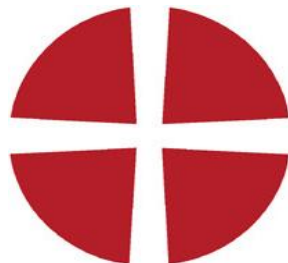


Kennet and Test Valley Methodist Circuit

registered charity number 1132306

Trustees' Annual Report
and Financial Statements
for the year
1st September 2015 to 31st August 2016



Kennet and Test Valley Methodist Circuit
registered charity number 1132306

Trustees' Annual Report for year to 31st August 2016

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 year was a particularly difficult one since the unexpected departure of the superintendent minister in August 2015 left the circuit with no resident superintendent. In these circumstances, the district appointed Rev David Shaw, superintendent of Basingstoke and Reading Circuit, as superintendent for the year. Unfortunately he was on sabbatical for the first three months, so Rev Dr Andrew Wood, chairman of the district, stood in as acting superintendent for that period. Planning continued for the following year with the appointment of Rev Rachel Borgars as superintendent from 1st September 2016.

Lack of a resident superintendent reduced the ministerial staffing from 4 to 3. This might have caused serious problems, but fortunately these were mitigated by the willing help provided by other ministers: Rev David Read at Whitchurch and supervising Rev Carmel Ieraci in her final year as a probationer minister; Rev Elaine Rawlings at Kingsclere; and Rev Jenny Ellis at Overton.

The circuit administrator, Lynne Wilson, faced a difficult task with no resident superintendent, especially as she was only recently appointed to her post. Filling the preaching plan was especially difficult, but local preachers and worship leaders showed themselves willing to take on extra services.

The circuit is most grateful to all of these people (and others) for their generous efforts in keeping things going so well throughout the year. With a few joint services, regular worship was maintained in all churches and pastoral care continued.

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Having successfully completed her training and probationary period, Rev Carmel Ieraci was received into full connexion by Conference and ordained as a presbyter in July 2016. The circuit wishes her well in this calling and will continue to benefit from her ministry over the next few years.

3 Financial review

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

The circuit's financial position at the year end was strong. It had been agreed that assessments would continue at the previous level but one stipend was saved and the extra expenses claimed by those covering duties were small. In addition, the manse at Whitchurch was rented out for a good portion of the year whilst it was not occupied by a minister.

It is the charity's policy normally to maintain General Fund reserves of six to nine months' typical outgoings, so as to be able to continue funding normal activities even in the event of a church being unable to pay its full assessment. At £143,782, the General Fund balance at the year end was at the top of this range. The closing balance of the Property Fund, designated for managing all the circuit's property in both short and long term, was £52,426.

The Circuit Model Trust Fund closing balance was £105,496. During the year a grant of £8,277 from this fund was made to Andover Bridge Street Church towards the modernisation and refurbishment of its kitchen, thus enabling mission activities involving catering to continue. Two anticipated future payments from the CMTF are: £30,000 next year towards the current diaconal appointment in its final year; and a grant of £20,000 at an appropriate time towards redevelopment of the church premises at Overton.

Quinquennial inspections were carried out on the churches at Kintbury, Lambourn, Newbury and Andover Bridge Street, and the manses at Newbury and Whitchurch. It was found that the roof at Lambourn needed repairs that were well beyond the ability of the church either to fund or to justify seeking grants. Sadly, this led to the church deciding to close its premises. However, it is intended that the church will continue as an entity with worship taking place in a rented venue.

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.

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>

Kennet and Test Valley Methodist Circuit

registered charity number 1132306

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

5.4 Managing trustees

Name	Office	Dates (if not whole year)	Appointed by
Andrew Wood	Superintendent Minister (chairman)	To 30/11/15	Southampton District
David Shaw	Superintendent Minister (chairman)	From 01/12/15	Southampton District
Peter Bennett	Minister		Circuit Meeting
Carmel Ieraci	Minister		Circuit Meeting
Shirley Mackintosh	Minister		Circuit Meeting
Helen Cook	Circuit Steward		Circuit Meeting
Muriel Wood (1)	Circuit Steward		Circuit Meeting
Trevor Wills	Circuit Steward		Circuit Meeting
Stephen Greenhalgh	Circuit Treasurer		Circuit Meeting
Derek Fisher	Circuit Property Steward		Circuit Meeting
Sheila Dickson	Supernumerary Minister		Ex officio
Colin Scarrett	Supernumerary Minister		Ex officio
David Read	Supernumerary Minister		Ex officio
Elaine Rawlings	Supernumerary Minister		Ex officio
Peter Howson	Supernumerary Minister	From 16/01/16	Ex officio
Peter Jarvis	Other Minister		Ex officio
Jennifer Ellis	Other Minister		Ex officio
Stephen Sankey	Other Minister		Ex officio
Lynne Wilson	Circuit Administrator		Circuit Meeting
Christine Thomas	Local Preachers Meeting Secretary		Local Preachers Meeting
Jan Woodward	Church Steward		Andover Bridge Street CC
Caroline Stone	Church Treasurer		Andover Bridge Street CC
Andrew Fendick	Church Steward		Andover St Andrews CC
Brenda Daykin	Church Steward		Andover St Andrews CC
George Russell	Church Steward	To 15/01/16	Hungerford CC

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Richard Kelly	Church Steward	From 16/01/16	Hungerford CC
Jennifer Bartter	Church Treasurer		Hungerford CC
Wendy Morgan	Church Steward		Kingsclere CC
Louise Porton	Church Treasurer		Kingsclere CC
Brian Muttram	Church Steward		Kintbury CC
Elaine Fletcher	Church Treasurer		Kintbury CC
Alan Osborne	Church Steward	To 15/01/16	Lambourn CC
Peter Winmill (2)	Church Steward	From 16/01/16	Lambourn CC
Gareth Davies	Church Treasurer		Lambourn CC
Peter George	Church Steward	To 15/01/16	Newbury CC
David Vaughan (3)	Church Steward	From 19/05/16	Newbury CC
Gordon West	Church Treasurer		Newbury CC
Sarah Ross	Church Steward		Overton CC
Susan Sankey	Church Steward		Overton CC
Janice Schofield	Church Steward		Thatcham CC
Raymond Hoyle	Church Treasurer		Thatcham CC
Helen Mehaffey	Church Steward		Whitchurch CC
John Waterer	Church Treasurer		Whitchurch CC
Nathaniel Tinkler	Action for Children Representative		Circuit Meeting
Doris Vaughan (4)	Youth and Education Secretary		Circuit Meeting
Helen Watson	Local Preacher		Local Preachers Meeting
Rosemary Greenhalgh	Local Preacher		Local Preachers Meeting
Harold Bunker	Church Representative		Andover Bridge Street CC
Marian Bunker	Church Representative		Andover Bridge Street CC
William Bowley	Church Representative		Andover Bridge Street CC
Joy Fisher	Church Representative		Andover St Andrews CC
Moya Dixon	Church Representative		Hungerford CC
Robert Mackintosh	Church Representative		Hungerford CC
Andrew Billington	Church Representative		Kingsclere CC
Peter Winmill (2)	Church Representative		Lambourn CC
David Vaughan (3)	Church Representative	To 15/01/16	Newbury CC
Muriel Wood (1)	Church Representative	From 16/01/16 to	Newbury CC
Doris Vaughan (4)	Church Representative	From 19/05/16	Newbury CC
Alison Hutchins	Church Representative		Newbury CC
Carol Hoyle	Church Representative		Thatcham CC
Howard Fletcher	Church Representative		Thatcham CC
Alison Deveson	Church Representative		Whitchurch CC
Barry Jackman	Church Representative		Whitchurch CC

CC = Church Council

(1) to (4) indicate individuals serving as trustee in more than one capacity

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 they are not within its control.

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8 Additional information: Advisors

8.1 Independent examiner

Stuart Armstrong
20 Exmoor Road Thatcham RG19 3UY

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

Bull & Co
41B London Street Andover SP10 2NU

8.5 Surveyor

WG Sykes
15 London Street Andover SP10 2NU

8.6 Property letting agents

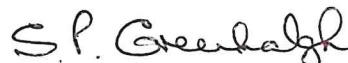
Rockwood Ltd (trading as Belvoir Lettings)
18 Bridge Street Andover SP10 1BH

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

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

26th January 2017

Kennet and Test Valley Methodist Circuit
registered charity number 1132306

Statement of Financial Activities for year to 31st August 2016

	Notes	Unrestricted Funds	Restricted Funds	Endowment Funds	Total Funds	Prior year total as restated
Income and endowments from:						
Donations and legacies	6	273	117		390	84
Charitable activities	7	157,200			157,200	157,200
Other trading activities	8	14,425			14,425	
Investments	9	42,640	2,427		45,067	37,947
Other income		142	314		456	125,095
Total		214,680	2,858		217,538	320,326
Expenditure on:						
Stipends, salaries, NIC and pensions	14	99,387			99,387	131,317
District Assessment		5,532			5,532	4,491
Methodist Church Fund		33,336			33,336	27,237
Telephone and travel		11,607			11,607	13,001
Insurance, utilities etc.		11,128			11,128	14,379
Maintenance on manses		23,580			23,580	13,161
Other circuit property		6,141	2,448		8,589	68,106
Depreciation	16					
Provisions						
Other expenditure	12	15,997	1,108		17,105	25,226
Grants and donations	15	8,277			8,277	3,000
Levy to District Advance Fund		4,901			4,901	4,513
Total		219,886	3,556		223,442	304,431
Net operating income/(expenditure)		(5,206)	(698)		(5,904)	15,895
Net gains/(losses) on investment assets		67,159		11,702	78,861	90,964
Net income/(expenditure)		61,953	(698)	11,702	72,957	106,859
Transfers between funds	29	(12)	12			
Other recognised gains/(losses) on:						
Revaluation of (non-investment) fixed assets						80,940
Other gains/(losses)						
Net movement in funds		61,941	(686)	11,702	72,957	187,799
Reconciliation of funds:						
Total funds brought forward		2,081,873	23,528	139,678	2,245,079	2,057,280
Total funds carried forward		2,143,814	22,842	151,380	2,318,036	2,245,079

Kennet and Test Valley Methodist Circuit
registered charity number 1132306

Balance Sheet for year to 31st August 2016

	Notes	Unrestricted Funds	Restricted Funds	Endowment Funds	Total Funds	Prior year total as restated
Fixed assets						
Tangible assets	16	1,218,020			1,218,020	1,218,020
Investment assets	17	709,235		151,380	860,615	782,369
Total fixed assets		1,927,255		151,380	2,078,635	2,000,389
Current assets						
Debtors and prepayments	18	12,805	180		12,985	10,561
Cash at bank and in hand	23	7,575			7,575	12,297
TMCP deposits	24	105,496			105,496	148,035
Central Finance Board deposits	25	105,211	22,662		127,873	91,515
Other assets						
Total current assets		231,087	22,842		253,929	262,408
Creditors and accruals (due in under 1 year)	19	14,528			14,528	17,718
Net current assets/(liabilities)		216,559	22,842		239,401	244,690
Total assets less current liabilities		2,143,814	22,842	151,380	2,318,036	2,245,079
Loans and creditors due after 1 year	20					
Provisions for liabilities	21					
Net assets		2,143,814	22,842	151,380	2,318,036	2,245,079
Funds of the circuit						
Unrestricted funds		2,143,814			2,143,814	2,081,873
Restricted funds			22,842		22,842	23,528
Endowment funds				151,380	151,380	139,678
Total Funds		2,143,814	22,842	151,380	2,318,036	2,245,079

Signature

Rachel J Borgars

S. P. Greenhalgh

Full Name

Rev Rachel Jane Borgars

Stephen Paul Greenhalgh

Position

Superintendent minister
(Chairman of trustees)

Circuit Treasurer

Date

26th January 2017

Kennet and Test Valley Methodist Circuit
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Notes to the accounts for year to 31st August 2016

1 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.

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.

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

FRS: Financial Reporting Standard.

MCF: Methodist Church Fund.

SOFA: Statement of Financial Activities.

SORP: Statement of Recommended Practice.

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

2 Accounting framework

The financial statements have been prepared under the Charities Act 2011 in accordance with the 2014 version of Accounting and Reporting by Charities: Statement of Recommended Practice (SORP) applicable to charities preparing their accounts in accordance with the Financial Reporting Standard for Smaller Entities applicable in the UK (effective from 1 January 2015) - the Charities SORP (FRSEE) - in replacement for the SORP's 2005 version specified in its related 2008 Regulations and in accordance with the 'true and fair override' provision contained therein.

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

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3.2 Restricted Funds

Name	Purpose / Restrictions
Compton Pulpit Fund	Support of the circuit ministry
Compton Batten (Training) Fund	All types of training
Youth Fund	Youth work
Royle Trust Income Fund	Maintenance of the Thatcham manse
The Forge Fund	Held on behalf of residents of The Forge collectively for maintenance and repair of road leading to Hungerford manse

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 26-28. Any fund may be represented by more than just cash.

4 Accounting policies

4.1 Basis

These accounts have been prepared on the basis of historical cost except that investments are shown at their market value at the end of the year, on the accruals basis to show a true and fair view of the circuit's financial position and activities.

4.2 Income recognition

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

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.

4.3 Expenditure

This is recognised when a liability is incurred, or a constructive obligation arises, that results in the payment being unavoidable. Liabilities are recognised as soon as an outflow of economic benefit is considered more likely than not under the legal or constructive obligation committing the circuit to pay out the resources.

4.4 Grants

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

4.5 VAT

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

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4.6 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 manses (freehold) were previously carried in the accounts at market price. A change of accounting policy has been adopted as for investment properties (see note 4.7).

The value of the manses as at 1st September 2015 is now frozen as the "deemed historical cost" (under the transitioning provisions of FRS102), of which the land component is deemed to be £487,210.

No depreciation is provided on the manses because the trustees consider the current residual fair value of each one (on the assumption that it had reached the end of its useful economic life by the year end) to be not less than its current value. Any depreciation would not be material. The properties have been reviewed for impairment.

4.7 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.

Like the manses, investment properties were previously carried in the accounts at market price. However, when a property is sold there are sale fees to pay and there is a connexional levy on the remaining proceeds of sale. The levy is 20% of the net proceeds up to £100,000 and 40% thereafter. This goes to the Connexional Priority Fund and is used to provide grants for projects deemed to be priority in terms of mission. So, however laudable such projects might be, a sizeable part of the market price will never come to the circuit directly. Hence any sale of a property would result in a drop in the circuit's overall financial position because of payment of the sale fees and connexional levy.

A change of accounting policy has been adopted. The effect of this is to reduce the carrying value of the properties by the (notional) sale fees and the amount of the connexional levy payable if the property were to be sold. This gives a more realistic picture. The future sale of any property would have little effect on the overall financial position of the circuit, as it would simply be a change from property value to cash.

See note 4.11 regarding the implementation of this change.

4.8 Other investments

Investments are held by Trustees for Methodist Church Purposes (TMCP) as custodian trustees. They are valued in the balance sheet at market value at the year end. Investment income is included in the accounts when receivable and any gains or losses on revaluation at the year end are shown in the SOFA.

4.9 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.

4.10 Creditors

Creditors include the assessments for the first quarter of next year received in August and accrued staff expenses.

4.11 Impact of accounting changes

The adoption of the Charities SORP (FRSEE) has resulted in some of the analysis categories being changed. Also, there has been a change of accounting policy as regards the carrying value of the property, as described in note 4.7. Prior year figures (that is, those for 2014-2015) have therefore been restated on the new basis. This makes them comparable with the figures for the current year, and it adjusts the figures brought forward into the 2015-2016 accounts. Details of this restatement, including a reconciliation of opening balances, are provided in note 5.

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4.12 Going concern

There are no material uncertainties about the circuit's ability to continue as a going concern.

5 Prior year

5.1 Restatement of comparative figures for income

	Unrestricted Funds	Restricted Funds	Endowment Funds	Total Funds
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5.1.1 Charitable activities

Assessment is now shown as Charitable activities without any change to figures.

5.1.2 Donations and legacies

Donations and legacies, previously included in other income, are now shown separately on a new line.

Original: none

Adjustment: Donations	*1*	84		84
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Restated: Donations and legacies		84		84
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5.1.3 Investments

All income deriving from investment assets (including investment properties) is now grouped together.

Income from endowments is now credited directly to the applicable funds, Arthur Newbery Trust to General Fund (unrestricted) and Royle Trust to Royle Trust Income Fund (restricted), rather than being credited to the endowment and then transferred (less management costs).

Original: Interest and investment income		3,524	130	4,303	7,957
Original: Lettings		29,990			29,990
Adjustment: Endowment income (Arthur Newbery)	*2*	2,101		(2,101)	
Adjustment: Endowment income (Royle Trust)	*3*		2,202	(2,202)	
Restated: Investments		35,615	2,332		37,947

5.1.4 Other income

Capital receipts (in this case the acquisition of 8 Chapel Lane Lambourn) are now included in Other income.

Original: Other income		80	99		179
Original: Capital receipts		125,000			125,000
Adjustment: Donations	*1*		(84)		(84)
Restated: Other income		125,080	15		125,095

5.2 Restatement of comparative figures for expenditure

	Unrestricted Funds	Restricted Funds	Endowment Funds	Total Funds
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5.2.1 Stipends, salaries, NIC and pensions

Supernumerary preaching fees are separated from Stipends and associated costs to be included in Other expenditure.

Original: Stipends and associated costs		131,942		131,942
Adjustment: Preaching fees	*4*	(625)		(625)
Restated: Stipends, salaries, NIC and pensions		131,317		131,317

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5.2.2 Telephone and travel

Postage costs are separated from Telephone and travel to be included in Other expenditure.

Original: Telephone, travel and postage		13,245		13,245
Adjustment: Postage	*5*	(244)		(244)
Restated: Telephone and travel		13,001		13,001

5.2.3 Other expenditure

In a similar fashion to the treatment of income from endowments (see above), the cost of managing endowments is now paid from the fund that receives the income.

Resulting Other expenditure is grouped together.

Original: Other expenditure		23,349	724	284	24,357
Adjustment: Preaching fees	*4*	625			625
Adjustment: Postage	*5*	244			244
Adjustment: Endowment expenditure (Arthur Newbery)	*6*	132		(132)	
Adjustment: Endowment expenditure (Royle Trust)	*7*		152	(152)	
Restated: Other expenditure		24,350	876		25,226

5.3 Restatement of comparative figures for other SOFA items

Unrestricted Funds	Restricted Funds	Endowment Funds	Total Funds
--------------------	------------------	-----------------	-------------

5.3.1 Fixed assets

Gains/(losses) are now separated into tangible assets (manses in use as such) and investment assets (including investment properties).

Change of accounting policy: All properties, both tangible assets and investment properties, previously carried at market value, are now valued net of notional sale costs and connexional levy on sale.

Original: Gains/(losses) and revaluations		291,199		(2,335)	288,864
Adjustment: Revaluation of fixed assets	*8*	(134,900)			(134,900)
Adjustment: Accounting policy change (investment properties)		(63,000)			(63,000)
Restated: Net gains/(losses) on investment assets		93,299		(2,335)	90,964

Original: none					
Adjustment: Revaluation of fixed assets	*8*	134,900			134,900
Adjustment: Accounting policy change (manses)		(53,960)			(53,960)
Restated: Revaluation of (non-investment) fixed assets		80,940			80,940

5.3.2 Transfers between funds

See explanations above regarding treatment of endowment income and expenditure.

Original: Transfers between funds		1,957	2,062	(4,019)	
Adjustment: Endowment income (Arthur Newbery)	*2*	(2,101)		2,101	
Adjustment: Endowment income (Royle Trust)	*3*		(2,202)	2,202	
Adjustment: Endowment expenditure (Arthur Newbery)	*6*	132		(132)	
Adjustment: Endowment expenditure (Royle Trust)	*7*		152	(152)	
Restated: Transfers between funds		(12)	12		

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5.3.3 Reconciliation of fund balances

See explanations above regarding change of accounting policy.

Original: Total funds brought forward	2,763,849	23,658	142,013	2,929,520
Adjustment: Accounting policy change (manses)	(644,720)			(644,720)
Adjustment: Accounting policy change (investment properties)	(227,520)			(227,520)
Restated: Total funds brought forward	1,891,609	23,658	142,013	2,057,280
Original: Total funds carried forward	3,071,073	23,528	139,678	3,234,279
Adjustment: Total funds brought forward	(872,240)			(872,240)
Adjustment: Net movement in funds	(116,960)			(116,960)
Restated: Total funds carried forward	2,081,873	23,528	139,678	2,245,079

5.4 Restatement of comparative figures for balance sheet items

	Unrestricted Funds	Restricted Funds	Endowment Funds	Total Funds
5.4.1 Tangible assets				
See explanations above regarding change of accounting policy.				
Original: Manses	1,916,700			1,916,700
Adjustment: Accounting policy change (manses)	(698,680)			(698,680)
Restated: Tangible assets	1,218,020			1,218,020

5.4.2 Investment assets

Investment properties and Investments are now shown together, as Investment assets.

Original: Investment properties	853,800			853,800
Original: Investments	79,411		139,678	219,089
Adjustment: Accounting policy change (investment properties)	(290,520)			(290,520)
Restated: Investment assets	642,691		139,678	782,369

5.4.3 Deposits

Central Finance Board and TMCP deposits are now shown on separate lines.

Original: CFB and TMCP deposits	216,022	23,528		239,550
Adjustment: CFB deposits	*9* (67,987)	(23,528)		(91,515)
Restated: TMCP deposits	148,035			148,035
Original: none				
Adjustment: CFB deposits	*9* 67,987	23,528		91,515
Restated: Central Finance Board deposits	67,987	23,528		91,515

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5.5 Comparative SOFA from prior year's accounts, as restated

	Unrestricted Funds	Restricted Funds	Endowment Funds	Total Funds
Income and endowments from:				
Donations and legacies		84		84
Charitable activities	157,200			157,200
Other trading activities				
Investments	35,615	2,332		37,947
Other income	125,080	15		125,095
Total	317,895	2,431		320,326
Expenditure on:				
Stipends, salaries, NIC and pensions	131,317			131,317
District Assessment	4,491			4,491
Methodist Church Fund	27,237			27,237
Telephone and travel	13,001			13,001
Insurance, utilities, etc	14,379			14,379
Maintenance on manses	13,161			13,161
Other circuit property	66,409	1,697		68,106
Depreciation				
Provisions				
Other expenditure	24,350	876		25,226
Grants and donations	3,000			3,000
Levy to District Advance Fund	4,513			4,513
Total	301,858	2,573		304,431
Net operating income/(expenditure)	16,037	(142)		15,895
Net gains/(losses) on investment assets	93,299		(2,335)	90,964
Net income/(expenditure)	109,336	(142)	(2,335)	106,859
Transfers between funds	(12)	12		
Other recognised gains/(losses) on:				
Revaluation of (non-investment) fixed assets	80,940			80,940
Other gains/(losses)				
Net movement in funds	190,264	(130)	(2,335)	187,799
Reconciliation of funds:				
Total funds brought forward	1,891,609	23,658	142,013	2,057,280
Total funds carried forward	2,081,873	23,528	139,678	2,245,079

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5.6 Comparative Balance Sheet from prior year's accounts, as restated

	Unrestricted Funds	Restricted Funds	Endowment Funds	Total Funds
Fixed assets				
Tangible assets	1,218,020			1,218,020
Investment assets	642,691		139,678	782,369
Total fixed assets	1,860,711		139,678	2,000,389
Current assets				
Debtors and prepayments	10,561			10,561
Cash at bank and in hand	12,297			12,297
TMCP deposits	148,035			148,035
Central Finance Board deposits	67,987	23,528		91,515
Other assets				
Total current assets	238,880	23,528		262,408
Creditors and accruals (due in under 1 year)	17,718			17,718
Net current assets/(liabilities)	221,162	23,528		244,690
Total assets less current liabilities	2,081,873	23,528	139,678	2,245,079
Loans and creditors due after 1 year				
Provisions for liabilities and charges				
Net assets	2,081,873	23,528	139,678	2,245,079
Funds of the circuit				
Unrestricted Funds	2,081,873			2,081,873
Restricted Funds		23,528		23,528
Endowment funds			139,678	139,678
Total Funds	2,081,873	23,528	139,678	2,245,079

6 Donations and legacies

	Unrestricted	Restricted	Total	Prior year as restated
Donations (monetary)	273	117	390	84
Legacies				
Total donations and legacies	273	117	390	84

7 Charitable activities

The circuit comprises ten churches as listed below. 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 as restated
Assessment: Andover (Bridge Street)	29,484		29,484	31,548
Assessment: Andover (St Andrews)	12,048		12,048	11,676
Assessment: Hungerford	11,892		11,892	11,292
Assessment: Kingsclere	7,848		7,848	7,680
Assessment: Kintbury	3,576		3,576	3,072
Assessment: Lambourn	8,580		8,580	7,608
Assessment: Newbury	36,924		36,924	34,956
Assessment: Overton	9,204		9,204	9,780
Assessment: Thatcham	20,928		20,928	22,776
Assessment: Whitchurch	16,716		16,716	16,812
Other				
Total charitable activities	157,200		157,200	157,200

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8 Other trading activities

	Unrestricted	Restricted	Total	Prior year as restated
Lettings: 11 Lapwing Rise Whitchurch	14,425		14,425	
Miscellaneous				
Total other trading activities	14,425		14,425	

11 Lapwing Rise is normally used as a manse, but was rented out for a large part of the year in the temporary absence of a superintendent minister.

9 Investment income

	Unrestricted	Restricted	Total	Prior year as restated
Central Finance Board	6,430	2,427	8,857	7,957
Rental income: 1 Grassmead Thatcham	15,000		15,000	15,000
Rental income: 133 Weyhill Road Andover	11,010		11,010	10,740
Rental income: 8 Chapel Lane Lambourn	10,200		10,200	4,250
Other				
Total investment income	42,640	2,427	45,067	37,947

10 Maintenance on manses

	Unrestricted	Restricted	Total	Prior year as restated
Whitchurch manse	16,930		16,930	581
Newbury manse	1,431		1,431	11,121
Hungerford manse	3,767		3,767	47
Andover manse	1,452		1,452	1,412
Total maintenance on manses	23,580		23,580	13,161

11 Other circuit property

	Unrestricted	Restricted	Total	Prior year as restated
1 Grassmead Thatcham	783	2,448	3,231	1,697
133 Weyhill Road Andover	3,905		3,905	656
8 Chapel Lane Lambourn	1,393		1,393	65,753
Compton graveyard	60		60	
Total other circuit property	6,141	2,448	8,589	68,106

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12 Other expenditure

	Unrestricted	Restricted	Total	Prior year as restated
General Fund: Postage and administration	2,886		2,886	2,604
General Fund: Miscellaneous	889		889	635
Property Fund: Letting agent fees	5,146		5,146	3,457
Property Fund: Quinquennial inspections	3,480		3,480	
Property Fund: Miscellaneous	3,300		3,300	2,039
CMTF: administration	296		296	281
CMTF: professional fees (property sale)				4,167
CMTF: connexional levy (proceeds of sale)				11,167
Compton Batten (Training) Fund: Training		660	660	724
Youth Fund: 3Generate event		298	298	
Royle Trust Income Fund: Miscellaneous		150	150	152
Total other expenditure	15,997	1,108	17,105	25,226

13 Fees for examination of the accounts

No fees were paid to the independent examiner for the examination of the accounts or for any other purpose (prior year: nil).

14 Paid staff

The ministers were Rev Peter Bennett, Rev Carmel Ieraci and Deacon Shirley Mackintosh. 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.

The part-time administrator was Lynne Wilson, who was employed for 15 hours per week. Her 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.

	Total	Prior year as restated
Gross stipends and salaries	74,833	99,054
Employer's National Insurance	6,106	8,418
Pension costs	18,448	23,845
Total staff costs	99,387	131,317
Average number of full-time staff	3.375	4.375

15 Grant making

Grants are made from time to time from the CMTF to churches within the circuit towards projects identified as having a strong mission purpose. During the year, such a grant of £8,277 was made towards refurbishment of kitchen and toilet facilities at Andover Bridge Street Methodist Church.

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16 Tangible assets

The circuit has four manses. See note 4.6 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 17) 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	1,218,020				1,218,020
Additions					
Revaluations					
Disposals					
Transfers					
Balance carried forward	1,218,020				1,218,020
Depreciation:					
Balance brought forward					
Depreciation charge for year					
Disposals					
Transfers					
Balance carried forward					
Net book value:					
Brought forward	1,218,020				1,218,020
Carried forward	1,218,020				1,218,020

17 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:
 - 1 Grassmead Thatcham
 - 133 Weyhill Road Andover
 - 8 Chapel Lane Lambourn
- (c) The two endowments described in notes 3.3 and 28.

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 Thatcham and Andover were determined as at the year end 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 value of the house at Lambourn was determined after renovation in 2015, so no updating of this figure was undertaken. The carrying values were then calculated from the market value as described in note 4.7.

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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.

	TMCP trust 21974 unrestricted	Investment properties unrestricted	Endowment funds	Total	Prior year as restated
Carrying (fair) value at beginning of year	79,411	563,280	139,678	782,369	578,793
Additions to investment at cost					172,612
Transfers					
Disposals at carrying value	(615)			(615)	(60,000)
Net gain/(loss) on revaluation	6,439	60,720	11,702	78,861	90,964
Carrying (fair) value at end of year	85,235	624,000	151,380	860,615	782,369

18 Analysis of debtors and prepayments

	Total	Prior year as restated
Stipends/salaries and associated costs (paid in advance)	10,665	7,761
Insurance (paid in advance)	2,140	2,800
Accrued income	180	
Total debtors and prepayments	12,985	10,561

19 Analysis of creditors and accruals

	Total	Prior year as restated
Trade creditors		
Assessments (received in advance)	12,346	13,100
Accrued expenditure	2,182	4,618
Total creditors and accruals	14,528	17,718

20 Loans

At the year end the circuit had no loans (prior year: nil).

21 Provisions

Provisions are made when there is a legal or operational obligation to pay money in the future (for example, see note 4.4). On this basis, no provisions were made at the year end (prior year: nil). However, two anticipated future withdrawals from the CMTF are recorded for information: £30,000 next year towards the current diaconal appointment in its final year; and a grant of £20,000 at an appropriate time towards redevelopment of the church premises at Overton.

22 Capital commitments and contingent liabilities

At the year end the circuit had no capital commitments and no contingent liabilities were identified (prior year: nil).

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23 Analysis of 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 as restated
Bank balance held at CAF Bank Ltd	7,345	12,297
Cash held	230	
Total cash at bank and in hand	7,575	12,297

24 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.

25 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.

26 Detailed 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	134,188	162,792	(153,637)	(6,000)	6,439	143,782
Property Fund	18,350	50,953	(52,775)	35,988		52,516
Estates Fund	1,781,300				60,720	1,842,020
Circuit Model Trust Fund	148,035	935	(13,474)	(30,000)		105,496
Total	2,081,873	214,680	(219,886)	(12)	67,159	2,143,814

27 Detailed 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	7,661	44				7,705
Compton Batten (Training) Fund	753	3	(660)			96
Youth Fund	531	349	(298)			582
Royle Trust Income Fund	714	2,300	(2,598)			416
The Forge Fund	13,869	162		12		14,043
Total	23,528	2,858	(3,556)	12		22,842

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28 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	70,220	2,209
Royle Trust	81,160	2,298
Total	151,380	4,507

29 Transfers between funds

The reasons for the transfers between funds are as follows:

£30,000 from Circuit Model Trust Fund to General Fund (both unrestricted) to support diaconal appointment.

£36,000 from General Fund to Property Fund (both unrestricted) for long term property maintenance.

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

30 Payment to trustees

The ministers and administrator were the only paid staff. They were all members of the Circuit Meeting and therefore trustees. However, they were paid for the jobs they performed and not for being trustees.

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

	Total	Prior year as restated
Payments (other than stipends/salaries) made to trustees for additional services		
Number of trustees who were paid expenses	13	14
Expense payments primarily relate to reimbursement for travel.		
Total amount paid	10,916	11,904

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31 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 as restated
Methodist Church Fund	600	800
World Mission Fund	539	1,006
Easter Offering	382	918
Women in Britain Fund	130	176
JMA	954	990
Mission in Britain Fund	428	971
Fund for Property	1,170	1,528
Fund for the Support of Presbyters and Deacons	310	795
Methodist Ministers Housing Society	150	70
All We Can (Methodist Relief and Development Fund)	1,420	790
Leaders of Worship and Preachers Trust	483	240
Methodist Homes	101	45
Action for Children	583	458
Southampton District Network project		284
Maree Farrimond leaving gift		111
	7,250	9,182

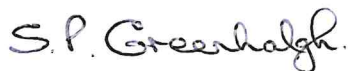
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Declarations for year to 31st August 2016

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 and address Stephen Paul Greenhalgh 32 New Road Newbury RG14 7RU

Date 30th October 2016

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

This report is on the circuit accounts for the year ended 31st August 2016.

Respective responsibilities of trustees and examiner

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

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

Basis of independent examiner's statement

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

Independent examiner's statement

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

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

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

have not been met; or

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

I have/have not obtained independent verification of all investments with the Trustees for Methodist Church Purposes (TMCP) or held in other trusts, bank balances and funds at the Central Finance Board of the Methodist Church (CFB) which are individually in excess of £10,000 (ten thousand pounds) at the balance sheet date.

Signature



Name Stuart Armstrong 20 Exmoor Road Thatcham RG19 3UY

Date

12/01/17

Presentation to the Circuit Meeting for approval

I confirm that the accounts have been presented to the Circuit Meeting on 26th January 2017 and were approved.

Signature



Name Rev Rachel Jane Borgars

Date

January 26th 2017