

**THE HANTS-SURREY BORDER  
METHODIST CIRCUIT**

**ANNUAL REPORT &  
FINANCIAL STATEMENTS  
FOR THE YEAR  
ENDED 31 AUGUST 2018**

**REGISTERED CHARITY NO. 1137593**

Independent Examiners Ltd  
Sovereign Centre  
Poplars  
Yapton Lane  
Walberton  
West Sussex  
BN18 0AS

## **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 2017

**END OF FINANCIAL YEAR** 31 August 2018

### MANAGING TRUSTEES DURING YEAR TO 31 AUGUST 2018 AND AT 30 SEPTEMBER 2018:

Addison, Carrie (to 31/8/18)	Huntley, John
Ashby, Aileen	Jlagge, Robert
Ashby, David (to 31/8/18)	Johnson, Caroline
Barrow, Pam	Johnson, Kathy (to 31/8/18)
Blake, Chris	Jones, Liz
Brewerton, Lindsey	Kember, David
Bridson, Rolfe	Kingston, Paul
Brown, Pat (to 31/8/18)	Lambert, Nell
Buckett, Melvyn	Lander, Carol (from 1/12/17)
Burgess, Kym	Lawson, Gisela
Butler, Patrick	Maw, Jackie
Chuter, Anne	Moore, Ian
Clark, Julie	Moore, Jayne
Compton, Denis	Nicholls, Judy (to 1/12/17)
Costello, Alan	Noakes, Allison
Cowdery, Graham (to 31/8/18)	Nurse, Claude (to 31/3/18)
Crane, Phillip	O'Sullivan, Kathy (from 1/9/18)
Curley, Nina (from 1/12/17)	Pascoe, Nick (to 31/5/18)
Curtis, Steve	Pook, Ann
Dewey Steve	Press, Sally
Evans, Ken	Rawling, Mark (from 1/6/18)
Galnes, Carole	Richards, Heather (from 1/9/18)
Gawthrop, Colin	Sanderson, Alex
Gawthrop, Frances	Sargeant, Ian
George, Liz	Seabrook, Linda
Goldring, Alan	Sexton, Brian
Gray, Nell	Simpkins, Phillip
Greig, Rita	Simpson, Muriel
Griffin, Beale	Slatter, Billy
Hayes, Betty	Smith, Sue
Hefferman, David	Ter Kulle, Gillian
Hicks, Conrad	Titterton, Graham
Hoff, Gina	Wheeler, John
Hopkins, Michael (from 1/9/18)	Whittingham, Jill (to 30/11/17)
Horsley, Ann (to 31/8/18)	Wisbey, Peter
Horsley, Graham	Wright, Di
Hunter, Christopher	

**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  
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  
Yapton Lane  
Walberton  
West Sussex  
BN18 0AS

## 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 2018 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

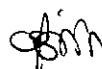
My examination was carried out in accordance with general Directions given by the Charity Commission. An examination includes a review of the accounting records kept by the charity and a comparison of the accounts presented with those records. It also includes consideration of any unusual items or disclosures 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  
Independent Examiners Ltd  
Sovereign Centre  
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Dated: 20 March 2019

## THE HANTS-SURREY BORDER METHODIST CIRCUIT

### TRUSTEES REPORT FOR THE YEAR ENDED 31 AUGUST 2018

#### **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 26<sup>th</sup> 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 manses 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 2018

#### 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:           £     4,442                           2016/17: £26,958

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:           £ 307,212                           2016/17: £299,186  
At year end, General Fund and unrestricted General Reserve  
balances totalled:   £ 164,503                           2016/17: £162,511

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 £225,484 (2016/17: £223,171). Most of this is set aside for supporting the work at Wellesley.

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 £51,702, 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

In addition, the annual District Advance Fund levy for the coming year is estimated to be £1,293, leaving some £7,850 uncommitted.

The Reserve Projects fund contains the net proceeds from the sale of our Frimley Green manse. The balance, amounting to £41,616, is reserved for use in supporting the Wellesley pioneer mission project.

The balance of the restricted trust funds held by the Circuit is £33,907 (2016/17: £33,770).

##### Fixed Assets:

The Circuit's fixed assets are in the form of buildings, 6 manses and the Ash Vale Chapel. In the previous financial year, in accordance with the SORP (FRS102) the Circuit 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 2018

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 2018, and confirm that I have made available all information necessary for its preparation.

Approved by the Trustees on: 12 MARCH 2019

And,

Signed on their behalf by Chris Blake, Trustee

PRINT:

REV CHRISTOPHER  
BLAKE



**THE HANTS-SURREY BORDER METHODIST CIRCUIT  
STATEMENT OF FINANCIAL ACTIVITIES  
FOR THE YEAR ENDED 31 AUGUST 2018**

	Notes	Unrestricted Funds £	Designated Funds £	Restricted Funds £	TOTAL 2017/18 £	TOTAL 2016/17 £
<b>INCOME AND ENDOWMENTS FROM:</b>						
Donations and Legacies	3a	335,192	70,416	-	405,608	433,761
Trading Activities	3b	-	28,840	-	28,840	26,935
Charitable Activities	3c	3,461	5,490	205	9,156	14,553
Other Income	2	-	-	-	-	62
<b>TOTAL INCOME</b>		<b>338,653</b>	<b>104,746</b>	<b>205</b>	<b>443,604</b>	<b>475,311</b>
<b>EXPENDITURE ON:</b>						
Raising Funds	4a	1,131	71	-	1,202	6,551
Charitable Activities	4b	305,271	131,811	68	437,150	441,002
Fees for Examination of accounts	5	810	-	-	810	800
<b>TOTAL EXPENDITURE</b>		<b>307,212</b>	<b>131,882</b>	<b>68</b>	<b>439,162</b>	<b>448,353</b>
NET INCOME/(EXPENDITURE)		31,441	(27,136)	137	4,442	26,958
Transfers between funds	6	(29,543)	29,543	-	-	-
NET INCOME/(EXPENDITURE) BEFORE OTHER RECOGNISED GAINS AND LOSSES		1,898	2,407	137	4,442	26,958
<b>NET MOVEMENT IN FUNDS</b>		<b>1,898</b>	<b>2,407</b>	<b>137</b>	<b>4,442</b>	<b>26,958</b>
RECONCILIATION OF FUNDS: Total Funds Brought Forward		119,580	2,556,283	33,770	2,709,633	2,682,675
<b>TOTAL FUNDS CARRIED FORWARD</b>		<b>121,478</b>	<b>2,558,690</b>	<b>33,907</b>	<b>2,714,075</b>	<b>2,709,633</b>

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 2018**

	Notes	Unrestricted Funds £	Restricted Funds £	31.8.2018 Total £	31.8.2017 Total £
<b>Fixed Assets</b>					
Tangible assets	2	2,290,181	-	2,290,181	2,290,181
<b>Current Assets</b>					
Debtors	8	1,987	-	1,987	-
Cash at bank and in hand	7	400,581	33,907	434,488	420,252
<b>Total Current Assets</b>		<u>402,568</u>	<u>33,907</u>	<u>436,475</u>	<u>420,252</u>
Creditors: amounts falling due within 1 year	9	12,581	-	12,581	800
<b>NET CURRENT ASSETS</b>		389,987	33,907	423,894	419,452
<b>TOTAL ASSETS less current liabilities</b>		<u>2,680,168</u>	<u>33,907</u>	<u>2,714,075</u>	<u>2,709,633</u>
Creditors: amounts falling due in more than 1 year		-	-	-	-
<b>NET ASSETS</b>		<u>2,680,168</u>	<u>33,907</u>	<u>2,714,075</u>	<u>2,709,633</u>

**Funds of the Charity**

General Funds: Income and Expenditure account	121,478	-	121,478	119,580
Designated Funds: General Reserves	43,025	-	43,025	42,931
Designated Funds: Manse Property Reserves	1,539,699	-	1,539,699	1,539,699
Designated Funds: Manse Property Repair Res.	10,890	-	10,890	7,315
Designated Funds: Church Property Reserves	750,482	-	750,482	750,482
Designated Funds: Benevolent Fund	205	-	205	175
Designated Funds: L3D	-	-	-	20,280
Designated Funds: The Chapel	39,634	-	39,634	18,672
Designated Funds: The Wellspring	3,448	-	3,448	-
Designated Funds: Broomleaf	9,773	-	9,773	17,569
Designated Funds: North Camp Lay Worker Fund	30,051	-	30,051	17,305
Designated Funds: AUE Community Worker	3,888	-	3,888	1,849
Designated Funds: AUE Shared Manse	8,875	-	8,875	11,385
Designated Funds: AUE Local	-	-	-	(838)
Designated Funds: Mission Support	25,402	-	25,402	10,950
Designated Funds: HSBC Model Trust Fund (ex- F&A)	51,702	-	51,702	58,206
Designated Funds: Reserve Projects Acc.	41,616	-	41,616	60,303
Designated Funds: Special Gifts	-	-	-	-
Restricted Funds: HSBC Model Trust Fund (ex- F&A)	-	-	-	-
Restricted Funds: Alma Adley Legacy	-	33,907	33,907	33,770
Restricted Funds: Other TMCP Accounts (ex-F&A)	-	-	-	-
Restricted Funds: Reserve Projects Account	-	-	-	-

**Capital Funds:**

Permanent Endowment Funds	-	-	-	-
Expendable Endowment Funds	-	-	-	-
<b>Total Funds</b>	<u>2,680,168</u>	<u>33,907</u>	<u>2,714,075</u>	<u>2,709,633</u>

Approved by the Trustees on 12 March 2018, and

Signed on their behalf by Chris Blake Trustee

PRINT: Rev CHRISTOPHER BLAKE

Signed on their behalf by [Signature] Trustee

PRINT: STEVE CURTIS

## THE HANTS-SURREY BORDER METHODIST CIRCUIT

### NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 AUGUST 2018

#### **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 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.

The charity has taken advantage of the exemption in Financial Reporting Standard No 1 from the requirement to produce a cash flow statement.

#### **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 reclaim on Donations and Gifts**

Incoming resources from tax reclaim 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 2018

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.

<b>2. TANGIBLE FIXED ASSETS</b>		Unrestricted Manse Land £	Unrestricted Manse Property £	Unrestricted Chapel Land £	Unrestricted Chapel Property £	Restricted £	Total £
<b>BUILDINGS</b>							
Cost/deemed cost	01-Sep-17	513,233	1,026,466	250,161	500,321	-	2,290,181
Additions		-	-	-	-	-	-
Disposals		-	-	-	-	-	-
Revaluation		-	-	-	-	-	-
Cost/deemed cost at	31-Aug-18	<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-17	-	-	-	-	-	-
Charge		-	-	-	-	-	-
Depreciation at	31-Aug-18	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net Book Value	31-Aug-18	<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-17	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 2018 : None

31st August 2017 : None

**THE HANTS-SURREY BORDER METHODIST CIRCUIT**  
**NOTES TO THE FINANCIAL STATEMENTS (continued)**  
**FOR THE YEAR ENDED 31 AUGUST 2018**

<b>3. INCOME AND ENDOWMENTS FROM:</b>	Unrestricted Funds £	Designated Funds £	Restricted Funds £	TOTAL 2017/18 £	TOTAL 2016/17 £
<b>a) Donations and Legacies</b>					
Circuit Assessments Levied & Paid	318,576	-	-	318,576	389,731
Donations and Collections	6,997	38,752	-	45,749	7,612
District Pay Grant	9,619	6,500	-	16,119	14,467
Other grants received	-	25,164	-	25,164	21,951
	<b>335,192</b>	<b>70,416</b>	<b>-</b>	<b>405,608</b>	<b>433,761</b>
<b>b) Trading Activities</b>					
Rental Income From Manses	-	28,740	-	28,740	26,890
Letting and Hire Income	-	100	-	100	45
	<b>-</b>	<b>28,840</b>	<b>-</b>	<b>28,840</b>	<b>26,935</b>
<b>c) Charitable Activities</b>					
BT Refunds	-	-	-	-	93
Contractual Income	2,322	2,542	-	4,864	2,542
Council Tax Refunds	279	-	-	279	-
Heat & Light Refunds	214	-	-	214	230
Interest Received	646	799	205	1,650	1,768
Other Refunds & Compensation	-	1,693	-	1,693	9,920
Insurance Claim Payment	-	456	-	456	-
	<b>3,461</b>	<b>5,490</b>	<b>205</b>	<b>9,156</b>	<b>14,553</b>

**THE HANTS-SURREY BORDER METHODIST CIRCUIT**  
**NOTES TO THE FINANCIAL STATEMENTS (continued)**  
**FOR THE YEAR ENDED 31 AUGUST 2018**

**4. EXPENDITURE ON:**  
**4a Raising Funds**

	Unrestricted Funds £	Designated Funds £	Restricted Funds £	TOTAL 2017/18 £	TOTAL 2016/17 £
Fees for services	1,131	71	-	1,202	6,551
	<u>1,131</u>	<u>71</u>	<u>-</u>	<u>1,202</u>	<u>6,551</u>

**4b Charitable Activities**

Events	-	700	-	700	-
Diocese Project Contributions	-	4,294	-	4,294	-
Gifts & Grants	23	150	-	173	15,312
Minister's Stipends	125,232	14,599	-	139,831	139,138
Retirement Fund	31,752	1,187	-	32,939	28,107
National Insurance	11,365	320	-	11,685	9,326
Travel	10,863	-	-	10,863	10,065
Relocation Costs	941	-	-	941	8,720
Training & Sabbaticals	1,198	1,074	-	2,272	632
Visiting Preachers	275	-	-	275	-
Lay Workers Pay	30,776	9,327	-	40,103	40,144
Lay Workers NIC	1,359	509	-	1,868	1,848
Lay Workers Pension	1,334	471	-	1,805	1,130
Manse & Chapel Expenses *	16,641	90,099	-	106,740	98,760
<b>Connexion &amp; District</b>					
Mission & Service Fund	56,563	-	-	56,563	59,609
South East District	10,100	1,455	-	11,555	9,546
<b>Circuit Admin Expenses</b>					
Quinquennial Expenses	600	-	-	600	660
Printing, Stationery & Publications	1,124	227	-	1,351	1,400
Telephones	3,313	973	-	4,286	4,966
Other Misc & Office Expenses	1,772	6,196	-	7,968	7,291
<b>Other Expenditure &amp; Provisions</b>					
Fees & Interest Paid	40	230	68	338	4,348
	<u>305,271</u>	<u>131,811</u>	<u>68</u>	<u>437,150</u>	<u>441,002</u>

\*

Manse & Chapel Expenses Include:	<u>2017/18</u>	<u>2016/17</u>
Maintenance, Contracts, Repairs & Refurbishments	11,292	8,789
Council Tax & Water Rates	13,308	11,251
Insurance, Fees, Utilities	19,109	14,772
Major Refurbishment & Repairs	52,519	63,250
Share of Surplus to TVC 2018/17	7,823	-
Share of Surplus to TVC 2017/16	2,689	-
Share of Surplus to TVC 2016/15	-	698
	<u>106,740</u>	<u>98,760</u>

**5. FEES FOR EXAMINATION OF THE ACCOUNTS**

	<u>2017/18</u> £	<u>2016/17</u> £
Independent examiner's fees for reporting on the accounts	335	330
Independent examiner's fees for accountancy services	475	470
	<u>810</u>	<u>800</u>

**THE HANTS-SURREY BORDER METHODIST CIRCUIT**

**NOTES TO THE FINANCIAL STATEMENTS (continued)  
FOR THE YEAR ENDED 31 AUGUST 2018**

**6. FUNDS**

	1.9.2017	Income	Expenditure	Transfers	Gains on Revaluation	31.8.2018
DESIGNATED FUNDS:	£	£	£	£	£	£
General Reserves	42,931	150	(56)	-	-	43,025
Manse Property Res. Value	1,539,699	-	-	-	-	1,539,699
Manse Property Repair Res.	7,315	19	(21,444)	25,000	-	10,890
Church Property Res.	750,482	-	-	-	-	750,482
Benevolent Fund	175	30	-	-	-	205
L3D	20,280	29	-	(20,309)	-	-
The Chapel	18,672	45,036	(48,842)	24,768	-	39,634
The Wellspring	-	9,747	(6,299)	-	-	3,448
Broomleaf	17,569	29,010	(22,804)	(14,002)	-	9,773
North Camp Lay Worker Fund	17,305	17,869	(10,223)	5,100	-	30,051
AUE Community Worker	1,849	-	(16,123)	18,162	-	3,888
AUE Local	(838)	-	-	838	-	-
AUE Shared Manse	11,385	1,715	(4,225)	-	-	8,875
Mission Support	10,950	540	(90)	14,002	-	25,402
Special Gifts	-	-	(84)	84	-	-
HSBC Model Trust Fund (ex- F&A)	58,206	288	(1,692)	(5,100)	-	51,702
Reserve Projects Acc.	60,303	313	-	(19,000)	-	41,616
	<u>2,556,283</u>	<u>104,746</u>	<u>(131,882)</u>	<u>29,543</u>	<u>-</u>	<u>2,558,690</u>

**PRIOR YEAR MOVEMENT ON DESIGNATED FUNDS:**

	1.9.2016	Income	Expenditure	Transfers	Gains on Revaluation	31.8.2017
Note	£	£	£	£	£	£
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>

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.

The Wellspring: Income, expenditure and balances connected with The Wellspring, Wellesley 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 HANTS-SURREY BORDER METHODIST CIRCUIT**

## **NOTES TO THE FINANCIAL STATEMENTS (continued) FOR THE YEAR ENDED 31 AUGUST 2018**

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

### **RESTRICTED FUNDS:**

	1.9.2017	Income	Expenditure	Transfers	Gains on Revaluation	31.8.2018
	£	£	£	£	£	£
Alma Adley Legacy	33,770	205	(68)	-	-	33,907
	<u>33,770</u>	<u>205</u>	<u>(68)</u>	<u>-</u>	<u>-</u>	<u>33,907</u>

### **PRIOR YEAR MOVEMENT ON 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)	(58,206)	-	-
Alma Adley Legacy	33,619	218	(67)	-	-	33,770
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>

The MTF (Model Trust Fund) fund derived from sales of chapels and manses and its use was restricted by Conference. The restriction was an internal regulation, although the fund could be used for a variety of purposes.

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.

The Reserves Projects fund held 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.

### **7. CASH AT BANK AND IN HAND**

	Unrestricted Fund	Restricted Fund	Total 31.8.2018	Total 31.8.2017
	£	£	£	£
Main Bank Account	17,773	-	17,773	21,874
Manse Bank Account	-	-	-	-
L3D Bank Account	-	-	-	-
Central Finance Board No 1 Operating Account	189,459	-	189,459	157,299
Central Finance Board No 2 General Reserve	35,665	-	35,665	35,515
Central Finance Board No 3 Property Reserve	4,472	-	4,472	4,454
Central Finance Board No 4 L3D	-	-	-	17,001
Invested with TMCP	93,317	33,907	127,224	152,279
Co-op Chapel Bank Account	46,182	-	46,182	23,390
Barclays Wellspring Bank Account	3,448	-	3,448	-
CAF Bank CAFCash Account	10,265	-	10,265	7,747
Cash (Includes the money held by Anglican Church)	-	-	-	693
	<u>400,581</u>	<u>33,907</u>	<u>434,488</u>	<u>420,252</u>

### **8. DEBTORS AND PREPAYMENTS**

	Unrestricted Fund	Restricted Fund	Total 31.8.2018	Total 31.8.2017
	£	£	£	£
Other debtors	1,987	-	1,987	-
	<u>1,987</u>	<u>-</u>	<u>1,987</u>	<u>-</u>



**THE HANTS-SURREY BORDER METHODIST CIRCUIT**  
**NOTES TO THE FINANCIAL STATEMENTS (continued)**  
**FOR THE YEAR ENDED 31 AUGUST 2018**

<b>9. CREDITORS ACCRUALS AND DEFERRED INCOME: AMOUNTS FALLING DUE WITHIN ONE YEAR</b>	Unrestricted Fund £	Restricted Fund £	Total 31.8.2018 £	Total 31.8.2017 £
Payroll and pension liabilities	3,948	-	3,948	-
Sundry charity creditors	810	-	810	800
Surplus owed to TVC re Broomleaf Manse	7,823	-	7,823	-
	<b>12,581</b>	<b>-</b>	<b>12,581</b>	<b>800</b>

<b>10. TOTAL MOVEMENT IN FUNDS</b>	At 1.9.2017 £	Net movement £	Transfers & adjustments £	At 31.8.2018 £
General Funds: Income and Expenditure account	119,580	31,441	(29,543)	121,478
Designated Funds: General Reserves	42,931	94	-	43,025
Designated Funds: Manse Property Reserves	1,539,699	-	-	1,539,699
Designated Funds: Manse Property Repair Res.	7,315	(21,425)	25,000	10,890
Designated Funds: Church Property Reserves	750,482	-	-	750,482
Designated Funds: Benevolent Fund	175	30	-	205
Designated Funds: L3D	20,280	29	(20,309)	-
Designated Funds: The Chapel	18,672	(3,806)	24,768	39,634
Designated Funds: The Wellspring	-	3,448	-	3,448
Designated Funds: Broomleaf	17,569	6,206	(14,002)	9,773
Designated Funds: North Camp Lay Worker Fund	17,305	7,646	5,100	30,051
Designated Funds: AUE Community Worker	1,849	(16,123)	18,162	3,888
Designated Funds: AUE Shared Manse	11,385	(3,348)	838	8,875
Designated Funds: AUE Local	(838)	838	-	-
Designated Funds: Mission Support	10,950	450	14,002	25,402
Designated Funds: Special Gifts	-	(84)	84	-
Designated Funds: HSBC Model Trust Fund (ex- F&A)	58,206	(1,404)	(5,100)	51,702
Designated Funds: Reserve Projects Account	60,303	313	(19,000)	41,616
	<b>2,675,863</b>	<b>4,305</b>	<b>-</b>	<b>2,680,168</b>
Restricted Funds: HSBC Model Trust Fund (ex- F&A)	-	-	-	-
Restricted Funds: Alma Adley Legacy	33,770	137	-	33,907
Restricted Funds: Other TMCP Accounts (ex-F&A)	-	-	-	-
Restricted Funds: Reserve Projects Account	-	-	-	-
<b>TOTAL FUNDS</b>	<b>2,709,633</b>	<b>4,442</b>	<b>-</b>	<b>2,714,075</b>

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

	2017/18 £	2016/17 £
Minister's Stipends	139,831	139,138
Retirement Fund	32,939	28,107
National Insurance	11,685	9,326
	<b>184,455</b>	<b>176,571</b>
	<b>2017/18 £</b>	<b>2016/17 £</b>
Lay Workers Stipends	40,103	40,144
Retirement Fund	1,805	1,130
National Insurance	1,868	1,848
	<b>43,776</b>	<b>43,122</b>

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

	2017/18	2016/17
Activities in furtherance of organisation's objects:		
Ministers stationed in Circuit	5	6
Of which:		
Paid 100% by Circuit	4	3
66% Circuit & 34% District (note: Paid Through Circuit.	1	1
66% by Circuit. 34% by Grant received)		
Part Time Supernumeraries	0	0.66
Lay Workers:		
1 x 20 hrs per month	0.13	0
1 x 16 hrs per week	0.4	0
1 x 23 hrs per month	0	0.14
2 x half time	1	0
3 x half time	0	1.5

No employees received emoluments in excess of £60,000 (2016/17 nil). Staff are paid through the PAYE system.

**THE HANTS-SURREY BORDER METHODIST CIRCUIT**  
**NOTES TO THE FINANCIAL STATEMENTS (continued)**  
**FOR THE YEAR ENDED 31 AUGUST 2018**

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 £182,904 (2016/17: £171,663).

A pension scheme is offered to eligible employees and employer contributions were paid during 2017/18 on behalf of 7 employees.

**12. TRUSTEES AND OTHER RELATED PARTIES**

	2017/18	2016/17
Number of trustees who were paid expenses only	6	3
Number of trustees who were paid expenses & stipends:	7	8
Total expenses only paid	£ 2,082	361
Total stipends and expenses paid (excl stipend)	£ 13,086	10,939

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.