

**THE HANTS-SURREY BORDER
METHODIST CIRCUIT**

**ANNUAL REPORT &
FINANCIAL STATEMENTS
FOR THE YEAR
ENDED 31 AUGUST 2017**

REGISTERED CHARITY NO. 1137593

Independent Examiners Ltd
Sovereign Centre
Poplars
Yapton Lane
Walberton
West Sussex
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THE HANTS-SURREY BORDER METHODIST CIRCUIT

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THE HANTS-SURREY BORDER METHODIST CIRCUIT

LEGAL AND ADMINISTRATIVE INFORMATION

CHARITY NUMBER 1137593

START OF FINANCIAL YEAR 1 September 2016

END OF FINANCIAL YEAR 31 August 2017

MANAGING TRUSTEES DURING YEAR TO 31 AUGUST 2017 AND AT 30 SEPTEMBER 2017:

Addison, Carrie	Horsley, Graham
Ashby, Alleen	Hunter, Christopher
Ashby, David	Huntley, John
Barrow, Pam	Jlagge, Robert
Blake, Chris	Johnson, Caroline
Brewerton, Lindsey	Johnson, Kathy
Bridson, Rolfe	Jones, Liz (from 01/09/17)
Brown, Pat	Kember, David
Buckett, Melvyn	Kingston, Paul
Burgess, Kym	Lambert, Neil
Butler, Patrick	Lawson, Gisela
Chuter, Anne	Lyons, Stephen (to 31/8/17)
Clark, Julie	Maw, Jackie
Compton, Denis	Moore, Ian (from 01/09/17)
Costello, Alan	Moore, Jayne
Cowdery, Graham	Nicholls, Judy
Crane, Phillip	Noakes, Alison (from 01/09/17)
Cross, Alison (to 31/8/17)	Nurse, Claude
Curtis, Steve	Pascoe, Nick
Dewey Steve	Pook, Ann
Draper, Jenny (to 31/8/17)	Press, Sally
Evans, Ken	Sanderson, Alex
Gaines, Carole	Sargeant, Ian
Gardner, Sharon (to 31/8/17)	Seabrook, Linda
Gawthrop, Collin	Sexton, Brian
Gawthrop, Frances	Simpkins, Phillip (from 01/09/17)
George, Liz	Simpson, Muriel
Goldring, Alan	Slatter, Billy (from 01/09/17)
Gray, Neil	Smith, Sue
Grelg, Rita	Ter Kulle, Gillian
Griffin, Beale	Tippling, Len (to 31/08/17)
Hayes, Betty	Titterton, Graham
Haylett, Daniel (to 31/8/17)	Wheeler, John
Heffernan, David	Whittingham, Jill
Hicks, Conrad	Wisbey, Peter
Hoff, Gina	Wright, DI
Horsley, Ann	Yorke, William (to 31/08/17)

ORGANISATION TYPE PREVIOUSLY EXCEPTED

GOVERNING INSTRUMENT DEED OF UNION (1932) AND METHODIST CHURCH ACT (1976)
ADOPTED 26/08/2010

OBJECTS

The purposes of the Methodist Church are and shall be deemed to have been since the date of union the advancement of - (a) the Christian faith in accordance with the doctrinal standards and the discipline of the Methodist Church; (b) any charitable purpose for the time being of any Connexional, district, circuit, local or other organisation of the Methodist Church; (c) any charitable purpose for the time being of any society or institution subsidiary or ancillary to the Methodist Church; (d) any purpose for the time being of any charity being a charity subsidiary or ancillary to the Methodist Church.

THE HANTS-SURREY BORDER METHODIST CIRCUIT

LEGAL AND ADMINISTRATIVE INFORMATION

PRINCIPAL ADDRESS

C/o 84 Peabody Road,
Farnborough
Hampshire
GU14 6DY

PRINCIPAL BANKERS

HSBC Bank

33 The Borough
Farnham
Surrey
GU9 7NJ

Lansdowne House
74 High Street
Alton
Hants
GU34 1EZ

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

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

INDEPENDENT EXAMINER

J Irvine-Smith FCIE
Independent Examiners Ltd
Sovereign Centre
Poplars
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Walberton
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INDEPENDENT EXAMINER'S REPORT ON THE ACCOUNTS

Report to the trustees/members of The Hants-Surrey Border Methodist Circuit (charity number: 1137593), on the accounts for the year ended 31 August 2017 set out on pages 9 to 18.

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. The charity's gross income exceeded £250,000 and I am qualified to undertake the examination by being a qualified fellow member of the Association of Charity Independent Examiners.

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 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 the 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; and
 - to prepare accounts which accord with the accounting records and comply with the accounting requirements of the Charities Acthave 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.



J Irvine-Smith FCIE
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Dated: 29th March 2018

THE HANTS-SURREY BORDER METHODIST CIRCUIT

TRUSTEES REPORT FOR THE YEAR ENDED 31 AUGUST 2017

Names of the Managing Trustees:

As listed on page 3.

Names and Addresses of Advisors:

As listed on page 4.

Structure, governance and management:

Trustees selection method:

- 1 Certain Officers and elected representatives of local churches.
- 2 Ministers appointed to the Circuit by the Methodist Conference.
- 3 Officers appointed to certain jobs by the Circuit Meeting.

Additional governance issues:

The Hants-Surrey Border Circuit was formed on 1 September 2012 by part of the Aldershot, Farnborough & Camberley Circuit joining with the Farnham & Alton Circuit, which was then re-named to Hants-Surrey Border Circuit. The Farnham & Alton Circuit was registered as an Individual charity on 26th August 2010, with Charity No. 1137593. The new circuit continues to use this number but with a change of name.

The Circuit comprises eleven churches: Aldershot, Alton, Cove, Farnham, Fleet, Frimley Green, Hale, Hartley Wintney, North Camp, Rowledge and Elvetham Heath (LEP), as well as the Ash Vale Chapel. Work continued through the year to further develop the Circuit in order to help it effectively fulfil its purpose as mentioned below under objectives and activities.

The Circuit Assessment is reviewed annually to cover the cost of meeting the objectives and activities listed below, and is shared between each of the churches on an equitable basis. Under Standing Orders the Circuit must meet its financial obligations in relation to the support of its Ministers, six manse and Connexional requirements. The Circuit therefore needs to generate a reasonable surplus to meet these obligations and ensure that the 'reserves policies' relating to its various funds are maintained.

The Ash Vale Chapel continues as a "Fresh Expression" of church. This is regarded as a Circuit 'project', with a local management group being appointed by the Circuit Meeting to assume responsibility for routine maintenance of the property and day-to-day oversight of its activities. Within this framework, the Circuit continues to assume responsibility for the Ash Vale Chapel building, with expenditure on this being met from Assessment. In addition, the Circuit is currently sponsoring the development of a Live Room and Recording Studio in part of the building, intended as a centre for the development of Christian music.

The Circuit is running a Pioneer Project at the Wellesley development in Aldershot, where some 3,850 new homes are planned. A new manse has been purchased on the development and a Pioneer minister has been appointed. This work is a shared partnership with the Guildford Anglican Diocese, with each party bearing 50% of the cost.

Objectives and activities:

Summary of the objects of the charity as set out in its governing document:

The Circuit's Mission Policy is set out in a separate document. Essentially, it provides for:

- (a) the ministerial oversight and pastoral care of the local churches in the Circuit,
- (b) the support of the ministerial team, and
- (c) the maintenance of the Circuit manses and the Ash Vale Chapel

Summary of the main activities undertaken for the public benefit in relation to these objects:

- a) The Circuit is the place where new initiatives and changes in the pattern of church life originate. This is where the staffing capacity and resources for ministry are organised, where fresh expressions of church or new pioneer ministries are launched, and where decisions to close churches in the interest of re-shaping mission priorities are debated.
- b) We act as an umbrella and resourcing body for the 10 local churches, 1 LEP and 2 mission outreach projects in the Circuit, so that they can effectively fulfil their mission statements to engage with all those who seek God and/or a spiritual dimension to their lives.
- c) We organize, provide leadership of, and administer the Circuit Meeting as the governing body of the Circuit, and provide the link upwards to District and Conference. The public are welcome to attend.
- d) We administer the stipends and expenses of ministers and salaries and expenses of lay workers in the Circuit, provide pastoral support and, where appropriate, provide their accommodation.
- e) We promote the well-being of Circuit churches and open access to all who wish to participate in their activities, through oversight of individual church councils and their decision-making, and in consultation with their representatives in the Circuit Meeting (who are also trustees of the Circuit).
- f) We prepare the quarterly Circuit preaching plan that assigns ministers and lay preachers to church services, to which all are welcome.
- g) We encourage ecumenical work and activities with other Christian denominations and their congregations.
- h) We periodically sponsor events within the Circuit that are open to all.

THE HANTS-SURREY BORDER METHODIST CIRCUIT

TRUSTEES REPORT FOR THE YEAR ENDED 31 AUGUST 2017

Achievements and Performance

Through the local churches represented in the Circuit, and the resources allocated to them, the following achievements have been made:

- a) continued opportunities for public worship in many of the larger towns and villages in the Circuit,
- b) the continued ability to offer occasional services (e.g. baptisms, weddings, funerals) to both church members and others, as required,
- c) continued pastoral care of a wide range of age groups, both within the church membership and the wider community,
- d) continued participation in various community-based projects,
- e) continued support for the work of local charities and community groups,
- f) the continued management and maintenance of properties required to achieve the aims and objectives of the Circuit; and
- g) starting a Pioneer Ministry in the new Wellesley development in Aldershot, in partnership with the local Anglican Diocese.

Acknowledgement of the work of volunteers:

The trustees are grateful for the considerable amount of time and resources given to the Circuit by many volunteers, without whose input the Circuit could not achieve its aims and objectives.

Financial Review

Income and expenditure:

Overall, the Net Movement in Funds for the year was: £ 26,958 2016/15: £63,304

This includes investment in new/replacement manses that are better able to meet the changing requirements of the Circuit, as well as further drawing on reserves to tackle a backlog of refurbishment work on manses.

Reserves policy:

General Fund expenditure in this financial year was: £ 299,186 2016/15: £282,024
At year end, General Fund and unrestricted General Reserve
balances totalled: £ 162,511 2016/15: £161,331

This represents around 6.5 months expenditure – a little more than the 6 months required by the Circuit's Reserves Policy.

Other unrestricted (designated) funds are generally performing satisfactorily. Where these funds appear to be in deficit at year end, this is only a temporary situation which will be corrected once new funds are allocated from Assessments and other sources at the beginning of the next financial year. The Manse Reserve, which contains money set aside for the periodic refurbishment of manses, is a particular case in point. An assessment item has been included in the budget to cover replenishment of this fund over time. In other cases, the apparent deficit is the result of temporarily delayed receipt of payments due.

Excluding property, the balance of the other unrestricted funds stands at £224,009 (2016/15: £43,732). Most of this is set aside for the Ash Vale Chapel Sound Room and Recording Studio project and supporting the work at Wellesley. A District grant amounting to £23,500 has been approved for the Ash Vale project but has not yet been accessed.

Trust Funds (previously shown as restricted until re-classification to designated funds in 2016/17):

The end of year balance on the Circuit Model Trust Fund stands at £58,206, of which the following amounts have been earmarked:

£26,611 as a contribution to upgrading the manse for the Church on the Heath (COTH) LEP
£15,948 to support the Wellesley pioneer mission project
£5,100 contribution to the cost of a Family Worker at North Camp Methodist Church during the financial year 2017/18.

In addition, the annual District Advance Fund levy for the coming year is estimated to be £1,032, leaving some £9,715 uncommitted.

The Reserve Projects fund contains the net proceeds from the sale of our Frimley Green manse. The balance, amounting to £60,303, is reserved for use in supporting the Wellesley pioneer mission project.

The balance of the restricted trust funds held by the Circuit is £33,770 (2016/15: £33,619).

Fixed Assets:

The Circuit's fixed assets are in the form of buildings, 6 manses and the Ash Vale Chapel. In this financial year, in accordance with the SORP (FRS102) the Circuit has opted to take the 31 August 2015 property values as deemed cost going forward. This deemed cost is £2,290,181. (Note that the Wellesley manse is valued at 50% of its full cost price, to reflect the sharing arrangement with the Guildford Diocese).

THE HANTS-SURREY BORDER METHODIST CIRCUIT

TRUSTEES REPORT
FOR THE YEAR ENDED 31 AUGUST 2017

We are still waiting to conclude a sharing agreement relating to the Circuits' share of the new manse used by the Elvetham Heath LEP.

Funds have been allocated towards the cost of the construction of a Live Room and Recording Studio at the Ash Vale Chapel. The costs of the original scheme exceeded the funds available and currently a new scheme is being developed. The funds previously allocated remain designated for this purpose while the revised scheme is being developed.

Trustees Responsibilities:

The Charities Act require the trustees to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the trust and of the surplus of the trust for that period. In preparing those financial statements the trustees are required to:

- Select suitable accounting policies and apply them consistently
- Make judgements and estimates that are reasonable and prudent
- Prepare financial statements on the going concern basis unless it is inappropriate to presume that the trust will continue in existence.

The trustees are responsible for keeping proper accounting records, which disclose with reasonable accuracy at any time the financial position of the trust. They are also responsible for safeguarding the assets of the trust and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

I approve the attached statement of financial activities and balance sheet for the year ended 31 August 2017, and confirm that I have made available all information necessary for its preparation.

Approved by the Trustees on:

20th March 2018

And,

Signed on their behalf by

C Blake, Trustee

PRINT:

CHRISTOPHER BLAKE

**THE HANTS-SURREY BORDER METHODIST CIRCUIT
STATEMENT OF FINANCIAL ACTIVITIES
FOR THE YEAR ENDED 31 AUGUST 2017**

	Notes	Unrestricted Funds £	Designated Funds £	Restricted Funds £	TOTAL 2016/17 £	TOTAL 2015/16 £
INCOME AND ENDOWMENTS FROM:						
Donations and Legacies	3a	392,044	41,717	-	433,761	338,298
Trading Activities	3b	-	21,403	-	21,403	41,912
Charitable Activities	3c	7,316	6,146	1,091	14,553	6,217
Other Income	2	-	62	-	62	166,146
TOTAL INCOME		399,360	69,328	1,091	469,779	552,573
EXPENDITURE ON:						
Raising Funds	4a	1,001	5,389	161	6,551	22,923
Charitable Activities	4b	297,385	121,003	17,082	435,470	403,337
Fees for Examination of accounts	5	800	-	-	800	800
TOTAL EXPENDITURE		299,186	126,392	17,243	442,821	427,060
NET INCOME/(EXPENDITURE)		100,174	(57,064)	(16,152)	26,958	125,513
Transfers between funds	6	(81,542)	219,051	(137,509)	-	-
NET INCOME/(EXPENDITURE) BEFORE OTHER RECOGNISED GAINS AND LOSSES		18,632	161,987	(153,661)	26,958	125,513
Gains/(losses) on revaluation of fixed assets for charity's own use	2	-	-	-	-	-
Prior year adjustment	16	-	-	-	-	-
NET MOVEMENT IN FUNDS		18,632	161,987	(153,661)	26,958	125,513
RECONCILIATION OF FUNDS: Total Funds Brought Forward		100,948	2,394,296	187,431	2,682,675	2,557,162
TOTAL FUNDS CARRIED FORWARD		119,580	2,556,283	33,770	2,709,633	2,682,675

Movements on all reserves and all recognised gains and losses are shown above.

The notes on pages 11 to 18 form part of these financial statements.

THE HANTS-SURREY BORDER METHODIST CIRCUIT

**BALANCE SHEET
AS AT 31 AUGUST 2017**

	Notes	Unrestricted Funds £	Restricted Funds £	31.8.2017 Total £	31.8.2016 Total £
Fixed Assets					
Tangible assets	2	2,290,181	-	2,290,181	2,290,181
Current Assets					
Debtors	8	-	-	-	14,915
Cash at bank and In hand	7	386,482	33,770	420,252	465,920
Total Current Assets		386,482	33,770	420,252	480,835
Creditors: amounts falling due within 1 year	9	800	-	800	88,341
NET CURRENT ASSETS		385,682	33,770	419,452	392,494
TOTAL ASSETS less current liabilities		2,675,863	33,770	2,709,633	2,682,675
Creditors: amounts falling due in more than 1 year		-	-	-	-
NET ASSETS		2,675,863	33,770	2,709,633	2,682,675
Funds of the Charity					
General Funds: Income and Expenditure account		119,580	-	119,580	100,948
Designated Funds: General Reserves		42,931	-	42,931	60,383
Designated Funds: Manse Property Reserves		1,539,699	-	1,539,699	1,539,699
Designated Funds: Manse Property Repair Res.		7,315	-	7,315	(12,181)
Designated Funds: Church Property Reserves		750,482	-	750,482	750,482
Designated Funds: Benevolent Fund		175	-	175	175
Designated Funds: L3D		20,280	-	20,280	20,220
Designated Funds: The Chapel		18,672	-	18,672	5,901
Designated Funds: Broomleef		17,569	-	17,569	7,605
Designated Funds: North Camp Lay Worker Fund		17,305	-	17,305	4,434
Designated Funds: AUE Community Worker		1,849	-	1,849	20,000
Designated Funds: AUE Shared Manse		11,385	-	11,385	(6,598)
Designated Funds: AUE Local		(838)	-	(838)	-
Designated Funds: Mission Support		10,950	-	10,950	4,176
Designated Funds: HSBC Model Trust Fund (ex- F&A)		58,206	-	58,206	-
Designated Funds: Reserve Projects Acc.		60,303	-	60,303	-
Restricted Funds: HSBC Model Trust Fund (ex- F&A)		-	-	-	74,760
Restricted Funds: Alma Adley Legacy		-	33,770	33,770	33,619
Restricted Funds: Other TMCP Accounts (ex-F&A)		-	-	-	-
Restricted Funds: Reserve Projects Account		-	-	-	79,052
Capital Funds:					
Permanent Endowment Funds		-	-	-	-
Expendable Endowment Funds		-	-	-	-
Total Funds		2,675,863	33,770	2,709,633	2,682,675

Approved by the Trustees on 20 March 2017, and

Signed on their behalf by C. Blake, Trustee

PRINT: CHRISTOPHER BLAKE

Signed on their behalf by Nina J. Curley, Trustee

PRINT: NINA CURLEY

THE HANTS-SURREY BORDER METHODIST CIRCUIT

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2017**

Basis of preparation:

Basis of Preparation:

The financial statements of the charity have been prepared in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS102) (effective 1 January 2015) - (Charities SORP (FRS102)) and applicable accounting standards.

The Hants-Surrey Border Methodist Circuit meets the definition of a public benefit entity under FRS102. Assets and liabilities are initially recognised at historical cost unless otherwise stated in the relevant accounting policy notes.

Preparation of accounts on a going concern basis

Preparation of the accounts is on a going concern basis. The Trustees are of the view that the level of reserves will support the charity going forward.

Transition to FRS102

This is the first year the charity company has presented its results under FRS102 and Charity SORP (FRS102). The last financial statements under the previous FRSE SORP were for the year ended 31 August 2016. The date of transition to FRS102 and the Charity SORP (FRS102) is 1st September 2015.

1. ACCOUNTING POLICIES

Incoming Resources

Recognition of Income

These are included in the Statement of Financial Activities (SOFA) when:

- the charity becomes entitled to the resources;
- the trustees believe it is probable they will receive the resources; and
- the monetary value can be measured with sufficient reliability

Income with related expenditure

Where incoming resources have related expenditure (as with fundraising or contract income) the incoming resource and related expenditure are reported gross in the SOFA.

Grants and Donations

Grants and Donations are only included in the SOFA when the charity has unconditional entitlement to the resources.

Tax reclaims on Donations and Gifts

Incoming resources from tax reclaims are included in the SOFA during the same period as the gift to which they relate.

Contractual Income and Performance Related Grants

This is only included in the SOFA once the related goods or services have been delivered.

Gifts In Kind

Gifts in kind are accounted for at a reasonable estimate of their value to the charity or the amount actually realised. Gifts in kind for sale or distribution are included in the accounts as gifts only when sold or distributed by the charity. Gifts in kind for use by the charity are included in the SOFA as incoming resources when receivable.

Donated Services and Facilities

These are only included in incoming resources (with an equivalent amount in resources expended) where the benefit to the charity is reasonably quantifiable, measurable and material. The value placed on these resources is the estimated value to the charity of the service or facility received.

Volunteer Help

The value of any voluntary help received is not included in the accounts but is described in the trustees' annual report.

Investment Income

This is included in the accounts when receivable.

Investment gains and losses

This included any gain or loss on the sale of investments and any gain or loss resulting from revaluing investments to market value at the end of the year.

Expenditure and liabilities

Liability recognition

Liabilities are recognised as soon as there is a legal or constructive obligation committing the charity to pay out resources.

Governance Costs

Include costs of the preparation and examination of statutory accounts, the costs of the trustees meetings and cost of any legal advice to trustees on governance or constitutional matters.

Grants with performance conditions

Where the charity gives a grant with conditions for its payment being a specific level of service or output to be provided, such grants are only recognised in the SOFA once the recipient of the grant has provided the specified service or output.

THE HANTS-SURREY BORDER METHODIST CIRCUIT

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2017**

Grants payable without performance conditions

These are only recognised in the accounts when a commitment has been made and there are no conditions to be met relating to a grant which remain in control of the charity.

Support Costs

Support costs not attributable to a single activity are apportioned between the significant activities being supported, on a basis consistent with the use of the resources.

Assets

Tangible fixed assets for use by the charity:

These are capitalised if they can be used for more than one year, and cost at least £1500. They are valued at cost or, if gifted, at the value to the charity on receipt.

Investments

Investments quoted on a recognised stock exchange are valued at market value at the year end. Other investment assets are included at trustees' best estimate of market value.

Depreciation is calculated at a rate to write off the cost of tangible fixed assets over their estimated useful lives.

The charity held no depreciating tangible fixed assets in this or the prior financial year.

No depreciation is charged to freehold property as the property is maintained to such a standard that the estimated residual value is not less than cost.

2. TANGIBLE FIXED ASSETS		Unrestricted Manse Land £	Unrestricted Manse Property £	Unrestricted Chapel Land £	Unrestricted Chapel Property £	Restricted £	Total £
BUILDINGS							
Cost/deemed cost	01-Sep-16	513,233	1,026,466	250,161	500,321	-	2,290,181
Additions		-	-	-	-	-	-
Disposals		-	-	-	-	-	-
Revaluation		-	-	-	-	-	-
Cost/deemed cost at 31-Aug-17		<u>513,233</u>	<u>1,026,466</u>	<u>250,161</u>	<u>500,321</u>	<u>-</u>	<u>2,290,181</u>
Depreciation	01-Sep-16	-	-	-	-	-	-
Charge		-	-	-	-	-	-
Depreciation at	31-Aug-17	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net Book Value	31-Aug-17	<u>513,233</u>	<u>1,026,466</u>	<u>250,161</u>	<u>500,321</u>	<u>-</u>	<u>2,290,181</u>
Net Book Value	31-Aug-16	513,233	1,026,466	250,161	500,321	-	2,290,181

All assets are held for the charity's own use.

The charity policy regarding asset revaluations is detailed in the attached Trustees annual report, and as follows

The property was previously included in the financial statements at building insurance value. At 1st September 2015 (being the date of transition to FRS102), the Trustees opted to state the property at deemed historical cost representing each property's gross carrying value at 1st September 2015 being that property's insurance reinstatement value, as notified by Methodist Insurance Plc at the renewal date. The value of the land element of the property is deemed to be one third of the total carrying value. If acquired after 1 September 2015, the cost of acquisition is taken. No depreciation is provided because the Trustees consider the current residual fair value of the properties in their present condition is not less than its deemed cost and in the absence of any evidence of impairment, any depreciation provision for the buildings component of the properties would be considered immaterial.

In this financial year there were no material property transactions.

Fund allocations of revaluations are detailed in note 6 to these financial statements.

The annual commitments under non-cancelling operating leases and capital commitments are as follows:

31st August 2017 : None

31st August 2016 : None

THE HANTS-SURREY BORDER METHODIST CIRCUIT
NOTES TO THE FINANCIAL STATEMENTS (continued)
FOR THE YEAR ENDED 31 AUGUST 2016

3. INCOME AND ENDOWMENTS FROM:	Unrestricted Funds £	Designated Funds £	Restricted Funds £	TOTAL 2016/17 £	TOTAL 2015/16 £
a) Donations and Legacies					
Circuit Assessments Levied & Paid	379,202	10,529	-	389,731	305,647
Donations and Collections	2,250	5,362	-	7,612	1,988
Connexional Grant	-	-	-	-	-
District Pay Grant	9,467	5,000	-	14,467	25,835
Other grants received	1,125	20,826	-	21,951	4,828
	<u>392,044</u>	<u>41,717</u>	<u>-</u>	<u>433,761</u>	<u>338,298</u>
b) Trading Activities					
Rental Income From Manses	-	21,358	-	21,358	40,158
Fundraising Income	-	-	-	-	1,754
Letting and Hire Income	-	45	-	45	-
	<u>-</u>	<u>21,403</u>	<u>-</u>	<u>21,403</u>	<u>41,912</u>
c) Charitable Activities					
BT Refunds	93	-	-	93	-
Contractual Income	1,125	1,417	-	2,542	-
Council Tax Refunds	-	-	-	-	338
Heat & Light Refunds	161	69	-	230	397
Interest Received	460	217	1,091	1,768	4,374
Other Refunds & Compensation	5,477	4,443	-	9,920	-
Insurance Claim Payment	-	-	-	-	1,108
	<u>7,316</u>	<u>6,146</u>	<u>1,091</u>	<u>14,553</u>	<u>6,217</u>

THE HANTS-SURREY BORDER METHODIST CIRCUIT
NOTES TO THE FINANCIAL STATEMENTS (continued)
FOR THE YEAR ENDED 31 AUGUST 2017

4. EXPENDITURE ON:
4a Raising Funds

	Unrestricted Funds £	Designated Funds £	Restricted Funds £	TOTAL 2016/17 £	TOTAL 2015/16 £
Fees for services	1,001	5,389	161	6,551	22,923
	<u>1,001</u>	<u>5,389</u>	<u>161</u>	<u>6,551</u>	<u>22,923</u>

4b Charitable Activities

Gifts & Grants	-	312	15,000	15,312	17,714
Minister's Stipends	106,076	33,062	-	139,138	106,300
Retirement Fund	28,040	67	-	28,107	27,672
National Insurance	9,266	60	-	9,326	8,697
Travel	9,329	736	-	10,065	12,274
Relocation Costs	8,720	-	-	8,720	3,378
Training & Sabbaticals	282	350	-	632	1,751
Visiting Preachers	-	-	-	-	50
Lay Workers Pay	40,144	-	-	40,144	27,150
Lay Workers NIC	1,848	-	-	1,848	916
Lay Workers Pension	1,130	-	-	1,130	800
BSBC Community Worker	-	-	-	-	10,551
Manse & Chapel Expenses *	15,274	77,954	-	93,228	82,527
Connexion & District					
Mission & Service Fund	43,305	-	1,869	45,174	54,113
Connexional Priority Fund	-	-	-	-	18,707
South East District	23,981	-	-	23,981	11,737
Circuit Admin Expenses					
Quinquennial Expenses	-	660	-	660	1,800
Printing, Stationery & Publications	1,127	273	-	1,400	2,582
Telephones	4,334	632	-	4,966	4,050
Other Misc & Office Expenses	4,235	3,056	-	7,291	7,328
Other Expenditure & Provisions					
Fees & Interest Paid	294	3,841	213	4,348	3,240
Provisions	-	-	-	-	-
	<u>297,385</u>	<u>121,003</u>	<u>17,082</u>	<u>435,470</u>	<u>403,337</u>

*

Manse & Chapel Expenses Include:	<u>2016/17</u>	<u>2015/16</u>
Maintenance, Contracts, Repairs & Refurbishments	8,789	28,394
Council Tax & Water Rates	11,949	12,671
Insurance, Fees, Utilities	9,240	10,080
Major Refurbishment & Repairs	<u>63,250</u>	<u>31,382</u>
	<u>93,228</u>	<u>82,527</u>

5. FEES FOR EXAMINATION OF THE ACCOUNTS

	<u>2016/17</u> £	<u>2015/16</u> £
Independent examiner's fees for reporting on the accounts	330	330
Independent examiner's fees for accountancy services	<u>470</u>	<u>470</u>
	<u>800</u>	<u>800</u>

THE HANTS-SURREY BORDER METHODIST CIRCUIT
NOTES TO THE FINANCIAL STATEMENTS (continued)
FOR THE YEAR ENDED 31 AUGUST 2017

6. FUNDS

	1.9.2016	Income	Expenditure	Transfers	Gains on Revaluation	31.8.2017
DESIGNATED FUNDS:	£	£	£	£	£	£
General Reserves	60,383	10,665	(13,117)	(15,000)	-	42,931
Manse Property Res. Value	1,539,699	-	-	-	-	1,539,699
Manse Property Repair Res.	(12,181)	298	(77,344)	96,542	-	7,315
Church Property Res.	750,482	-	-	-	-	750,482
Benevolent Fund	175	-	-	-	-	175
L3D	20,220	60	-	-	-	20,280
The Chapel	5,901	18,393	(5,622)	-	-	18,672
Broomleaf	7,605	21,358	(3,789)	(7,605)	-	17,569
North Camp Lay Worker Fund	4,434	15,855	(2,984)	-	-	17,305
AUE Community Worker	20,000	-	(18,151)	-	-	1,849
AUE Local	-	430	(1,268)	-	-	(838)
AUE Shared Manse	(6,598)	1,927	(2,944)	19,000	-	11,385
Mission Support	4,176	30	(861)	7,605	-	10,950
Special Gifts	-	312	(312)	-	-	-
HSBC Model Trust Fund (ex- F&A)	-	-	-	58,206	-	58,206
Reserve Projects Acc.	-	-	-	60,303	-	60,303
	<u>2,394,296</u>	<u>69,328</u>	<u>(126,392)</u>	<u>219,051</u>	<u>-</u>	<u>2,556,283</u>

PRIOR YEAR MOVEMENT ON DESIGNATED FUNDS:

	1.9.2015	Income	Expenditure	Transfers	Prior Year Adjustment	31.8.2016
Note	£	£	£	£	£	£
General Reserves	65,615	-	(5,232)	-	-	60,383
Manse Property Res. Value	1,656,827	-	-	(117,128)	-	1,539,699
Manse Property Repair Res.	(14,024)	25	(34,382)	36,200	-	(12,181)
Church Property Res.	750,482	-	-	-	-	750,482
Benevolent Fund	125	50	-	-	-	175
L3D	20,156	94	(30)	-	-	20,220
The Chapel	9,327	2,711	(8,197)	2,060	-	5,901
Broomleaf	6,767	27,700	(20,095)	(6,767)	-	7,605
North Camp Lay Worker Fund	(1,490)	11,328	(15,131)	9,727	-	4,434
AUE Community Worker	10,000	10,000	-	-	-	20,000
AUE Local	-	-	-	-	-	-
AUE Shared Manse	(1,300)	1,319	(7,617)	1,000	-	(6,598)
Mission Support	675	-	(3,266)	6,767	-	4,176
	<u>2,503,160</u>	<u>53,227</u>	<u>(93,950)</u>	<u>(68,141)</u>	<u>-</u>	<u>2,394,296</u>

General reserves comprise: the accumulated and set aside general funds as a specific reserve.

Manse property reserves comprise two parts being: The asset value of the manses (Note 2) and the funds set aside to refurbish & maintain them.

Church property reserves comprises: The value of The Chapel on the balance sheet.

The Benevolent fund: Money received to be used for benevolent purposes.

L3D: Funds received and paid in the operation of the Living In the Three Dimensions project.

The Chapel: Income, expenditure and balances connected with The Chapel, Ash Vale project.

North Camp Lay Worker Fund: Funds received and paid in connection with NCMC community worker.

Broomleaf Fund – funds received and paid in connection with the letting of the Broomleaf Road manse and other expenses of stationing Rev. Conrad Hicks in the Circuit, which are shared with the Thames Valley Circuit. End of year balances are transferred to the Mission Support Fund, which is available for use by local churches to support specific outreach projects.

AUE Manse Fund – funds received and paid in connection with the purchase and operation of a new manse on the Aldershot Urban Extension, which are to be shared with other denominations through a formal sharing agreement.

AUE Community Worker Fund – funds received and paid in connection with the employment of a community worker for the AUE project, again shared with other denominations through a formal sharing agreement.

AUE Local Fund - local income generated and expenditure incurred by the Wellesley Pioneer Project

The MTF (Model Trust Fund) fund derives from sales of chapels and manses and its use is restricted by Conference. The restriction is an internal regulation, although the fund can be used for a variety of purposes. Some money held in the MTF has been earmarked by the trustees for anticipated property costs & mission projects, in the next 2 to 3 years.

The Reserves Projects fund holds the proceeds of the sale of the former Queensway manse pending its use in the purchase of the AUE manse, with any residual balances being reserved for use in meeting operational expenses of the Wellesley project.

THE HANTS-SURREY BORDER METHODIST CIRCUIT
NOTES TO THE FINANCIAL STATEMENTS (continued)
FOR THE YEAR ENDED 31 AUGUST 2017

RESTRICTED FUNDS:

	1.9.2016	Income	Expenditure	Transfers	Gains on Revaluation	31.8.2017
	£	£	£	£	£	£
HSBC Model Trust Fund (ex- F&A)	74,760	465	(17,019)	(58,205)	-	-
Alma Adley Legacy	33,619	218	(67)	-	-	33,770
Other TMCP Accounts (ex-F&A)	-	-	-	-	-	-
Reserve Projects Acc.	79,052	408	(157)	(79,303)	-	-
	<u>187,431</u>	<u>1,091</u>	<u>(17,243)</u>	<u>(137,509)</u>	<u>-</u>	<u>33,770</u>

PRIOR YEAR MOVEMENT ON RESTRICTED FUNDS:

	£	£	£	£	Revaluation	£
					£	
HSBC Model Trust Fund (ex- F&A)	(304,288)	165,771	(27,902)	241,179	-	74,760
Alma Adley Legacy	33,419	267	(67)	-	-	33,619
Other TMCP Accounts (ex-F&A)	3,819	17	(3,826)	(10)	-	-
Reserve Projects Acc.	363,069	2,274	(19,291)	(267,000)	-	79,052
	<u>96,019</u>	<u>168,329</u>	<u>(51,086)</u>	<u>(25,831)</u>	<u>-</u>	<u>187,431</u>

The MTF (Model Trust Fund) fund derives from sales of chapels and manse and its use is restricted by Conference. The restriction is an internal regulation, although the fund can be used for a variety of purposes. Some money held in the MTF has been earmarked by the trustees for anticipated property costs & mission projects, in the next 2 to 3 years. The Trustees took advice from TMCP during the previous financial to re-classify the fund designation from restricted funds to designated funds by way of the current year transfer shown above. The original donor did not place any restrictions on the use of the funds.

Alma Adley fund derives from a legacy received by Aldershot Farnborough & Camberley Methodist Circuit and part was transferred to the Hants-Surrey Border Circuit and associated interest applied.

Farnham & Alton TMCP funds comprise: Four small accounts held by the former Farnham & Alton Circuit.

The Reserves Projects fund holds the proceeds of the sale of the former Queensway manse pending its use in the purchase of the AUE manse, with any residual balances being reserved for use in meeting operational expenses of the Wellesley project. The Trustees took advice from TMCP during the previous financial to re-classify the fund designation from restricted funds to designated funds, this is reflected in the current year transfer shown above. The original donor did not place any restrictions on the use of the funds.

7. CASH AT BANK AND IN HAND

	Unrestricted Fund	Restricted Fund	Total	As adjusted Total
	£	£	31.8.2017	31.8.2016
	£	£	£	£
Main Bank Account	21,874	-	21,874	38,635
Manse Bank Account	-	-	-	6,733
L3D Bank Account	-	-	-	-
Central Finance Board No 1 Operating Account	157,299	-	157,299	166,823
Central Finance Board No 2 General Reserve	35,515	-	35,515	35,383
Central Finance Board No 3 Property Reserve	4,454	-	4,454	4,436
Central Finance Board No 4 L3D	17,001	-	17,001	16,935
Invested with TMCP	118,509	33,770	152,279	187,431
Co-op bank account	23,390	-	23,390	8,122
CAF Bank CAFCash Account	7,747	-	7,747	782
Cash (Includes the money held by Anglican Church)	693	-	693	640
	<u>386,482</u>	<u>33,770</u>	<u>420,252</u>	<u>465,920</u>

8. DEBTORS AND PREPAYMENTS

	Unrestricted Fund	Restricted Fund	Total	Total
	£	£	31.8.2017	31.8.2016
	£	£	£	£
Stipends paid in advance	-	-	-	12,056
Other debtors	-	-	-	2,859
	<u>-</u>	<u>-</u>	<u>-</u>	<u>14,915</u>

9. CREDITORS ACCRUALS AND DEFERRED INCOME: AMOUNTS FALLING DUE WITHIN ONE YEAR

	Unrestricted Fund	Restricted Fund	Total	Adjusted
	£	£	31.8.2017	31.8.2016
	£	£	£	£
Assessments paid in advance	-	-	-	77,801
Sundry charity creditors	800	-	800	10,540
	<u>800</u>	<u>-</u>	<u>800</u>	<u>88,341</u>

THE HANTS-SURREY BORDER METHODIST CIRCUIT
NOTES TO THE FINANCIAL STATEMENTS (continued)
FOR THE YEAR ENDED 31 AUGUST 2017

10. TOTAL MOVEMENT IN FUNDS		At 1.9.2016	Net movement	Transfers & adjustments	At 31.8.2017
		£	£	£	£
General Funds:	Income and Expenditure account	100,948	100,174	(81,542)	119,580
Designated Funds:	General Reserves	60,383	(17,452)	-	42,931
Designated Funds:	Manse Property Reserves	1,539,699	-	-	1,539,699
Designated Funds:	Manse Property Repair Res.	(12,181)	19,496	-	7,315
Designated Funds:	Church Property Reserves	750,482	-	-	750,482
Designated Funds:	Benevolent Fund	175	-	-	175
Designated Funds:	L3D	20,220	60	-	20,280
Designated Funds:	The Chapel	5,901	12,771	-	18,672
Designated Funds:	Broomleaf	7,605	9,964	-	17,569
Designated Funds:	North Camp Lay Worker Fund	4,434	12,871	-	17,305
Designated Funds:	AUE Community Worker	20,000	(18,151)	-	1,849
Designated Funds:	AUE Shared Manse	(6,598)	17,983	-	11,385
Designated Funds:	AUE Local	-	(838)	-	(838)
Designated Funds:	Mission Support	4,176	6,774	-	10,950
Designated Funds:	HSBC Model Trust Fund (ex- F&A)	-	-	58,206	58,206
Designated Funds:	Reserve Projects Account	-	-	60,303	60,303
		<u>2,495,244</u>	<u>143,652</u>	<u>36,967</u>	<u>2,675,863</u>
Restricted Funds:	HSBC Model Trust Fund (ex- F&A)	74,760	(16,554)	(58,206)	-
Restricted Funds:	Alma Adley Legacy	33,619	151	-	33,770
Restricted Funds:	Other TMCP Accounts (ex-F&A)	-	-	-	-
Restricted Funds:	Reserve Projects Account	<u>79,052</u>	<u>251</u>	<u>(79,303)</u>	<u>-</u>
	TOTAL FUNDS	<u>2,682,675</u>	<u>127,500</u>	<u>(100,542)</u>	<u>2,709,633</u>

11. STAFF COSTS, NUMBERS AND COST OF KEY MANAGEMENT PERSONNEL

	2016/17	2015/16
	£	£
Minister's Stipends	139,138	106,300
Retirement Fund	28,107	27,672
National Insurance	<u>9,326</u>	<u>8,697</u>
	<u>176,571</u>	<u>142,669</u>
	2016/17	2015/16
	£	£
Lay Workers Stipends	40,144	27,150
Retirement Fund	1,130	800
National Insurance	<u>1,848</u>	<u>916</u>
	<u>43,122</u>	<u>28,866</u>

Average number of employees who were engaged in each of the following activities:

	2016/17	2015/16
Activities in furtherance of organisation's objects:		
Ministers stationed in Circuit	6	6
Of which:		
Paid 100% by Circuit	3	3
66% Circuit & 34% District (note: Paid Through Circuit.	1	1
66% by Circuit, 34% by Grant received)		
Part Time Supernumeraries	0.66	0.5
Lay Workers:		
1 x 10 hrs per month	0 less than 0.5	
1 x 23 hrs per month	0.14	0
3 x half time	1.5	1

No employees received emoluments in excess of £60,000 (2015/16 nil). Staff are paid through the PAYE system.

The key management personnel of the charity comprise the Board of Trustees and Circuit Leadership Team. Nine members of the Circuit Leadership Team (who are also Trustees) receive remuneration. The total employee benefits (including employer national insurance and employer pension contributions) paid to key management personnel of the charity was £171,663.

A pension scheme is offered to eligible employees and employer contributions were paid during 2016/17 on behalf of 7 employees.

THE HANTS-SURREY BORDER METHODIST CIRCUIT
NOTES TO THE FINANCIAL STATEMENTS (continued)
FOR THE YEAR ENDED 31 AUGUST 2017

12. TRUSTEES AND OTHER RELATED PARTIES

	2016/17	2015/16
Number of trustees who were paid expenses only	3	3
Number of trustees who were paid expenses & stipends:	8	8
Total expenses only paid	£ 361	1,635
Total stipends and expenses paid	£ 10,939	14,070

All relate to reimbursement of expenses incurred on behalf of the Circuit. No trustees were paid for acting as a trustee.

No other payments were made to trustees or any persons connected with them during this financial period. No material transaction took place between the organisation and a trustee or any person connected with them.

13. RISK ASSESSMENT

The trustees actively review the major risks which the charity faces on a regular basis and believe that maintaining the free reserves stated, combined with the annual review of the controls over key financial systems carried out on an annual basis will provide sufficient resources in the event of adverse conditions. The trustees have also examined other operational and business risks which they face and confirm that they have established systems to mitigate the significant risks.

14. RESERVES POLICY

The trustees have considered the level of reserves they wish to retain, appropriate to the charity's needs. This is based on the charity's size and the level of financial commitments held. The trustees aim to ensure the charity will be able to continue to fulfil its charitable objectives even if there is a temporary shortfall in income or unexpected expenditure. The trustees will endeavour not to set aside funds unnecessarily.

15. PUBLIC BENEFIT

The charity acknowledges its requirement to demonstrate clearly that it must have charitable purposes or 'aims' that are for the public benefit. Details of how the charity has achieved this are provided in the trustees report. The trustees confirm that they have paid due regard to the Charity Commission guidance on public benefit before deciding what activities the charity should undertake.

16. RESTATEMENT OF FIXED ASSETS

The properties were previously included at buildings Insurance value. They have been revalued to deemed cost as at the date of transition to FRS102 (1 September 2015) and are reflected in the comparative figures as follows:

	As previously stated £	Effect of transition to FRS102 £	As restated £
Property as at 31.8.15 (deemed cost)	<u>2,407,309</u>	-	<u>2,407,309</u>
Additions and disposals during year 31.8.16 (at cost)	(45,587)	(71,541)	(117,128)
Property as at 31.8.16	<u>2,361,722</u>	<u>(71,541)</u>	<u>2,290,181</u>

More detail is provided in note 2.

