

Trustees' Annual Report
and Financial Statements
for the year
1st September 2016 to 31st August 2017

registered charity number 1132306

Kennet and Test Valley Methodist Circuit
registered charity number 1132306

Trustees' Annual Report for year to 31st August 2017

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 manse to house the ministers.

Following a particularly difficult year up to August 2016 as was reflected in last year's report, this year saw the arrival of a new Superintendent Minister, the Revd Rachel Borgars, who is resident in the circuit. Sadly, the Circuit Administrator's other part-time job became more like full-time and she resigned at the end of September. A decision was taken not to fill the appointment, at least for twelve months, as it was felt that the money thus made available would be better spent on the appointment of a lay worker to assist with pastoral care and outreach in the churches at the northern end of the circuit. This was deemed a particular priority in the light of the retirement of the resident deacon, Shirley Mackintosh, on 31st August 2017, once again bringing the number of full-time ordained staff down to three. At the year end, plans were underway for the recruitment of a lay pastoral worker to work 30 hours per week.

This has been a year of getting to know each other, but also of trying to set out priorities and strategy for the future. There is beginning to be a realisation that we cannot continue to provide the current level of resources to all the local churches in the same way as we do at present and conversations are already underway about the short-term future viability of one church.

In the coming year, there are going to be some exciting (but also challenging) decisions to make about property; building schemes and amalgamations as well as a probable closure. There is also a determination amongst the Circuit Leadership Team that all the conversations should NOT be about financial and property resources, but that we should also be planning how to deepen our discipleship and grow our churches. There are already some really positive signs of this happening in Andover.

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The circuit staff arranged (with fantastic assistance from volunteers) to hold a Circuit Gathering in March which took the form of a variety of workshops, preparing items which were then gathered together into a closing act of worship. The customary shared tea encouraged members from all the churches to come together to share conversations and to get to know people from a wider geographical area. The feedback which followed was very positive and another similar event is being planned for October 2017.

In addition to a welcome service for the Superintendent in August 2016, there have been circuit services during the year to recognise the ministry of a new local preacher and to celebrate the ministry of Deacon Shirley Mackintosh and her husband, Bob, who have both made outstanding contributions to the life of the circuit.

New editions of the Circuit Directory and the Local Churches' Handbook have been produced during the year and a competition for a new logo for the circuit brought forward some interesting designs, one of which has been adopted by the circuit meeting.

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 not be increased, but little was required from previously built up reserves to cover expenditure. The manse at Hungerford was rented out once minor refurbishment had been completed, following the departure of the deacon.

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 £155,462, the General Fund balance at the year end represented around ten months' expenditure. Part of the reason for this is not having the administrator for much of the year (see above). The closing balance of the Property Fund, designated for managing all the circuit's property in both short and long term, was £47,389. This is a reduction from last year's figure of £52,516 as quite a lot of refurbishment was undertaken during the year.

The Circuit Model Trust Fund closing balance was only £73,055. The diaconal appointment, which was partially funded by £30,000 per year from this fund, has now ended. No grants to churches were made during the year. Although there is no formal commitment, it is anticipated that (if required) a grant of £20,000 will be made available at an appropriate time towards redevelopment of the church premises at Overton.

The Compton Batten (Training) Fund was used up during the year and was therefore closed at the year end. Henceforth training costs will be met from the General Fund.

No quinquennial inspections were due during the year.

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.

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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

5.4 Managing trustees

Name	Office	Dates (if not whole year)	Appointed by
Rachel Borgars	Superintendent Minister (chairman)		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	Circuit Steward		Circuit Meeting
Trevor Wills	Circuit Steward		Circuit Meeting
Stephen Greenhalgh	Circuit Treasurer		Circuit Meeting
Derek Fisher	Circuit Property Steward		Circuit Meeting
Colin Scarrett	Supernumerary Minister		Ex officio
David Read	Supernumerary Minister		Ex officio
Peter Howson	Supernumerary Minister		Ex officio
Stephen Sankey	Supernumerary Minister		Ex officio
Jennifer Ellis	Other Minister		Ex officio
Lynne Wilson	Circuit Administrator	To 30/09/16	Circuit Meeting

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Moir Smith	Circuit Meeting Secretary	From 24/05/16	Circuit Meeting
Janice Schofield	Safeguarding Representative		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
Richard Kelly	Church Steward		Hungerford CC
Jennifer Bartter	Church Treasurer		Hungerford CC
Wendy Morgan	Church Steward		Kingsclere CC
Jennifer Jupiter	Church Treasurer		Kingsclere CC
Brian Muttram	Church Steward		Kintbury CC
Elaine Fletcher	Church Treasurer		Kintbury CC
Melanie Morgan-Jones	Church Steward		Lambourn CC
Gareth Davies	Church Treasurer		Lambourn CC
David Vaughan	Church Steward		Newbury CC
Gordon West	Church Treasurer		Newbury CC
Sarah Ross	Church Steward		Overton CC
Susan Sankey	Church Steward		Overton CC
Lesley Skeavington	Church Steward		Thatcham CC
Raymond Hoyle	Church Treasurer	To 25/01/17	Thatcham CC
Stuart Armstrong	Church Treasurer	From 26/01/17	Thatcham CC
Helen Mehaffey	Church Steward		Whitchurch CC
John Waterer	Church Treasurer		Whitchurch CC
Nathaniel Tinkler	Action for Children Representative		Circuit Meeting
Helen Watson	Local Preacher		Local Preachers Meeting
Rosemary Greenhalgh	Local Preacher		Local Preachers Meeting
Tandy Davies	Church Representative		Andover Bridge Street CC
Ann Hopwood	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
Andrew Billington	Church Representative		Kingsclere CC
Doris Vaughan	Church Representative		Newbury CC
Alison Hutchins	Church Representative		Newbury CC
Carol Hoyle	Church Representative		Thatcham CC
Howard Fletcher	Church Representative		Thatcham CC
Barry Jackman	Church Representative		Whitchurch CC

CC = Church Council

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

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

Bull & Co
41B London Street Andover SP10 2NU

8.5 Surveyor

WG Sykes
15 London Street Andover SP10 2NU

8.6 Property letting agents

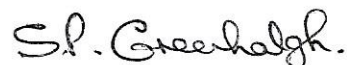
Rockwood Ltd (trading as Belvoir Lettings)
18 Bridge Street Andover SP10 1BH

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

18th January 2018

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Statement of Financial Activities for year to 31st August 2017

	Notes	Unrestricted Funds	Restricted Funds	Endowment Funds	Total Funds	Prior year total
Income and endowments from:						
Donations and legacies	5		396		396	390
Charitable activities	6	157,200			157,200	157,200
Other trading activities	7	1,500			1,500	14,425
Investments	8	40,212	2,388		42,600	45,067
Other income	9	66,000	84		66,084	456
Total		264,912	2,868		267,780	217,538
Expenditure on:						
Stipends, salaries, NIC and pensions	10	128,650			128,650	99,387
District Assessment		4,668			4,668	5,532
Methodist Church Fund		28,008			28,008	33,336
Telephone and travel	11	13,147			13,147	11,607
Insurance, utilities etc.	12	16,293			16,293	11,128
Maintenance of manses	13	17,686			17,686	23,580
Other circuit property	14	1,736	2,512		4,248	8,589
Depreciation	18					
Provisions	25					
Other expenditure	15	18,184	617		18,801	17,105
Grants and donations	16					8,277
Levy to District Advance Fund		2,775			2,775	4,901
Total		231,147	3,129		234,276	223,442
Net operating income/(expenditure)		33,765	(261)		33,504	(5,904)
Net gains/(losses) on investment assets		6,359		11,584	17,943	78,861
Net income/(expenditure)		40,124	(261)	11,584	51,447	72,957
Transfers between funds	17	(12)	12			
Net movement in funds		40,112	(249)	11,584	51,447	72,957
Reconciliation of funds:						
Total funds brought forward		2,143,814	22,842	151,380	2,318,036	2,245,079
Total funds carried forward		2,183,926	22,593	162,964	2,369,483	2,318,036

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Balance Sheet for year to 31st August 2017

	Notes	Unrestricted Funds	Restricted Funds	Endowment Funds	Total Funds	Prior year total
Fixed assets						
Tangible assets	18	1,218,020			1,218,020	1,218,020
Investment assets	19	781,594		162,964	944,558	860,615
Total fixed assets		1,999,614		162,964	2,162,578	2,078,635
Current assets						
Debtors and prepayments	20	10,838	1,420		12,258	12,985
Cash at bank and in hand	21	7,399			7,399	7,575
TMCP deposits	22	73,055			73,055	105,496
Central Finance Board deposits	23	111,659	21,173		132,832	127,873
Other assets						
Total current assets		202,951	22,593		225,544	253,929
Creditors and accruals (due in under 1 year)	24	18,639			18,639	14,528
Net current assets/(liabilities)		184,312	22,593		206,905	239,401
Total assets less current liabilities		2,183,926	22,593	162,964	2,369,483	2,318,036
Provisions for liabilities	25					
Net assets		2,183,926	22,593	162,964	2,369,483	2,318,036
Funds of the circuit						
Unrestricted funds	26	2,183,926			2,183,926	2,143,814
Restricted funds	27		22,593		22,593	22,842
Endowment funds	28			162,964	162,964	151,380
Total Funds		2,183,926	22,593	162,964	2,369,483	2,318,036

Signature

Full Name

Rev Rachel Jane Borgars

Stephen Paul Greenhalgh

Position

Superintendent minister
(Chairman of trustees)

Circuit Treasurer

Date

18th January 2018

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Notes to the accounts for year to 31st August 2017

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 [Charities SORP (FRS 102)].

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 FRS 102 SORP 2015

This is the first year that the FRS 102 SORP 2015 has applied to the circuit's accounts. The previous year's published accounts were compiled under the Charities SORP (FRSSE). These accounts are compliant with FRS 102 and with the 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). Pending the making of replacement Regulations specific to SORP 2015 in accordance with Reg.8(4)(d) of SI 2008/629, the charity trustees have departed from the requirement of Reg.8(5) by following SORP (FRS 102) instead of SORP 2005 to the extent necessary to give a true and fair view in the circumstances.

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

1.6 Going concern

Based on the monetary assets and human resources available at 31st August 2017, the trustees believe that the circuit is a going concern.

1.7 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.

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1.8 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 31).

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.

1.9 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.

1.10 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.

1.11 VAT

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

1.12 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.

1.13 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.

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1.14 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.

1.15 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.

1.16 Creditors

Creditors include the assessments for the first quarter of next year received in August, accrued staff expenses and miscellaneous accrued expenditure (this year including various property repairs).

1.17 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, treasurer and property steward 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.

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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
Compton Batten (Training) Fund	All types of training
Youth Fund	Youth work
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 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.

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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	273	117		390
Charitable activities	157,200			157,200
Other trading activities	14,425			14,425
Investments	42,640	2,427		45,067
Other income	142	314		456
Total	214,680	2,858		217,538
Expenditure on:				
Stipends, salaries, NIC and pensions	99,387			99,387
District Assessment	5,532			5,532
Methodist Church Fund	33,336			33,336
Telephone and travel	11,607			11,607
Insurance, utilities etc.	11,128			11,128
Maintenance of manses	23,580			23,580
Other circuit property	6,141	2,448		8,589
Other expenditure	15,997	1,108		17,105
Grants and donations	8,277			8,277
Levy to District Advance Fund	4,901			4,901
Total	219,886	3,556		223,442
Net operating income/(expenditure)	(5,206)	(698)		(5,904)
Net gains/(losses) on investment assets	67,159		11,702	78,861
Net income/(expenditure)	61,953	(698)	11,702	72,957
Transfers between funds	(12)	12		
Net movement in funds	61,941	(686)	11,702	72,957
Reconciliation of funds:				
Total funds brought forward	2,081,873	23,528	139,678	2,245,079
Total funds carried forward	2,143,814	22,842	151,380	2,318,036

5 Donations and legacies

	Unrestricted	Restricted	Total	Prior year
Donations (monetary)		396	396	390
Legacies				
Total donations and legacies		396	396	390

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6 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
Assessment: Andover (Bridge Street)	31,740		31,740	29,484
Assessment: Andover (St Andrews)	11,724		11,724	12,048
Assessment: Hungerford	10,248		10,248	11,892
Assessment: Kingsclere	6,804		6,804	7,848
Assessment: Kintbury	3,912		3,912	3,576
Assessment: Lambourn	6,360		6,360	8,580
Assessment: Newbury	38,316		38,316	36,924
Assessment: Overton	9,048		9,048	9,204
Assessment: Thatcham	22,776		22,776	20,928
Assessment: Whitchurch	16,272		16,272	16,716
Miscellaneous				
Total charitable activities	157,200		157,200	157,200

7 Other trading activities

	Unrestricted	Restricted	Total	Prior year
Lettings: 5 The Forge Hungerford	1,500		1,500	
Lettings: 11 Lapwing Rise Whitchurch				14,425
Miscellaneous				
Total other trading activities	1,500		1,500	14,425

5 The Forge is normally used as a manse, but was rented out at the end of the year once the deacon had left.

8 Investment income

	Unrestricted	Restricted	Total	Prior year
Central Finance Board	6,037	2,388	8,425	8,857
Rental income: 1 Grassmead Thatcham	15,000		15,000	15,000
Rental income: 133 Weyhill Road Andover	11,100		11,100	11,010
Rental income: 8 Chapel Lane Lambourn	8,075		8,075	10,200
Miscellaneous				
Total investment income	40,212	2,388	42,600	45,067

9 Other income

	Unrestricted	Restricted	Total	Prior year
Lambourn Church (carrying value)	66,000		66,000	
Other		84	84	456
Total other income	66,000	84	66,084	456

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10 Paid staff

The ministers were Rev Rachel Borgars, 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. She left at the end of September 2016 and was not replaced.

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	95,011		95,011	74,833
Employer's National Insurance	8,693		8,693	6,106
Pension costs	24,946		24,946	18,448
Total staff costs	128,650		128,650	99,387

Average number of full-time staff

4	3.375
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11 Telephone and travel

	Unrestricted	Restricted	Total	Prior year
Telephone	2,480		2,480	2,109
Travel	10,667		10,667	9,498
Total telephone and travel	13,147		13,147	11,607

12 Insurance, utilities etc.

	Unrestricted	Restricted	Total	Prior year
Insurance	5,326		5,326	3,881
Council tax	9,243		9,243	6,407
Water charges	1,508		1,508	840
Fuel (unoccupied premises)	216		216	
Total insurance, utilities etc.	16,293		16,293	11,128

13 Maintenance of manses

	Unrestricted	Restricted	Total	Prior year
Whitchurch manse	2,534		2,534	16,930
Newbury manse	6,557		6,557	1,431
Hungerford manse	7,248		7,248	3,767
Andover manse	1,347		1,347	1,452
Total maintenance on manses	17,686		17,686	23,580

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14 Other circuit property

	Unrestricted	Restricted	Total	Prior year
1 Grassmead Thatcham		2,512	2,512	3,231
133 Weyhill Road Andover	477		477	3,905
8 Chapel Lane Lambourn	173		173	1,393
Lambourn Church	816		816	
Compton graveyard	270		270	60
Total other circuit property	1,736	2,512	4,248	8,589

15 Other expenditure

	Unrestricted	Restricted	Total	Prior year
General Fund: Postage and administration	3,663		3,663	2,886
General Fund: Training	487		487	
General Fund: Miscellaneous	1,533		1,533	889
Property Fund: Letting agent fees	3,560		3,560	5,146
Property Fund: Quinquennial inspections				3,480
Property Fund: Andover redevelopment project	8,640		8,640	
Property Fund: Miscellaneous	90		90	3,300
CMTF: administration	211		211	296
Compton Batten (Training) Fund: Training		96	96	660
Youth Fund: 3Generate event		358	358	298
Royle Trust Income Fund: Miscellaneous		163	163	150
Total other expenditure	18,184	617	18,801	17,105

16 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 during the year.

17 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.

£7,000 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.

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18 Tangible assets

The circuit has four manses. See note 1.12 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 19) 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

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
Hungerford manse	127,210	190,810	318,020	318,020
Andover manse	97,470	146,210	243,680	243,680
Total	487,210	730,810	1,218,020	1,218,020

19 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.

In addition, on 1st September 2016 the circuit became responsible for the redundant church at Lambourn which is adjacent to 8 Chapel Lane. The intention is to sell these two properties together. Although negotiations for this had reached an advanced stage, contracts had not been exchanged by the year end, and so the sale will be shown in next year's accounts.

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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 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 1.13.

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
Carrying (fair) value at beginning of year	85,235	624,000	151,380	860,615	782,369
Additions to investment at cost		66,000		66,000	
Transfers					
Disposals at carrying value					(615)
Net gain/(loss) on revaluation	6,359		11,584	17,943	78,861
Carrying (fair) value at end of year	91,594	690,000	162,964	944,558	860,615

Schedule of investment properties:

	Total	Prior year
1 Grassmead Thatcham	263,000	263,000
133 Weyhill Road Andover	200,000	200,000
8 Chapel Lane Lambourn	161,000	161,000
Lambourn Church	66,000	
Total	690,000	624,000

20 Debtors and prepayments

	Unrestricted	Restricted	Total	Prior year
Stipends/salaries and associated costs (paid in advance)	8,171		8,171	10,665
Insurance (paid in advance)	2,115		2,115	2,140
3Generate tickets (paid in advance)		1,320	1,320	
Accrued income	552	100	652	180
Total debtors and prepayments	10,838	1,420	12,258	12,985

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21 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	7,399	7,345
Cash held		230
Total cash at bank and in hand	7,399	7,575

22 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.

23 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.

24 Creditors and accruals

	Unrestricted	Restricted	Total	Prior year
Assessments (received in advance)	13,100		13,100	12,346
Accrued expenditure	5,539		5,539	2,182
Total creditors and accruals	18,639		18,639	14,528

25 Provisions

Provisions are made when there is a legal or operational obligation to pay money in the future (for example, see note 1.10). On this basis, no provisions were made at the year end (prior year: nil). However, for information it is recorded that there exists an understanding that, if required at some point in the future, a grant of £20,000 from the CMTF will be made available towards redevelopment of the church premises at Overton.

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26 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	143,782	162,477	(180,156)	23,000	6,359	155,462
Property Fund	52,516	35,890	(48,005)	6,988		47,389
Estates Fund	1,842,020	66,000				1,908,020
Circuit Model Trust Fund	105,496	545	(2,986)	(30,000)		73,055
Total	2,143,814	264,912	(231,147)	(12)	6,359	2,183,926

27 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	7,705	30				7,735
Compton Batten (Training) Fund	96		(96)			
Youth Fund	582	396	(358)			620
Royle Trust Income Fund	416	2,302	(2,675)			43
The Forge Fund	14,043	140		12		14,195
Total	22,842	2,868	(3,129)	12		22,593

The Compton Batten (Training) Fund was used up during the year and was therefore closed at the year end. Henceforth training costs will be met from the General Fund.

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	76,000	2,265
Royle Trust	86,964	2,301
Total	162,964	4,566

29 Fees for examination of the accounts

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

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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. Other than these stipends/salaries, no payments were made to trustees for additional services (prior year: nil).

The ministers, administrator 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	11,587		11,587	8,475
Other trustees	360	20	380	2,441
Total expenses paid	11,947	20	11,967	10,916

Number of trustees paid expenses

12	13
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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
Methodist Church Fund	1,000	600
World Mission Fund	1,032	539
Easter Offering	430	382
Women in Britain Fund	171	130
JMA	991	954
Mission in Britain Fund	1,157	428
Fund for Property	1,577	1,170
Fund for the Support of Presbyters and Deacons	710	310
Methodist Ministers Housing Society	295	150
All We Can (Methodist Relief and Development Fund)	1,305	1,420
Leaders of Worship and Preachers Trust	402	483
Methodist Homes	89	101
Action for Children	749	583
Southampton District Network project		
Shirley Mackintosh leaving collection	693	
Grenfell Tower Appeal	26	
	10,627	7,250

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Declarations for year to 31st August 2017

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 30th October 2017

Presentation to the Circuit Meeting for approval

I confirm that the accounts have been presented to the Circuit Meeting on 18th January 2018 and were approved.

Signature 
Name Rev Rachel Jane Borgars
Date 18th January 2018

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 2017 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 8th February 2018