Superintendent Minister (chairman)		Methodist Conference
Peter Bennett	Minister		Methodist Conference
Andrew Fitchet	Minister		Methodist Conference
Karen Frost	Pastoral Development Worker		Circuit Meeting
Helen Cook	Circuit Steward		Circuit Meeting
Rosemary Greenhalgh	Circuit Steward		Circuit Meeting
Trevor Wills	Circuit Steward	To 31/08/20	Circuit Meeting
Peter Howson	Supernumerary Minister		Ex officio
David Read	Supernumerary Minister		Ex officio
Stephen Sankey	Supernumerary Minister	To 28/01/20	Ex officio
Colin Scarrett	Supernumerary Minister	To 28/01/20	Ex officio
Elaine Rawlings	Supernumerary Minister		Ex officio
Jennifer Ellis	Other Minister		Ex officio
Stephen Greenhalgh	Circuit Treasurer		Circuit Meeting
Christine Thomas	Local Preachers Meeting Secretary		Local Preachers Meeting
Janice Schofield	Safeguarding Representative		Circuit Meeting
Helen Watson	Local Preacher		Local Preachers Meeting
Christine Thomas	MHA Representative		Circuit Meeting
Ann Hopwood	Church Steward	To 28/01/20	Andover Bridge Street CC
Julia Munda	Church Steward	From 29/01/20	Andover Bridge Street CC
Julia Munda	Joint Church Treasurer		Andover Bridge Street CC
Genifer Cowling	Joint Church Treasurer	To 31/08/20	Andover Bridge Street CC
Andrew Fendick	Church Steward	To 31/08/20	Andover St Andrews CC
Julia Munda	Joint Church Treasurer	29/01/20 to 31/08/20	Andover St Andrews CC
Genifer Cowling	Joint Church Treasurer	29/01/20 to 31/08/20	Andover St Andrews CC
Richard Kelly	Church Steward		Hungerford CC
Jennifer Bartter	Church Treasurer		Hungerford CC
Wendy Morgan	Church Steward		Kingsclere CC
Jennifer Juniper	Church Treasurer		Kingsclere CC
Melanie Morgan-Jones	Church Steward	To 31/08/20	Lambourn CC
Gareth Davies	Church Treasurer	To 31/08/20	Lambourn CC
Alison Hutchins	Church Steward		Newbury CC
Jeanette Smith	Church Treasurer		Newbury CC
Sarah Ross	Church Steward		Overton CC
Mary Armstrong	Church Steward		Thatcham CC
Stuart Armstrong	Church Treasurer		Thatcham CC
Helen Mehaffey	Church Steward		Whitchurch CC
John Waterer	Church Treasurer		Whitchurch CC
Tandy Davies	Church Representative		Andover Bridge Street CC
Susan Evans	Church Representative		Andover Bridge Street CC
Janet Woodward	Church Representative		Andover Bridge Street CC
Audrey Cresswell	Church Representative	From 29/01/20	Andover St Andrews CC
Brenda Daykin	Church Representative	To 31/08/20	Andover St Andrews CC
Moya Dixon	Church Representative		Hungerford CC
Andrew Billington	Church Representative		Kingsclere CC
Doris Vaughan	Church Representative		Newbury CC
David Vaughan	Church Representative		Newbury CC
Ray Hoyle	Church Representative		Thatcham CC
Howard Fletcher	Church Representative		Thatcham CC
Elaine Fletcher	Church Representative	From 29/01/20	Thatcham CC
Barry Jackman	Church Representative		Whitchurch CC

The following became trustees after the year end and before the approval of the report and accounts.

Judith Mitchell	Church Steward	Andover Bridge Street CC
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CC = Church Council

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5.5 Custodian trustee

Trustees for Methodist Church Purposes (a body corporate)

6 Exemptions from disclosure

No trustee claims exemption from disclosure of his or her name.

7 Funds held as custodian trustee on behalf of others

No funds are held as custodian trustee. However, during the year sums were collected from the churches for various funds within the connexion and paid over to those funds, as reported in the notes to the accounts. These sums do not form part of the circuit's income as their use is not within its control.

8 Additional information: Advisors

8.1 Independent examiner

Claire Connell
86 Silverdale Road, Earley, Reading RG6 7LT

8.2 Bankers

CAF Bank Ltd
25 Kings Hill Avenue, Kings Hill, West Malling ME19 4JQ

Central Finance Board of the Methodist Church
9 Bonhill Street, London EC2A 4PE

8.3 Investment manager

Trustees for Methodist Church Purposes
Central Buildings, Oldham Street, Manchester M1 1JQ

8.4 Solicitor

Capsticks Solicitors LLP
1 St George's House East, St George's Road, Wimbledon, London SW19 4DR

8.5 Surveyor

Adrian Male Associates
Midtrees, The Green, Hambridge, Langport TA10 0AT

8.6 Property letting agents

Rookwood Ltd (trading as Belvoir Andover)
18 Bridge Street, Andover SP10 1BH

Blindspot Enterprises Ltd (trading as Belvoir Newbury)
54 Northbrook Street, Newbury RG14 1AN

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9 Declarations

The trustees declare that they have approved the trustees' report above.
Signed on behalf of the charity's trustees:

Signature



Full Name

Rev Rachel Jane Borgars

Stephen Paul Greenhalgh

Position

Superintendent minister
(Chairman of trustees)

Circuit Treasurer

Date

27th January 2021

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Statement of Financial Activities for year to 31st August 2020

	Notes	Unrestricted Funds	Restricted Funds	Endowment Funds	Total Funds	Prior year total
Income and endowments from:						
Donations and legacies	5					2,160
Charitable activities	6	157,200			157,200	157,200
Other trading activities						
Investments	7	49,385	2,095		51,480	53,467
Other income	8	105,402	72		105,474	392
Total		311,987	2,167		314,154	213,219
Expenditure on:						
Stipends, salaries, NIC and pensions	9	128,539			128,539	113,952
District Assessment		6,284			6,284	6,036
Methodist Church Fund		28,988			28,988	28,476
Telephone and travel	10	7,555			7,555	13,852
Insurance, utilities etc.	11	14,315			14,315	13,122
Maintenance of manses	12	19,897			19,897	22,024
Other circuit property	13	13,491	2,844		16,335	8,995
Depreciation	17					
Provisions	24					
Other expenditure	14	30,615	181		30,796	16,822
Grants and donations	15	103			103	7,580
Levy to District Advance Fund		11,224			11,224	13,421
Total		261,011	3,025		264,036	244,280
Net operating income/(expenditure)		50,976	(858)		50,118	(31,061)
Net gains/(losses) on investment assets		(1,705)		(7,891)	(9,596)	2,107
Net income/(expenditure)		49,271	(858)	(7,891)	40,522	(28,954)
Transfers between funds	16	(12)	12			
Other recognised gains/(losses) on:						
Revaluation of (non-investment) fixed assets						
Other gains/(losses)						
Net movement in funds		49,259	(846)	(7,891)	40,522	(28,954)
Reconciliation of funds:						
Total funds brought forward		2,140,990	23,618	170,625	2,335,233	2,364,187
Total funds carried forward		2,190,249	22,772	162,734	2,375,755	2,335,233

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Balance Sheet for year to 31st August 2020

	Notes	Unrestricted Funds	Restricted Funds	Endowment Funds	Total Funds	Prior year total
Fixed assets						
Tangible assets	17	900,000			900,000	900,000
Investment assets	18	935,964		162,734	1,098,698	1,032,294
Total fixed assets		<u>1,835,964</u>		<u>162,734</u>	<u>1,998,698</u>	<u>1,932,294</u>
Current assets						
Debtors and prepayments	19	14,413			14,413	11,325
Cash at bank and in hand	20	9,639			9,639	9,121
TMCP deposits	21	276,121			276,121	266,317
Central Finance Board deposits	22	68,709	22,887		91,596	137,186
Other assets						
Total current assets		<u>368,882</u>	<u>22,887</u>		<u>391,769</u>	<u>423,949</u>
Creditors and accruals (due in under 1 year)	23	14,597	115		14,712	21,010
Net current assets/(liabilities)		<u>354,285</u>	<u>22,772</u>		<u>377,057</u>	<u>402,939</u>
Total assets less current liabilities		<u>2,190,249</u>	<u>22,772</u>	<u>162,734</u>	<u>2,375,755</u>	<u>2,335,233</u>
Loans and creditors due after 1 year						
Provisions for liabilities	24					
Net assets		<u><u>2,190,249</u></u>	<u><u>22,772</u></u>	<u><u>162,734</u></u>	<u><u>2,375,755</u></u>	<u><u>2,335,233</u></u>
Funds of the circuit						
Unrestricted funds	25	2,190,249			2,190,249	2,140,990
Restricted funds	26		22,772		22,772	23,618
Endowment funds	27			162,734	162,734	170,625
Total Funds		<u><u>2,190,249</u></u>	<u><u>22,772</u></u>	<u><u>162,734</u></u>	<u><u>2,375,755</u></u>	<u><u>2,335,233</u></u>

Signature

 

Full Name

Rev Rachel Jane Borgars

Stephen Paul Greenhalgh

Position

Superintendent minister
(Chairman of trustees)

Circuit Treasurer

Date

27th January 2021

Notes to the accounts for year to 31st August 2020

1 Accounting policies

1.1 Accounting standard

The financial statements have been prepared in accordance with Accounting and Reporting by Charities: Statement of Recommended Practice (SORP) applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102), effective from 1st January 2015 [FRS 102 SORP 2015]. They have been prepared in accordance with applicable charity law in England, this being the Charities Act 2011 and SI 2008/629 (Charities Accounting and Reporting Regulations).

The transition date as defined by FRS 102 was 1st September 2015.

1.2 Public benefit entity

The circuit meets the definition of a public benefit entity under FRS 102. Assets and liabilities are initially recognised at historical cost or transition value unless otherwise stated in the relevant accounting policy note(s) below.

1.3 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. The accruals basis has been used to show a true and fair view of the circuit's financial position and activities.

1.4 Content

The financial information presented is relevant, reliable, comparable and complete. Where estimates are used these are based on experience, research and judgement. The accounts are presented in pounds sterling, rounded to whole pounds.

1.5 Going concern

Based on the monetary assets and human resources available at 31st August 2020, the trustees believe that the circuit is a going concern.

1.6 Consolidation

The circuit has denominational regulatory oversight in respect of the work of the churches within the circuit but has no legal or operational control of those churches and their governing bodies except in extreme circumstances. For this reason, the financial statements of churches within the circuit are not consolidated into these financial statements.

1.7 Income recognition

Income is included in the Statement of Financial Activities (SOFA) when there is entitlement and the amount is reliably measurable once it is more likely than not that the economic benefit of the income will be forthcoming.

Where the circuit is merely acting as agent in collecting and passing on contributions to various connexional funds, these transactions are not reflected in the SOFA as they are not income of the circuit. Instead they are disclosed in the Notes to the Accounts as required by Charities SORP (FRS 102) (see note 30).

In accordance with the SORP, no financial value is included in the accounts for the contribution of unpaid volunteers. However, the circuit gratefully acknowledges their contribution and recognises that it would be unable to function without such help. If goods are donated, a value will be shown in the SOFA or Notes to the Accounts where the value is considered material.

1.8 Expenditure

This is recognised when a liability is incurred, or a constructive obligation arises, where the amount is reliably measurable and it is considered more likely than not that there will be an outflow of economic benefit.

1.9 Grants

Grants made by the circuit from its own funds are recognised in full at the time of agreement to make a grant without performance conditions, or when the circuit accepts that there is a legal or operational obligation to make the payment if it is subject to performance conditions. When the grant to be accrued 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 in accordance with the originally agreed terms.

1.10 VAT

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

1.11 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 circuit has made use of the deemed cost option on transitioning to FRS 102. The value of the manses (freehold) is shown in the accounts at deemed historical cost, representing each property's carrying value as at 1st September 2015.

No depreciation is provided on the manses because the trustees consider the current residual value of each one in its present condition to be not less than its historical cost. In the absence of any evidence of impairment, any depreciation provision for the buildings component of the property would not be material.

1.12 Investment properties

The circuit holds three houses which are not required for the long term purposes of the charity. These are rented out on a commercial basis to provide income which is credited to the Property Fund.

Any sale of property is normally subject to a connexional levy of 20% of the net proceeds up to £100,000 and 40% thereafter. Properties are therefore carried in the accounts at their net value after taking into account this levy.

From time to time the circuit may be required to assume responsibility for church premises following closure and cessation of worship. This results in the circuit becoming managing trustees for the property. At that time the property is recognised as an asset at its anticipated net sale price after taking into consideration the levy to be charged by the connexion.

1.13 Monetary investments

The circuit's investments are in monetary assets classified as basic financial instruments under FRS 102 and are held by the Trustees for Methodist Church Purposes (TMCP) as custodian trustees. The valuations, at market value, are those provided by TMCP. 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.

1.14 Debtors and prepayments

Debtors and prepayments relate to the payment of the September stipend in August, that part of the insurance premium for next year paid in advance and miscellaneous accrued income.

1.15 Creditors

Creditors include the assessments for the first month of next year received in August, accrued staff expenses and miscellaneous accrued expenditure.

1.16 Funds

The trustees adopt a policy for all unrestricted reserves at the end of each accounting year.

2 Glossary of terms

CFB: Central Finance Board of the Methodist Church, which manages a common deposit fund and a series of pooled investment funds for Methodist entities in Great Britain and provides investment advice to those entities.

Circuit: A group of Methodist churches in a geographical area.

Circuit meeting: The trustees of the circuit, who hold specific offices in the circuit or are appointed by their local churches or others.

CLT (Circuit Leadership Team): A group consisting of the ministers, stewards and treasurer of the circuit, responsible for day-to-day administration and policy formulation.

CMTF: Circuit Model Trust Fund.

Connexion: The Methodist Church in Great Britain, which includes the head office at Methodist Church House and all Methodist districts, circuits and churches in Great Britain.

Connexional funds: The designated and restricted funds held and administered by the connexion in furtherance of its charitable and mission objectives, the main one being the Methodist Church Fund (MCF).

District: A group of Methodist circuits in a geographical area.

FRS: Financial Reporting Standard.

SOFA: Statement of Financial Activities.

SORP: Statement of Recommended Practice.

TMCP: Trustees for Methodist Church Purposes, a body corporate.

3 Funds

The funds held constitute:

3.1 Unrestricted Funds

Name	Purpose
General Fund	General circuit purposes
Property Fund	Designated for managing circuit property
Estates Fund	Designated as capital value of manses and investment properties
Circuit Model Trust Fund	Wide purposes defined in standing orders

3.2 Restricted Funds

Name	Purpose / Restrictions
Compton Pulpit Fund	Support of the circuit ministry
Royle Trust Income Fund	Maintenance of the Thatcham (former) manse
The Forge Fund	Held on behalf of residents of The Forge collectively for maintenance and repair of road leading to Hungerford former manse (now investment property)

3.3 Endowment Funds

Name	Investment / Income
Arthur Newbery Trust	TMCP trust 5747 - permanent endowment Income unrestricted: paid to General Fund
Royle Trust	TMCP trust 11199 - capital restricted uses Income restricted: paid to Royle Trust Income Fund

Details of each fund are disclosed in notes 25-27. Any fund may be represented by more than just cash.

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4 Prior year

4.1 Restatement of comparative figures

No restatement of prior year figures has been necessary.

4.2 Comparative SOFA from prior year's accounts

	Unrestricted Funds	Restricted Funds	Endowment Funds	Total Funds
Income and endowments from:				
Donations and legacies		2,160		2,160
Charitable activities	157,200			157,200
Other trading activities				
Investments	50,904	2,563		53,467
Other income	320	72		392
Total	208,424	4,795		213,219
Expenditure on:				
Stipends, salaries, NIC and pensions	113,952			113,952
District Assessment	6,036			6,036
Methodist Church Fund	28,476			28,476
Telephone and travel	13,852			13,852
Insurance, utilities etc.	13,122			13,122
Maintenance of manses	22,024			22,024
Other circuit property	7,118	1,877		8,995
Depreciation				
Provisions				
Other expenditure	12,477	4,345		16,822
Grants and donations	7,580			7,580
Levy to District Advance Fund	13,421			13,421
Total	238,058	6,222		244,280
Net operating income/(expenditure)	(29,634)	(1,427)		(31,061)
Net gains/(losses) on investment assets	1,184		923	2,107
Net income/(expenditure)	(28,450)	(1,427)	923	(28,954)
Transfers between funds	(610)	610		
Other recognised gains/(losses) on:				
Revaluation of (non-investment) fixed assets				
Other gains/(losses)				
Net movement in funds	(29,060)	(817)	923	(28,954)
Reconciliation of funds:				
Total funds brought forward	2,170,050	24,435	169,702	2,364,187
Total funds carried forward	2,140,990	23,618	170,625	2,335,233

5 Donations and legacies

	Unrestricted	Restricted	Total	Prior year
Donations (monetary)				2,160
Legacies				
Total donations and legacies				2,160

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6 Charitable activities

During the year the circuit comprised nine churches as listed below, Kintbury Church having closed in the prior year. Each church pays an assessment which is determined on the basis of its membership, average adult attendance at the main weekly act of worship and income from offerings and gift aid tax refund. All assessments were paid.

	Unrestricted	Restricted	Total	Prior year
Assessment: Andover (Bridge Street)	40,800		40,800	36,156
Assessment: Andover (St Andrews)	8,772		8,772	9,996
Assessment: Hungerford	9,828		9,828	9,780
Assessment: Kingsclere	8,088		8,088	5,772
Assessment: Kintbury				3,504
Assessment: Lambourn	5,028		5,028	5,376
Assessment: Newbury	38,544		38,544	40,032
Assessment: Overton	6,876		6,876	7,932
Assessment: Thatcham	21,036		21,036	21,012
Assessment: Whitchurch	18,228		18,228	17,640
Miscellaneous				
Total charitable activities	157,200		157,200	157,200

7 Investment income

	Unrestricted	Restricted	Total	Prior year
Central Finance Board	6,535	2,095	8,630	10,867
Rental income: 5 The Forge Hungerford	18,000		18,000	16,500
Rental income: 1 Grassmead Thatcham	13,750		13,750	15,000
Rental income: 133 Weyhill Road Andover	11,100		11,100	11,100
Miscellaneous				
Total investment income	49,385	2,095	51,480	53,467

8 Other income

	Unrestricted	Restricted	Total	Prior year
General Fund: 3Generate grant	396		396	
Property Fund: Contributions for legionella testing	406		406	320
Estates Fund: Carrying value of Kintbury Church	76,000		76,000	
CMTF: Overage of former Wildhern Church	28,600		28,600	
The Forge Fund: Annual contributions		72	72	72
Total other income	105,402	72	105,474	392

9 Paid staff

The ministers were Rev Rachel Borgars, Rev Peter Bennett and Rev Andy Fitchet. Their stipends and employer contributions to the Methodist Ministers Pension Scheme (a defined benefit scheme) were paid at the rates agreed annually by the Methodist Conference.

Lay staff were a Pastoral Development Worker, Karen Frost, and a Circuit Administrator, Martin Borgars, who each worked for 20 hours per week. Their remuneration was set in line with the principles of the Methodist Church's policy for payment of lay employees.

All staff were paid at or above the living wage. No member of staff received pay and benefits in excess of £60,000. There is no accrual for holiday pay as it would be immaterial.

	Unrestricted	Restricted	Total	Prior year
Gross stipends and salaries	99,789		99,789	86,585
Employer's National Insurance	7,521		7,521	7,127
Pension costs	21,229		21,229	20,240
Total staff costs	128,539		128,539	113,952

Average number of full-time staff	3.6	3.6
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10 Telephone and travel

	Unrestricted	Restricted	Total	Prior year
Telephone	2,349		2,349	3,065
Travel	5,206		5,206	10,787
Total telephone and travel	7,555		7,555	13,852

11 Insurance, utilities etc.

	Unrestricted	Restricted	Total	Prior year
Insurance	5,328		5,328	3,871
Council tax	7,707		7,707	7,841
Water charges	1,178		1,178	1,410
Fuel (unoccupied premises)	102		102	
Total insurance, utilities etc.	14,315		14,315	13,122

12 Maintenance of manses

	Unrestricted	Restricted	Total	Prior year
Whitchurch manse	5,155		5,155	6,264
Newbury manse	1,482		1,482	846
Andover manse	13,260		13,260	14,914
Total maintenance on manses	19,897		19,897	22,024

13 Other circuit property

	Unrestricted	Restricted	Total	Prior year
5 The Forge Hungerford	1,124		1,124	3,991
1 Grassmead Thatcham	2,044	2,844	4,888	1,877
133 Weyhill Road Andover	9,751		9,751	2,138
Compton graveyard	(150)		(150)	989
Other	722		722	
Total other circuit property	13,491	2,844	16,335	8,995

14 Other expenditure

	Unrestricted	Restricted	Total	Prior year
General Fund: Postage and administration	4,958		4,958	4,430
General Fund: Training	982		982	1,814
General Fund: Miscellaneous	1,781		1,781	1,402
Property Fund: Letting agent fees	7,276		7,276	4,240
Property Fund: Quinquennial inspections	3,869		3,869	
Property Fund: Miscellaneous	1,909		1,909	
CMTF: administration	533		533	591
CMTF: Wildhern outage clause sale outgoings	9,307		9,307	
Youth Fund (now closed): 3Generate event				4,165
Royle Trust Income Fund: Miscellaneous		181	181	180
Total other expenditure	30,615	181	30,796	16,822

15 Grants

Grants are made from time to time from the CMTF to churches within the circuit towards projects identified as having a strong mission purpose. No such grants were made this year.

16 Transfers between funds

The reasons for the transfers between funds are as follows:

£12 from Property Fund (unrestricted) to The Forge Fund (restricted) for long term road maintenance.

17 Tangible assets

The circuit has three manse. See note 1.11 regarding value and depreciation policy.

There is also an active graveyard at Compton which is not capitalised as its realisable value is low and very uncertain.

At the year end, these (and the investment properties described in note 18) were the only land and buildings held by the circuit, and no assets were under construction.

	Manses (freehold)	Other land and buildings	Other fixed assets	Fixtures fittings and equipment	Total
Fixed assets:					
Balance brought forward	900,000				900,000
Additions					
Revaluations					
Disposals					
Transfers					
Balance carried forward	900,000				900,000
Depreciation:					
Balance brought forward					
Depreciation charge for year					
Disposals					
Transfers					
Balance carried forward					
Net book value:					
Brought forward	900,000				900,000
Carried forward	900,000				900,000

Schedule of manse deemed costs:

	Land (40%)	Buildings (60%)	Total	Prior year
Whitchurch manse	141,080	211,620	352,700	352,700
Newbury manse	121,450	182,170	303,620	303,620
Andover manse	97,470	146,210	243,680	243,680
Total	360,000	540,000	900,000	900,000

18 Investment assets

The circuit's investments comprise:

- (a) Part of the unrestricted funds not needed in the short term.
Invested in TMCP trust 21974 to obtain a better return.
- (b) Three investment properties, houses which are rented out on a commercial basis:
5 The Forge Hungerford
1 Grassmead Thatcham
133 Weyhill Road Andover
- (c) The two endowments described in notes 3.3 and 27.

TMCP is the legal owner and custodian trustee of all Methodist Model Trust property, including legacies, endowments and accumulated funds. Trust property is held for and on behalf of local managing trustees who are responsible for the day to day management of trust property. TMCP provides guidance and direction to managing trustees, thus ensuring compliance with charity law and Methodist law and policy as determined by the Methodist Conference.

All of the monetary investments (that is (a) and (c) above) are invested through TMCP in the common funds of the CFB. They are shown at fair value at the year end as determined by valuations provided by the CFB. In addition to its strong ethical policies, the CFB adopts a low risk strategy as regards investment. The risks to which the circuit is exposed are therefore low.

The market values of the investment properties at Hungerford, Thatcham and Andover were last determined as at 31st August 2016 by WG Sykes, a chartered surveyor with knowledge and experience of the property market in the area and in accordance with the valuation standards of the Royal Institution of Chartered Surveyors. The carrying values were then calculated from the market value as described in note 1.12.

The circuit does not anticipate being forced to realise the value of any of this property in a short timescale. It is therefore considered that the market risk is low.

The investment properties are rented out on assured shorthold tenancies. This would not substantially restrict or delay the circuit's ability to sell the property should an unexpected need arise.

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	TMCP trust 21974 unrestricted	Investment properties unrestricted	Endowment funds	Total	Prior year
Carrying (fair) value at beginning of year	96,669	765,000	170,625	1,032,294	1,030,188
Additions to investment at cost		76,000		76,000	
Transfers					
Disposals at carrying value					
Net gain/(loss) on revaluation	(1,705)		(7,891)	(9,596)	2,106
Carrying (fair) value at end of year	94,964	841,000	162,734	1,098,698	1,032,294

Schedule of investment properties:

	Total	Prior year
5 The Forge Hungerford	302,000	302,000
1 Grassmead Thatcham	263,000	263,000
133 Weyhill Road Andover	200,000	200,000
Kintbury Church	76,000	
Total	841,000	765,000

19 Debtors and prepayments

	Unrestricted	Restricted	Total	Prior year
Stipends/salaries and associated costs (paid in advance)	8,916		8,916	8,679
Insurance (paid in advance)	2,751		2,751	2,242
Accrued income	2,746		2,746	404
Total debtors and prepayments	14,413		14,413	11,325

20 Cash at bank and in hand

The Circuit holds a current account with CAF Bank Ltd, which provides banking facilities exclusively to charities. The sums held are viewed as being liquid.

	Total	Prior year
Bank balance held at CAF Bank Ltd	9,639	9,121
Cash held		
Total cash at bank and in hand	9,639	9,121

21 TMCP deposits

The Circuit Model Trust Fund is held by TMCP in CFB Trustees Interest Funds on which interest is credited to the accounts each month.

22 Central Finance Board deposits

The circuit has a deposit account at CFB, which is a common deposit fund. Interest is earned on this account and credited monthly. The sums held in this account can be withdrawn without notice and without loss of interest. These sums are viewed as being liquid.

23 Creditors and accruals

	Unrestricted	Restricted	Total	Prior year
Assessments (received in advance)	12,395		12,395	13,100
Accrued expenditure	2,202	115	2,317	7,910
Total creditors and accruals	14,597	115	14,712	21,010

24 Provisions

Provisions are made when there is a legal or operational obligation to pay money in the future (for example, see note 1.9). On this basis, no provisions were made at the year end (prior year: nil).

It is anticipated that part of the proceeds of sale of the Lambourn properties (sold September 2017) will be required towards redevelopment at Andover Bridge Street. The actual amount to be used for this purpose will be determined by the Circuit Meeting once the final scheme is decided upon.

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25 Analysis of unrestricted fund movements

See note 3.1 for a description of the purposes of the funds.

Fund name	Balance brought forward	Income	Expenditure	Transfers	Gains/ (losses)	Balance carried forward
General Fund	138,005	161,414	(179,190)		(1,705)	118,524
Property Fund	71,668	43,706	(60,757)	(12)		54,605
Estates Fund	1,665,000	76,000				1,741,000
Circuit Model Trust Fund	266,317	30,867	(21,064)			276,120
Total	2,140,990	311,987	(261,011)	(12)	(1,705)	2,190,249

26 Analysis of restricted fund movements

See note 3.2 for a description of the purposes of the funds.

Fund name	Balance brought forward	Income	Expenditure	Transfers	Gains/ (losses)	Balance carried forward
Compton Pulpit Fund	7,821	56				7,877
Royle Trust Income Fund	1,276	1,935	(3,025)			186
The Forge Fund	14,521	176		12		14,709
Total	23,618	2,167	(3,025)	12		22,772

27 Endowment funds

See note 3.3 for a description of the purposes of the funds.

Fund name	Capital value at year end	Income generated in year
Arthur Newbery Trust	77,027	1,706
Royle Trust	85,707	1,931
Total	162,734	3,637

28 Fees for examination of the accounts

An accrued amount of £500 is included for the independent examination of the accounts (prior year: £500).

29 Payment to trustees

The ministers, pastoral development worker and circuit administrator were the only paid staff. The ministers and pastoral development worker were members of the Circuit Meeting and therefore trustees. However, they were paid for the jobs they performed and not for being trustees. Other than these stipends/salaries, no payments were made to trustees for additional services (prior year: nil).

The ministers, pastoral development worker and some other trustees were paid travel expenses at rates agreed by the Methodist Conference and reimbursed for other sundry expenses.

	Unrestricted	Restricted	Total	Prior year
Staff	5,761		5,761	9,748
Other trustees	96		96	699
Total expenses paid	5,857		5,857	10,447

Number of trustees paid expenses

8	9
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30 Connected organisations

Ministers hold their membership of the Methodist Church at connexional level, and may be trustees of one or more of the circuit's constituent churches. Other trustees are members of one or another of the circuit's constituent churches, of which they may be trustees.

Connected organisations include the Methodist Connexion, the Southampton District, the circuit's constituent churches, the Central Finance Board (CFB) and Trustees for Methodist Church Purposes (TMCP). All of these entities have their own trustees or directors and autonomous administration such that the circuit has no significant influence over any of them, nor they over the circuit. Therefore they are not considered as related parties.

The circuit acts as a conduit for collecting together monies raised in the constituent churches for various Methodist causes and passing these on to the entities concerned. The amounts are listed below, all being received and paid out during the year. No such monies were held at the start or end of the year. These sums do not form part of the circuit's income (as the circuit has no discretion as to their use) and therefore are not recorded elsewhere in the accounts.

	Total	Prior year
Methodist Church Fund	200	
World Mission Fund	551	383
Easter Offering	28	25
Methodist Women in Britain Fund	97	
JMA	172	123
Mission in Britain Fund	579	382
Fund for Property	946	560
Fund for the Support of Presbyters and Deacons	586	165
Methodist Ministers Housing Society	240	320
All We Can (Methodist Relief and Development Fund)	95	2,126
Leaders of Worship and Preachers Trust	130	205
Methodist Homes	45	147
Action for Children	737	636
Carmel Ieraci leaving collection		500
	4,406	5,572

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Declarations for year to 31st August 2020

Treasurer's statement

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.

Signature



Name

Stephen Paul Greenhalgh

Address

32 New Road Newbury RG14 7RU

Date

24th October 2020

Presentation to the Circuit Meeting for approval

I confirm that the accounts have been presented to the Circuit Meeting on 27th January 2021 and were approved.

Signature



Name

Rev Rachel Jane Borgars

Date

27th January 2021

Independent examiner's report to the trustees of Kennet and Test Valley Methodist Circuit

I report to the charity trustees on my examination of the accounts of the charity for the year ended 31st August 2019 which are set out on pages 6 to 20.

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

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 Institute of Chartered Accountants in England and Wales, 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.

Signed



Name

Claire Connell ACA CTA

Address

86 Silverdale Road Earley Reading RG6 7LT

Date

16th March 2021