

**BASINGSTOKE & READING METHODIST CIRCUIT**  
**ANNUAL REPORT AND FINANCIAL STATEMENTS**

*For the year ended 31 August 2018*



# BASINGSTOKE & READING METHODIST CIRCUIT

## Annual Report and Financial Statements

*For the year ended 31 August 2018*

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## **REFERENCE AND ADMINISTRATIVE DETAILS**

### **The Circuit**

Basingstoke and Reading Methodist Circuit was formed on 1 September 2014 as a result of the merger of Basingstoke Methodist Circuit and Reading & Silchester Methodist Circuit. The Circuit is a separate legal entity within the Methodist Church and is required under Charity law to prepare separate accounts.

The Circuit is a registered charity (England & Wales) number 1134891.

There are 23 churches within the Circuit, with a total membership of 1,183. The churches are spread around Reading and Basingstoke and the neighbouring towns and villages of Bradfield, Burghfield Common, Mortimer, Tadley and Silchester. Several have local ecumenical partnerships with Anglican, Baptist and/or United Reformed churches.

### **Trustees**

The Circuit's trustees, who are all members of the Circuit Meeting, are listed on page 2.

### **Executive and leadership functions**

The Circuit Stewards (who are ex officio members of the Circuit Meeting) are responsible for ensuring that the decisions of the Circuit Meeting are executed. The following served as Circuit Stewards during the year:

Robin Gowers (from 14 September 2017)  
Alan Harland (also Circuit Treasurer)  
Margaret Hayes  
Julie Marsh  
James Peddle (until 14 September 2017)  
Marianne Sales  
Jon Tagoe

The Strategic Executive Group (SEG) gives longer-term vision to the Circuit's affairs and comprises a mix of stipendiary and lay members of the Circuit Meeting. The following, who are also members of the Circuit Meeting, served on SEG this year: Reverends David Shaw, Andrew Moffoot, Ruth Midcalf, Jenny Dowding, Alison Parker and Deacon Maria Howard; three circuit stewards (Alan Harland ex officio Finance, Margaret Hayes and Marianne Sales); two representing local preachers and worship leaders (June Hardcastle and Paddy Jose); and Mary Ludlow, representing lay employees. Sarah Liriano, who is not a Member of the Circuit Meeting, is secretary to SEG.

### **Custodian trustees**

The custodian trustees are the Trustees for Methodist Church Purposes

### **Contacting the Circuit**

The Circuit's principal office is 84 Queen's Road, Reading RG1 4BW, telephone 0118 958 1505. The Circuit's website is [www.basingstokereadingmethodists.uk](http://www.basingstokereadingmethodists.uk)

### **Bankers**

The Circuit's bankers are the Central Finance Board of the Methodist Church, 9 Bonhill Street, London EC2A 4PE; and CAF Bank Ltd, 25 Kings Hill Avenue, West Malling, Kent ME19 4JQ.

### **Auditors and professional advisers**

The Circuit's auditors are James Cowper Kreston, Reading Bridge House, George Street, Reading RG1 8LS

The Circuit engages advisers for legal affairs and property services as required.

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**Managing trustees**

The managing trustees, who are all members of the Circuit Meeting are as follows:

Mrs Annie Ainger	Mrs Linda Langridge
Mrs Anthonia Allen	Mrs Gill Lawson
Dr Stephen Appiah	Mrs Jenny Leighton
Mrs Diane Bath	Mrs Mary Ludlow
Mrs Tracy Bennett	Mrs Julie Marsh
Mr Peter Boardley	Mrs Valerie Main
Mr Tony Bonnett	Mr Alan Meakin
Miss Christine Bosley	Mrs Grace Mercer
Rev Audrey Browne	Rev Dr Ruth Midcalf
Mrs Dusty Brough	Mr Don Moffat
Mrs Patricia Brown	Rev Andrew Moffott
Mrs Brenda Caborn	Mr Victor Mukweveri
Mr Ray Chalk	Rev Martyn Neads
Mr Peter Chapman	Mrs Monica Ogden
Mr David Cliffe	Rev Alison Parker
Dr Tracey Darling	Mr Michael Parker
Mrs Jan Davies	Mrs Helen Parry
Rev Judy Davies	Mrs Ann Peddle
Mr Barrie Davies	Mr James Peddle
Mrs Jenny Dimmock	Mrs Hilary Reed
Rev Jenny Dowding	Ms Shona Reeves
Mrs Jill Draper	Mr Terry Rowell
Mrs Margaret Ellison	Miss Marianne Sales
Mrs Christine Embelton	Rev Jonathan Salmon
Rev Chris Evans	Rev David Shaw
Rev Valerie Fisher	Mrs Margaret Simpson
Mr Donald Fraser	Mrs Angela Slark
Mrs Llyn Frost	Mr Steve Skelton
Mr Martin Goodwin	Deacon Marlene Skuce
Mr Robin Gowers	Mrs Maz Slater
Mr Neil Graham	Mr Michael Slater
Mr David Gunton	Miss Samantha Slater
Mrs Pam Guy	Mrs Joyce Smith
Mr Alan Harland	Miss Ruth Stacey
Mrs Phyllis Harris	Rev Dr John Sumitra
Mrs Charmian Harrison	Mrs Gina Tagoe
Mrs Margaret Hayes	Mr Jon Tagoe
Mt Colin Hinks	Ms Janet Talbot
Mrs Linda Hoe	Mrs Ruth Taylor
Mr Alan Holloway	Mr Keith Waite
Mrs Beverley Holloway	Mr Tim Wale
Deacon Maria Howard	Mr Richard Walkem
Mrs Pearl Howard	Mrs Jean Walsh
Rev David Jenkins	Mr Michael Warner
Mrs Paddy Jose	Rev Angela Webb
Mr Michael Kimber	Mrs Sarah Whithorn
Mrs Tricia Kinchington	Mrs Beryl Wootton
Mr Stephen King	Miss Shelagh Wythe
Miss Helen Khan	Mrs Marion Young
Mr Alvin Laird	Mr Peter Young
	Mrs Marion Wales



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The members of the Circuit Meeting (as managing trustees) have pleasure in presenting their annual report and the audited accounts for the year.

## **1. Objectives and activities**

The Circuit's vision statement is *"Inspired and led by the Holy Spirit, we shall love, resource and encourage one another; share Christ with our neighbour; and grow God's kingdom. In doing that, we shall place people before buildings; mission before maintenance; and God over church."*

The Circuit's purpose is to provide resources to support ministry in local churches. The Circuit does this through the provision of ordained ministers and deacons, lay staff and Circuit officers to support service and ministry from the Circuit's 23 churches to their local communities. The Circuit also has responsibility for the upkeep and maintenance of 7 manses and 6 investment properties.

The Circuit produces a quarterly preaching plan to ensure regular acts of worship take place at each of the 18 Methodist Churches and 5 Local Ecumenical Partnerships in its geographical area. These are available to all people without charge. The Circuit is also directly involved with outreach work, with a particular emphasis on children and families, schools, and support for people hard of hearing.

The trustees confirm that they have referred to the guidance contained in the Charity Commission's general guidance on public benefit, including the guidance 'Public benefit: running a charity (PB2)', when reviewing the Circuit's aims and objectives. The Circuit is pursuing its objectives through the following strategies by providing:

- Staffing resources and other assistance to churches for ministry to their communities;
- Grants for outreach activities and improvements to churches' premises that will facilitate access to ministry;
- Training through study, mentoring and examination for lay preachers and worship leaders;
- Training and support in safeguarding awareness;
- Opportunities for staff and members of church congregations to meet for fellowship, worship and learning; and
- Care for those who have retired from full-time service in the Methodist Church.

## **2. Achievements and performance**

The Circuit has continued to benefit from strong and effective ministerial and lay leadership. This is now focussed through the Strategic Executive Group, which was formed in September 2015 and comprises representatives from ordained staff, the circuit stewards, and lay members of the circuit meeting. The Group's brief is to take a more strategic view in leading the Circuit through a period of change and guiding the allocation of resources in the most effective direction.

The Circuit has also continued to benefit from its large group of established local preachers. Currently 1 individual is 'on note' as an intending local preacher and 5 more are 'on trial' whilst they undertake training. Churches continued to develop worship using a variety of forms and technology and an increasing number of worship leaders.

A Circuit gathering, open to members of congregations in all the Circuit's churches, was held during the year in Basingstoke. This provided opportunities for fellowship and learning through worship, study and workshops. Two 'Duggie Dug Dug' Praise Parties aimed at young people were held at Tilehurst and were well supported. During April the Circuit held a week-long series of open meetings ('The Week') across the Circuit led mainly by staff and lay individuals from the Southampton District, where members of churches could meet to share ideas on worship, mission and governance, and to learn best practice guidance from those leading the sessions.

The Circuit launched its 'Mission Grant Scheme' at a specially-convened circuit meeting in May 2017. The purpose of this scheme is to provide grants from the Model Trust Fund to churches, enabling them to undertake specific mission activities that would not otherwise be possible. One scheme for a grant of up to £50,000 to Tilehurst Methodist Church to support lay ministry has been approved, but payment will not be made until an individual has been appointed.

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Grants totalling £1,119 were approved in the year and paid on three small church projects, and £500 was given to support work at the Reading University Chaplaincy Centre. Further details are provided in Note 10 to the Accounts.

The Circuit produced devotional resources for Advent 2017 and The Week that were distributed to all the Circuit's churches for use by individuals, small groups, or in worship.

All of the church buildings in the Circuit are well used, whether for activities organised or sponsored by the churches, such as cafes, Boys' or Girls' Brigades or youth clubs, or by local community organisations notably those promoting fitness and health, music and dance. The income from external lettings makes a valued contribution towards upkeep of church premises.

The churches continue to develop ways and means for outreach into local communities, for example the quiet garden at Silchester, The Coracle publicity van (using a hired VW camper), and community cafés. Several churches have Messy Church; lunch, holiday and after-school clubs; or tailored children and families and youth work. Churches near the Reading Festival site offer breakfast for those attending this annual event. Other churches supported the Old Basing Carnival. Some churches act as a collection point for shoe boxes for Operation Christmas Child.

Many outreach projects are carried out in partnership with churches from other denominations, such as the REInspired and 'Open the Book' programmes for delivering religious education in schools, a weekly lunch club in Whitley, and the 'Loneliness Project' in Caversham. Wesley Methodist Church participates in 'Bed for the Night', an ecumenical initiative providing accommodation and food for the homeless in Reading. Trinity Basingstoke's Soup Lunch is developing contacts with Food Bank users.

### **3. Financial review**

The attached Statement of Financial Affairs (SOFA) summarises the Circuit's income and expenditure for the year, supplemented by the Cash Flow statement and the Notes to the Financial Statements. The Balance Sheet shows the Circuit's assets, liabilities and reserves.

The net expenditure for the year was £76,778 before investment gains (2017: net expenditure of £80,372). The reduction in net expenditure of £3,594 resulted from the following:

	£
Staff costs were lower	9,451
Contributions to the Southampton District and Methodist Church funds were higher	-5,499
Less was paid to Circuit churches by way of grants	68,156
Administration and travel costs were higher	-5,150
Manse running costs were higher	-5,091
Provision was made for completing the refurbishment of 4 Camberly Close	-50,000
Professional fees for property work were higher	-4,222
More was spent on outreach activities (Coracle & Duggie Dug Dug)	-3,537
Other variations, net	-514
	<b>3,594</b>

After recognising net losses on investment properties and other assets of £35,105, net expenditure for the year was £111,883 (2017: net income of £186,002 after investment gains of £266,374). Revaluation of freehold property depleted funds by £90,000 funds (2017: added £434,900 to funds).

The Balance Sheet summarises the Circuit's assets, liabilities and funds. Net assets (and thus aggregate funds) at 31<sup>st</sup> August 2018 were £6,739,081 (2017: £6,940,964). The reduction in net assets of £201,883 results from changes to assets and liabilities as follows:

	£
Revaluation of freehold properties	-137,595
Gain in investment valuations	12,490
Investment purchases less sales	-1,929
Net expenditure funded through investment portfolio (principally model trust fund)	-30,523
Increase in net liabilities less increase in bank balances	-44,326
Reduction in net assets	<b>201,883</b>

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The Circuit's net assets are held in either endowment, restricted or unrestricted funds. A full analysis of the individual funds, and the objectives for which income and/or capital may be applied, is provided in Notes 20 to 22 in these financial statements. These funds may be summarised as follows:

	£	£
<b>Endowment funds</b>		
The income from these funds is applied to ministry within the Circuit, The capital is not available for use*		231,265
<b>Restricted funds</b>		
Available for financing capital schemes - Arthur Newbery Trust*	193,380	
Available for funding revenue expenditure as specified by donors	<u>18,507</u>	
		211,887
<b>Unrestricted funds</b>		
Manse capital fund (equivalent to the value of manse and investment properties)		5,527,405
Circuit Model Trust Fund, for financing churches' property and mission schemes through grants*		514,859
Funds available for financing Circuit occasional expenditure:		
Circuit development fund, for training and mission projects	11,747	
Kentwood fund, for supporting churches small building schemes	<u>20,071</u>	
		31,818
Funds for financing Circuit annual operating expenditure		
General funds, for all purposes	171,313	
Manse maintenance fund, for repairs, maintenance and refurbishment	<u>50,534</u>	
		221,847
<b>Total funds</b>		<b>6,739,081</b>

#### **4. Reserves policies**

The Circuit is required to have policies regarding the level of reserves to be held in respect of funds for financing Circuit annual operating expenditure. Policies are not required in respect of other funds since these are not held primarily for revenue purposes and there are restrictions on how the funds may be used. The funds marked (\*) are managed by the Trustees for Methodist Church Purposes.

The Circuit's annual operating expenditure includes the cost of ministerial and lay staff, provision of manses, travel and administrative expenses, and contributions to the Methodist Southampton District and Methodist Church central funds. This expenditure is funded by assessments on the Circuit's churches, income from investments, and rents on surplus manses.

Assessments on churches are calculated as part of the Circuit's annual budget process. Increases in assessments on churches are limited to 10%, and not more than 95% of a church's income (70% if the church has no buildings).

The Circuit's budget reflects the impact of anticipated changes in staffing levels, the maintenance needs of its residential property portfolio, and any amounts to be drawn from reserves to support the planned expenditure. The Circuit Meeting approves the budget and assessments, and the amounts to be carried forward in reserves.

Proposed drawings from the restricted funds of the Circuit to assist churches with building improvements and fund improvements to the manses are considered and approved on a case by case basis by the Circuit Meeting.

In setting its reserves policy the Circuit Meeting also considers the financial health of the churches in the Circuit which has impacted on their ability to fund the annual Circuit assessment. The Circuit's reserves policies are to maintain at least:

- A general fund balance of £125,000, sufficient to cover three months' running costs; and
- A manse maintenance fund balance of at least £46,000, sufficient also for three months' running costs of approximately £16,000 plus £30,000 for unexpected repairs to manses,

The amounts held on these reserves at 31<sup>st</sup> August 2018 were £171,313 and £50,534 respectively.

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The general fund budget for the year ending 31<sup>st</sup> August 2020 shows an overall deficit of £38,252. After transferring £50,171 from designated and restricted reserves to fund specific activities, there will be a surplus of £11,920 added to the general fund balance. The manse maintenance fund draft budget shows a small surplus of £2,251 which will be added to the reserve. The trustees consider the Circuit to be a going concern.

## **5. Investment policies**

In accordance with the Standing Orders of the Methodist Church, the Circuit's investments are managed on its behalf by the Trustees for Methodist Church Purposes (TMCP), Central Buildings, Oldham Street Manchester M1 1JQ. TMCP acts as custodian trustee for all properties held by Circuits, for all large bequests (ie over £20,000) and for the proceeds of sale of any property where the Circuit was managing trustee. These sums are invested in unitised investments or held on deposit.

Short term deposits are lodged with the Central Finance Board (CFB) of the Methodist Church.

The Circuit's investment policies are aligned with those of TMCP and the CFB because these organisations take into consideration the social, environmental and ethical issues, both negatively and positively, that make investments suitable for the Methodist Church.

## **6. Pay and remuneration policies**

Ministers are stationed in the Circuit by the Methodist Conference. Ministers' remuneration is set nationally by the Methodist Church. Ministers are members of the Methodist Ministers Pension Scheme. Contribution rates are set nationally by the Methodist Church.

Lay employees are directly employed by the Circuit. Lay employee remuneration is based on the Methodist Church's guidance for the setting of pay rates for lay employees. Lay employee pay rates are in excess of the National Living Wage. The Circuit offers a pension scheme to its lay employees. The Circuit matches lay employee contributions up to 10% of salary. The minimum employer contribution rate is 6%. No member of staff is paid in excess of £60,000 per annum.

Information on the payment of expenses to trustees and remuneration of key management personnel is disclosed in the notes to the Circuit's accounts.

## **7. Structure and governance**

The Circuit was established in accordance with the constitution of the Methodist Church. Its organisation is structured around its bi-annual circuit meeting. The Circuit also holds bi-annual gatherings to which members of all churches are invited for worship, discussion, prayer and activities.

The members of the Circuit Meeting are the trustees of the Circuit. The Circuit Meeting comprises the Circuit staff and officers, and representatives from each church in the Circuit and the local preachers' meeting. Each church council and the local preachers meeting elect representatives to the Circuit Meeting annually. The Circuit officers are appointed annually by Circuit Meeting.

The Circuit Meeting is supported by separate monthly meetings of ordained staff and circuit stewards to conduct day-to-day business and consider matters to be brought to the attention of the Circuit Meeting. A Strategic Executive Group was set up in September 2015 following a review of the Circuit's governance. This group's responsibilities include circuit strategy and vision, resource planning and oversight of probationers and candidates. A number of focussed 'Getting It Done' and 'Special Interest' Groups focus on prayer, preparation of worship materials, arranging Circuit gatherings and managing our property portfolio.

## **8. Administrative details**

These details are provided on page 1 to these financial statements.

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**9. Principal risks and uncertainties**

The major risks to which the Circuit is exposed have been identified by the Circuit Meeting and are listed below. A major risk is defined as one that, if realised could fundamentally affect the way in which the Circuit operates or achieves its outcomes in the next one to three years.

	Risk	Evaluation	Commentary
A	Churches cannot afford to pay their assessments. This would affect the ability of the Circuit to fund staffing	Low	The Circuit takes into account church income when setting assessments on churches.
B	The Circuit cannot maintain residential properties to appropriate standards	Low	Surveyors carry out inspections every five years to assist planning repairs and maintenance. There is sufficient in the Model Trust Fund for works needed in the medium term
C	The Circuit is unable to fill stations with presbyters, deacons or lay staff where appropriate.	Moderate	There is a Connexional shortage of presbyters, and sometimes vacancies cannot be filled immediately
D	The Circuit is unable to attract circuit stewards and other office holders with appropriate skills and expertise	Moderate	The Circuit is heavily dependent on such individuals and the time that they commit to the Circuit's life and work. At present most posts are filled.
E	Churches are unable to attract office holders with sufficient time, skills and expertise to enable them to continue operating	Moderate	If churches cease to operate, the Circuit may need to become managing trustee for the site.

**10. Further information**

If further information is required on the Circuit's life and witness, please first contact Mrs Marion Young, at the Circuit office (see paragraph 8 above).

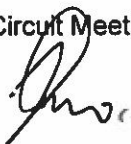
**11. Statement of trustees' responsibilities**

Charity law requires the Circuit Meeting to prepare financial statements for each financial year, which give a true and fair view of the state of the Circuit as at the balance sheet date and of its incoming resources and application of resources, including income and expenditure, for the financial year. In preparing those financial statements, the Circuit Meeting are required to:

- select suitable accounting policies and then apply them consistently;
- make judgments and estimates that are reasonable and prudent;
- state whether applicable accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charity will continue on that basis.

The Circuit Meeting are responsible for maintaining proper accounting records which disclose with reasonable accuracy at any time the financial position of the charity and enable them to ensure that the financial statements comply with the Charities Act 2011. They are also responsible for safeguarding the assets of the charity and hence for taking reasonable steps for the prevention and detection of fraud or other irregularities.

Signed on behalf of the Circuit Meeting



Rev David Shaw  
Superintendent Minister  
27 February 2019



**Independent Auditor's Report to the Trustees of Basingstoke & Reading Methodist Circuit**

**Opinion**

We have audited the financial statements of Basingstoke & Reading Methodist Circuit (the 'charity') for the year ended 31 August 2018 which comprise the Statement of Financial Activities, Balance Sheet and the Cash Flow Statement and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the charity's affairs as at 31 August 2018 and of its incoming resources and application of resources, for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Charities Act 2011.

This report is made solely to the charity's trustees, as a body, in accordance with Chapter 3 of Part 8 of the Charities Act 2011 and regulations made under section 154 of that Act. Our audit work has been undertaken so that we might state to the charity's trustees those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the charity and its trustees as a body, for our audit work, for this report, or for the opinions we have formed.

**Basis for opinion**

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the charity in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

**Conclusions relating to going concern**

We have nothing to report in respect of the following matters in which the ISAs (UK) require us to report to you where:

- the trustees' use of the going concern basis of accounting in the preparation of the financial statements is not appropriate, or
- the trustees have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the charity's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

**Other information**

The trustees are responsible for the other information. The other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are

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required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

**Matters on which we are required to report by exception**

We have nothing to report in respect of the following matters where the Charities Act 2011 requires us to report to you if, in our opinion:

- the information given in the Trustees' Annual Report is inconsistent in any material respect with the financial statements; or
- sufficient accounting records have not been kept; or
- the financial statements are not in agreement with the accounting records and returns; or
- we have not received all the information and explanations we require for our audit.

**Responsibilities of trustees**

As explained more fully in the trustees' responsibilities statement set out on page 7, the trustees are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the trustees determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the trustees are responsible for assessing the charity's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the trustees either intend to liquidate the charity or to cease operations, or have no realistic alternative but to do so.

**Auditor's responsibilities for the audit of the financial statements**

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs(UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Councils website at: [www.frc.org.uk/auditorsresponsibilities](http://www.frc.org.uk/auditorsresponsibilities). This description forms part of our auditor's report.



Darren O'Connor BSc (Hons) FCCA FCA (Senior Statutory Auditor)  
For and on behalf of James Cowper Kreston, Statutory Auditor

James Cowper Kreston is eligible to act as an auditor in terms of section 1212 of the Companies Act 2006

Reading Bridge House  
George Street  
Reading  
Berkshire  
RG1 8LS

14 March 2019

# BASINGSTOKE & READING METHODIST CIRCUIT

## STATEMENT OF FINANCIAL ACTIVITIES For the year ended 31 August 2018

	Notes	Unrestricted funds General Funds £	Designated Funds £	Restricted Funds £	Endowment Funds £	Total 2018 £
<b>INCOME AND ENDOWMENTS</b>						
Charitable income						
Assessments on churches		458,469	-	-	-	458,469
Other income	4	384	5,429	99	-	5,912
Investments						
Lettings income		-	61,098	-	-	61,098
Investment income and interest	3	10,572	3,122	517	404	14,615
<b>Total income and endowments</b>		<b>469,425</b>	<b>69,649</b>	<b>616</b>	<b>404</b>	<b>540,094</b>
<b>EXPENDITURE</b>						
Charitable expenditure						
Stipends, salaries and associated costs	5	261,528	-	-	-	261,528
Assessments and levies	6	132,930	32,121	-	-	165,051
Manse running costs	7	-	108,880	1,081	-	109,961
Grants and donations	10	500	1,119	296	-	1,915
Administration and travel	8	38,337	-	-	-	38,337
Other outgoings	9	17,800	14,908	3,302	-	36,010
Raising funds						
Investment management costs		-	1,089	396	2,585	4,070
<b>Total expenditure</b>		<b>451,095</b>	<b>158,117</b>	<b>5,075</b>	<b>2,585</b>	<b>616,872</b>
<b>Net income/(expenditure) before investment gains/losses</b>		<b>18,330</b>	<b>(88,468)</b>	<b>(4,459)</b>	<b>(2,181)</b>	<b>(76,778)</b>
Investment realised & unrealised gains/(losses)						
Investment properties	15	-	(47,595)	-	-	(47,595)
Other	16	-	-	6,204	6,286	12,490
<b>Net income/(expenditure) before transfers</b>		<b>18,330</b>	<b>(136,063)</b>	<b>1,745</b>	<b>4,105</b>	<b>(111,883)</b>
Transfers between funds		(35,000)	35,000	-	-	-
Revaluation of freehold property	14	-	(90,000)	-	-	(90,000)
Other gains/losses		-	-	-	-	-
<b>Net movement in funds</b>		<b>(16,670)</b>	<b>(191,063)</b>	<b>1,745</b>	<b>4,105</b>	<b>(201,883)</b>
<b>Total funds brought forward</b>		<b>187,983</b>	<b>6,315,679</b>	<b>210,142</b>	<b>227,160</b>	<b>6,940,964</b>
<b>Total funds at 31 August 2018</b>		<b>171,313</b>	<b>6,124,616</b>	<b>211,887</b>	<b>231,265</b>	<b>6,739,081</b>

The statement of financial activities includes all gains and losses recognised in the year.

The notes on pages 14 to 23 form part of these Financial Statements.



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## STATEMENT OF FINANCIAL ACTIVITIES For the year ended 31 August 2017

	Notes	Unrestricted Funds General Funds £	Designated Funds £	Restricted Funds £	Endowment Funds £	Total 2017 £
<b>INCOME AND ENDOWMENTS</b>						
Charitable income						
Assessments on churches		456,448	-	-	-	456,448
Other income	4	799	6,127	79	-	7,005
Investments						
Lettings income		-	60,135	-	-	60,135
Investment income and interest	3	10,460	3,582	216	257	14,515
<b>Total income and endowments</b>		<b>467,707</b>	<b>69,844</b>	<b>295</b>	<b>257</b>	<b>538,103</b>
<b>EXPENDITURE</b>						
Charitable expenditure						
Stipends, salaries and associated costs	5	270,979	-	-	-	270,979
Assessments and levies	6	123,426	35,959	-	-	159,385
Manse running costs	7	-	52,136	2,734	-	54,870
Grants and donations	10	50,275	19,500	-	-	69,775
Administration and travel	8	33,187	-	-	-	33,187
Other outgoings	9	17,366	8,971	902	-	27,239
Raising funds						
Investment management costs		-	1,192	62	1,786	3,040
<b>Total expenditure</b>		<b>495,233</b>	<b>117,758</b>	<b>3,698</b>	<b>1,786</b>	<b>618,475</b>
<b>Net income/(expenditure) before investment gains/losses</b>		<b>(27,526)</b>	<b>(47,914)</b>	<b>(3,403)</b>	<b>(1,529)</b>	<b>(80,372)</b>
Investment realised & unrealised gains						
Investment properties		-	244,500	-	-	244,500
Other investments		-	-	9,689	12,185	21,874
<b>Net income/(expenditure) before transfers</b>		<b>(27,526)</b>	<b>196,586</b>	<b>6,286</b>	<b>10,656</b>	<b>186,002</b>
Transfers between funds		-	-	-	-	-
Revaluation of freehold property		-	434,900	-	-	434,900
<b>Net movement in funds</b>		<b>(27,526)</b>	<b>631,486</b>	<b>6,286</b>	<b>10,656</b>	<b>620,902</b>
Total funds brought forward		215,509	5,684,193	203,856	216,504	6,320,062
<b>Total funds at 31 August 2017</b>		<b>187,983</b>	<b>6,315,679</b>	<b>210,142</b>	<b>227,160</b>	<b>6,940,964</b>

The statement of financial activities includes all gains and losses recognised in the year.

The notes on pages 14 to 23 form part of these Financial Statements.

# BASINGSTOKE & READING METHODIST CIRCUIT

## BALANCE SHEET As at 31 August 2018

	Notes	£	2018 £	£	2017 £
<b>FIXED ASSETS</b>					
Freehold properties; manses	14		3,300,000		3,390,000
Investment properties	15		2,227,405		2,275,000
Investments	16		950,212		969,868
			<u>6,477,617</u>		<u>6,634,868</u>
<b>CURRENT ASSETS</b>					
Debtors	17	35,339		30,837	
CFB deposits		375,774		368,791	
Cash at bank and in hand		9,507		18,032	
		<u>420,620</u>		<u>417,660</u>	
<b>Creditors</b>					
Amounts falling due within one year	18	<u>159,156</u>		<u>111,564</u>	
<b>Net Current Assets</b>			261,464		306,096
<b>NET ASSETS</b>	19		<u>6,739,081</u>		<u>6,940,964</u>
<b>FUNDS</b>					
Endowment funds	20		231,265		227,160
Restricted funds	21		211,887		210,142
Unrestricted funds	22		6,295,929		6,503,662
			<u>6,739,081</u>		<u>6,940,964</u>

The Financial Statements were approved by the Managing Trustees on 27 February 2019 and are signed on their behalf by:-

  
 .....  
 Rev David Shaw  
 Superintendent minister

  
 .....  
 Alan Harland  
 Circuit steward & treasurer

The notes on pages 14 to 23 form part of these Financial statements

**BASINGSTOKE & READING METHODIST CIRCUIT**

**CASH FLOW STATEMENT FOR THE YEAR ENDED 31 AUGUST 2018**

		<b>2018</b>	<b>2017</b>
	<b>Notes</b>	<b>£</b>	<b>£</b>
<b>Cash used in operating activities</b>	<b>25</b>	<b><u>(109,401)</u></b>	<b><u>(92,534)</u></b>
<b>Cash flows from investing activities</b>			
Dividends, interest and rents from investments		75,713	74,650
Proceeds from sale of property		-	-
Expenditure funded through investment portfolio		30,217	56,089
Purchase of investments		(31,776)	(7,449)
Investment sale proceeds		33,705	3,907
<b>Cash provided by investing activities</b>		<b><u>107,859</u></b>	<b><u>127,197</u></b>
Increase in cash and cash equivalents in year		(1,542)	34,663
Cash and cash equivalents at the beginning of the year		386,823	352,160
<b>Total cash and cash equivalents at the end of year</b>		<b><u><u>385,281</u></u></b>	<b><u><u>386,823</u></u></b>

**BASINGSTOKE & READING METHODIST CIRCUIT**  
**NOTES FORMING PART OF THE FINANCIAL STATEMENTS**  
*For the year ended 31 August 2018*

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**1 STATEMENT OF ACCOUNTING POLICIES**

**Basis of Preparation**

The financial statements have been prepared in accordance with Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (effective 1 January 2015) - (Charities SORP (FRS 102)), the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) as updated by Bulletin 1, and the Companies Act 2006. These statements are denominated in Sterling, rounded to the nearest £.

The Basingstoke and Reading Methodist Circuit meets the definition of a public benefit entity under FRS 102. The accounts have been prepared on the basis of historic cost except that investments and properties are shown at their market value.

Based on the monetary assets and human resources available to the Circuit at 31 August 2018 the trustees believe that the Circuit is a going concern.

**Fund Accounting**

The funds constitute:

Unrestricted funds which include general funds held for any purpose of the Circuit; the Circuit Model Trust Fund which has wide purposes defined in Standing Orders and is categorised as unrestricted; and other designated funds that are held for purposes agreed by the Circuit Meeting.

Restricted funds are funds that can only be used for specific restricted purposes as laid down by the donor.

Endowment funds which represent gifts that are held as capital to generate income that is available for either restricted or unrestricted purposes.

**Income and endowments**

All incoming resources are included in the Statement of Financial Activities when the Circuit becomes entitled to the resources, the trustees are virtually certain they will receive the resources, and the monetary value can be measured with sufficient reliability.

**Expenditure**

Resources expended are accounted for on an accruals basis. Expenditure is recognised when a liability is incurred or a constructive obligation arises that results in the payment being unavoidable. The Circuit is not VAT registered so expenditure is stated inclusive of VAT where applicable.

**Grants**

Grants by the Circuit are recognised at the time of agreement to pay (without performance conditions), or when it is accepted there is an obligation to pay (if subject to performance conditions). Where grants are payable over more than one year, the accrual is discounted to net present value if the difference is material.

**Connexional donations - acting as agent**

The Circuit acts as agent in collecting from churches and then paying over their contributions to various Methodist Connexional funds and other external organisations. These transactions are therefore not reflected in the SOFA but are disclosed in Notes to the Accounts as required by the SORP (FRS102), module 19.12.

**Ownership of Methodist property**

Under the Methodist Church Act 1976 the ownership of Methodist property in England, Wales and Scotland was on 16 April 1977 automatically transferred to the Trustees for Methodist Church Purposes (TMCP). Property includes stocks, shares, unit trust investments and all other securities as well as land, buildings and chattels. TMCP holds such property as custodian trustees. The management of this property is vested in the relevant managing trustees who must act in accordance with the Model Trusts and the Standing Orders made under them. The property for which the Circuit are managing trustees is included in the Circuit's accounts.

**BASINGSTOKE & READING METHODIST CIRCUIT**  
**NOTES FORMING PART OF THE FINANCIAL STATEMENTS**  
*For the year ended 31 August 2018 (cont'd)*

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**1 STATEMENT OF ACCOUNTING POLICIES (continued)**

**Tangible fixed assets**

Assets are capitalised if they can be used for more than one year and cost more than £2,500. Freehold property is stated at market value, and office equipment and other plant is stated at cost. Depreciation is calculated on the straight line basis at 20% on office equipment and other plant. Land & buildings are not depreciated since the valuation is reviewed annually.

**Investment properties**

Properties that are no longer required as manses are held as investment properties. They are stated at market value, which is reviewed annually.

**Financial instruments**

The Circuit only has financial assets and financial liabilities of a kind that qualify as basic financial instruments. Basic financial instruments are initially recognised at transaction value and subsequently measured at their settlement value with the exception of bank loans which are subsequently measured at amortised cost using the effective interest method.

**Investments**

Investments are included at market value at the Balance Sheet date. Investment income is included in the accounts when receivable and any gains or losses on revaluation at the year end are included in the Statement of Financial Activities.

The investments are in monetary assets. Except for the Briggs Trust funds which are managed by Lloyds Bank, the Circuit's investment assets are held by the Trustees for Methodist Church Purposes (TMCP) as custodian trustees. The valuations, at market value, are those as provided by Lloyds Bank and TMCP as at 31 August 2018.

**Staff costs**

The ministers are paid stipends at rates set by the Methodist Conference. The lay employees are paid salaries at rates set by the Circuit.

The Circuit makes payments to the Methodist Ministers Pension Fund and into a pension scheme for its lay employees. The charge represents the amount payable in respect of the year.

**Ministers' manse costs**

The Circuit is required to provide accommodation for each minister and their families, and ministers are expected to occupy them. The Circuit bears the cost of repairs and maintenance, premises insurance, council tax and water charges. These are not regarded as benefits in kind by HM Revenue & Customs.

**2 CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS**

Estimates and judgements are continually evaluated and are based on historical experience and current factors, including expectations of future events that are believed to be reasonable under the circumstances.

The Circuit trustees make estimates and assumptions concerning the future. The resulting accounting estimates and assumptions will, by definition, seldom equal the related actual results. The only estimates and assumptions that have significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are discussed below.

**Land and buildings**

The carrying values of land and buildings within tangible fixed assets and investment properties have been reviewed by the trustees based on a professional valuation for accounts purposes at the balance sheet date.

**Grants to churches**

The accounts include provision for a grant of £50,000 to Tilehurst Methodist Church under the Circuit's mission grant scheme. The condition for this grant, ie recruitment of an employee, has not yet been met.

# BASINGSTOKE & READING METHODIST CIRCUIT

## NOTES FORMING PART OF THE FINANCIAL STATEMENTS

For the year ended 31 August 2018 (cont'd.)

### 3 INTEREST & INVESTMENT INCOME

	Unrestricted Funds				Total	Total
	General Funds	Designated Funds	Restricted Funds	Endowment Funds	2018	2017
	£	£	£	£	£	£
Bank interest	1,640	-	-	-	1,640	1,505
Investment income	8,932	3,122	517	404	12,975	13,010
	<u>10,572</u>	<u>3,122</u>	<u>517</u>	<u>404</u>	<u>14,615</u>	<u>14,515</u>

### 4 OTHER INCOME

	Unrestricted Funds				Total	Total
	General Funds	Designated Funds	Restricted Funds	Endowment Funds	2018	2017
	£	£	£	£	£	£
District grants	-	-	-	-	-	110
Internal organisations	-	-	99	-	99	79
Staffing and shared manse costs	-	5,429	-	-	5,429	6,077
Other	384	-	-	-	384	739
	<u>384</u>	<u>5,429</u>	<u>99</u>	<u>-</u>	<u>5,912</u>	<u>7,005</u>

### 5 STAFF COSTS

	Unrestricted Funds				Total	Total
	General Funds	Designated Funds	Restricted Funds	Endowment Funds	2018	2017
	£	£	£	£	£	£
Stipends and salaries	205,642	-	-	-	205,642	209,382
National Insurance	14,447	-	-	-	14,447	15,470
Pension contributions	41,439	-	-	-	41,439	46,127
	<u>261,528</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>261,528</u>	<u>270,979</u>

The ministers are stationed in the Circuit by the Methodist Conference and are paid stipends at rates agreed by the Conference. The lay employees are employees of the Circuit and are paid salaries at rates set by the Circuit. The pay costs of both the ministers and lay employees are reflected in the accounts. The remuneration of those members of staff in senior management positions (ie on the Strategic Executive Team) were £103,048 (2017: £105,259); and the full cost including employer pension and National Insurance contributions was £136,934 (2017: £138,607).

Salaries and pension contributions are in line with guidance provided by the Methodist Church.

The number of staff during the year was

14 16

No members of staff received emoluments amounting to over £60,000 in the year.

During the year, no trustee received any remuneration for the role of trustee.

### 6 ASSESSMENTS AND LEVIES

	Unrestricted Funds				Total	Total
	General Funds	Designated Funds	Restricted Funds	Endowment Funds	2018	2017
	£	£	£	£	£	£
District assessment	15,150	-	-	-	15,150	11,997
Methodist Church Fund	78,330	-	-	-	78,330	72,146
Contributions to District Advance Fund	-	32,121	-	-	32,121	35,959
United Reformed Church assessments	39,450	-	-	-	39,450	39,283
Connexional Property Fund levy	-	-	-	-	-	-
	<u>132,930</u>	<u>32,121</u>	<u>-</u>	<u>-</u>	<u>165,051</u>	<u>159,385</u>

**BASINGSTOKE & READING METHODIST CIRCUIT**  
**NOTES FORMING PART OF THE FINANCIAL STATEMENTS**  
*For the year ended 31 August 2018 (cont'd.)*

**7 MANSE RUNNING COSTS**

	Unrestricted Funds		Restricted Funds	Endowment Funds	Total 2018	Total 2017
	General Funds	Designated Funds	Funds	Funds	£	£
	£	£	£	£		
Insurance & utilities	-	28,968	-	-	28,968	29,572
Rent payable	-	2,500	-	-	2,500	-
Repairs and maintenance	-	77,412	1,081	-	78,493	25,298
	-	108,880	1,081	-	109,961	54,870

**8 ADMINISTRATION AND TRAVEL**

	Unrestricted Funds		Restricted Funds	Endowment Funds	Total 2018	Total 2017
	General Funds	Designated Funds	Funds	Funds	£	£
	£	£	£	£		
Telephone costs	5,838	-	-	-	5,838	5,631
Administrative expenses	6,653	-	-	-	6,653	3,691
Publications	2,439	-	-	-	2,439	1,698
Circuit office rent	3,600	-	-	-	3,600	3,600
Travel expenses	19,807	-	-	-	19,807	18,567
	38,337	-	-	-	38,337	33,187

**9 OTHER OUTGOINGS**

	Unrestricted Funds		Restricted Funds	Endowment Funds	Total 2018	Total 2017
	General Funds	Designated Funds	Funds	Funds	£	£
	£	£	£	£		
Depreciation	-	-	-	-	-	-
Audit fees	7,200	-	-	-	7,200	8,450
Professional expenses	576	13,195	-	-	13,771	9,549
Internal organisations	-	-	207	-	207	242
Other expenditure	10,024	1,713	3,095	-	14,832	8,998
	17,800	14,908	3,302	-	36,010	27,239

**10 GRANTS AND DONATIONS**

The following grants were agreed and/or paid during the year and charged to the funds concerned (see Notes 19 - 21). Associated support costs are insignificant and have not been disclosed separately

	Paid	Provided	Total 2018	Total 2017
	£	£	£	£
<b>General funds (unrestricted)</b>				
Reading University Chaplaincy	500	-	500	-
Grants paid to external organisations in prior year	-	-	-	275
Tilehurst Methodist Church, from Mission Grant Scheme towards funding for lay employee (see Note 2)	-	-	-	50,000
	500	-	500	50,275
<b>Designated funds (unrestricted)</b>				
Kentwood Fund				
Tadley Common Methodist Church, roof repairs	500	-	500	-
Caversham Methodist Churches, loneliness project	510	-	510	-
Oakridge Methodist Church re Old Basing Carnival	109	-	109	-
Grants paid in prior year to other churches	-	-	-	4,500
Model Trust Fund				
Wesley Methodist Church, towards repairs to spire	-	-	-	15,000
	1,119	-	1,119	19,500
<b>Benevolence fund (restricted)</b>				
Payments	296	-	296	-
	1,915	-	1,915	69,775



## BASINGSTOKE & READING METHODIST CIRCUIT

### NOTES FORMING PART OF THE FINANCIAL STATEMENTS

*For the year ended 31 August 2018 (cont'd.)*

#### 11 VOLUNTEER CONTRIBUTIONS

The Circuit is heavily reliant on volunteers who contribute their skills and time in the furtherance of the work of the Circuit. Principally this contribution is by serving as circuit and manse stewards and serving on groups that plan circuit events and meetings, support the Circuit's safeguarding work and the Circuit's Strategic Executive Group.

No attempt has been made by the Trustees to value the non monetary contributions made by volunteers in monetary terms.

#### 12 PAYMENTS TO TRUSTEES

Several of the Circuit staff are also trustees of the Circuit. The ministers are paid stipends and travel expenses at the rates agreed annually by the Methodist Conference. The lay employees who are Trustees are paid in line with the principles of the Methodist Church's policy for payment of lay employees. The ministers Rev'ds Shaw, Jenkins, Dowding, Moffoot and Midcalf and Deacons Maria Howard and Marlene Skuce and the lay employees Tracey Darling, Mary Ludlow, Angela Slark and Marion Young received stipend and salary payments of £188,237 (2017: £183,179).

Some of the members of the Circuit meeting have received payments from the Circuit in their capacity as manse or property stewards where they have either carried out maintenance work at manses rather than employing a contractor or incurred expenses connected with their role. Other members of the Circuit meeting have been employed as a contractor in connection with their trade or business. These amounted to £5,290 during the year (2017: £1,900).

Expenses paid to members of the Circuit meeting were as follows:

	2018	2017
	£	£
Travel expenses	15,233	16,184
Pulpit supply costs	3,800	4,365
Manse expenses reimbursed	1,388	4,155
Administration and other ministry expenses reimbursed	1,914	4,783
	<u>17</u>	<u>24</u>
Number of trustees who were paid expenses		



**BASINGSTOKE & READING METHODIST CIRCUIT**  
**NOTES FORMING PART OF THE FINANCIAL STATEMENTS**  
*For the year ended 31 August 2017 (cont'd.)*

**13 PENSIONS**

The ministers belong to the Methodist Ministers' Pension Scheme. This is a defined benefit scheme. The Circuit pays a contribution of 26.95% of stipend to the scheme. It is not possible to identify the Circuit's share of assets and liabilities. The results of the latest actuarial valuation which was carried out on 1 September 2014, assuming that the Scheme continues into the future, were as follows:

	<u>2014</u>	<u>2011</u>
	<u>£'m</u>	<u>£'m</u>
Target level of assets	424	355.9
Actual value of assets	384	297.5
Shortfall in assets	40	58.4
Funding level	90.60%	83.60%

In light of the valuation results, a recovery plan was agreed which was designed to eliminate the shortfall over a period of 6 years 4 months from 1 September 2014 (i.e. by 31 December 2020). Contributions of 14% of stipends remuneration continue to be paid to eliminate the shortfall. Circuits are paying total contributions of 26.9% of stipends remuneration from 1 September 2013.

The Circuit belongs to a multi-employer defined contribution pension scheme operated by The Pensions Trust which is offered to lay employees. The Circuit matches their contributions to the scheme up to 10% of pay.

In line with FRS102 28.38, there is no contractual agreement and therefore the cost recognised is equal to the contributions payable for the period.

**14 TANGIBLE FIXED ASSETS**

	<u>Land</u>	<u>Buildings</u>	<u>Total</u>
	<u>£</u>	<u>£</u>	<u>£</u>
<b>Valuation</b>			
At 1 September 2017	1,130,000	2,260,000	3,390,000
Revaluation deficit	(35,000)	(55,000)	(90,000)
At 31 August 2018	<u>1,095,000</u>	<u>2,205,000</u>	<u>3,300,000</u>
<b>Depreciation</b>			
At 1 September 2017	-	-	-
Provision for the year	-	-	-
At 31 August 2018	<u>-</u>	<u>-</u>	<u>-</u>
<b>Net Book Value</b>			
At 1 September 2017	1,130,000	2,260,000	3,390,000
At 31 August 2018	<u>1,095,000</u>	<u>2,205,000</u>	<u>3,300,000</u>

The manses were revalued by the trustees at 31 August 2018, following a professional valuation for accounts purposes at 31 August 2018 by Haslams, Chartered Surveyors. The historical value of the land and buildings if they had not been revalued was £2,941,004.

**15 INVESTMENT PROPERTIES**

	<u>Land</u>	<u>Buildings</u>	<u>Total</u>
	<u>£</u>	<u>£</u>	<u>£</u>
<b>Valuation</b>			
At 1 September 2017	759,000	1,516,000	2,275,000
Revaluation deficit	(20,515)	(27,080)	(47,595)
At 31 August 2018	<u>738,485</u>	<u>1,488,920</u>	<u>2,227,405</u>

The manses were revalued by the trustees at 31 August 2018, following a professional valuation for accounts purposes at 31 August 2018 by Haslams, Chartered Surveyors. The historical value of the land and buildings if they had not been revalued was £1,546,000.

**BASINGSTOKE & READING METHODIST CIRCUIT**  
**NOTES FORMING PART OF THE FINANCIAL STATEMENTS**  
*For the year ended 31 August 2018 (cont'd.)*

<b>16 INVESTMENTS</b>	<b>2018</b>	<b>2017</b>
	<b>£</b>	<b>£</b>
Balance at 1 September 2017	332,394	306,967
Additions	31,776	7,449
Disposals	(33,706)	(3,907)
Accrued income	-	11
Unrealised gains	12,490	21,874
	<u>342,954</u>	<u>332,394</u>
Cash held	607,258	637,474
<b>Balance at 31 August 2018</b>	<b><u>950,212</u></b>	<b><u>969,868</u></b>

**Analysis of investments**

Investments listed on a recognised Stock Exchange or held in common investment funds, unit trusts or other collective investment schemes

Other investments

Circuit Model Trust cash holdings

342,954	332,394
92,399	92,527
514,859	544,947
<u>950,212</u>	<u>969,868</u>

<b>17 DEBTORS</b>	<b>2018</b>	<b>2017</b>
	<b>£</b>	<b>£</b>
Sundry debtors	2,787	1,872
Stipends paid in advance	19,775	16,848
Prepayments	12,777	12,117
	<u>35,339</u>	<u>30,837</u>

<b>18 CREDITORS</b>	<b>2018</b>	<b>2017</b>
	<b>£</b>	<b>£</b>
Assessments	36,689	37,658
Other creditors	8,063	10,143
Grants payable (see Note 10)	50,000	54,000
Accruals	64,404	9,763
	<u>159,156</u>	<u>111,564</u>

<b>19 ANALYSIS OF NET ASSETS BETWEEN FUNDS</b>	<b>Fixed Assets</b>	<b>Investment Property</b>	<b>Other Investments</b>	<b>Current Assets (net)</b>	<b>Total</b>
	<b>£</b>	<b>£</b>	<b>£</b>	<b>£</b>	<b>£</b>
<b>Funds, year ended 31 August 2018</b>					
Endowment funds	-	-	231,265	-	231,265
Restricted funds	-	-	204,088	7,799	211,887
Unrestricted funds	3,300,000	2,227,405	514,859	253,665	6,295,929
	<u>3,300,000</u>	<u>2,227,405</u>	<u>950,212</u>	<u>261,464</u>	<u>6,739,081</u>
<b>Funds, year ended 31 August 2017</b>					
Endowment funds	-	-	227,160	-	227,160
Restricted funds	-	-	197,761	12,381	210,142
Unrestricted funds	3,390,000	2,275,000	544,947	293,715	6,503,662
	<u>3,390,000</u>	<u>2,275,000</u>	<u>969,868</u>	<u>306,096</u>	<u>6,940,964</u>

**BASINGSTOKE & READING METHODIST CIRCUIT**  
**NOTES FORMING PART OF THE FINANCIAL STATEMENTS**  
*For the year ended 31 August 2018 (cont'd.)*

**20 ENDOWMENT FUNDS**

	Opening balances £	Net income or expenditure(-) £	Investment Gains/Losses £	Transfers £	Closing balances £
<b>Movements in year ended 31 August 2018</b>					
Arthur Newbery Trust 5446 (Trustees Investment Fund: TIF)	359	-	-	-	359
Arthur Newbery Trust 4345 (TIF)	30,080	122	-	-	30,202
Arthur Newbery Trust 4763 (Methodist Managed Mixed Funds & TIF)	82,246	-	3,489	-	85,735
Arthur Newbery Trust 5447 (TIF)	337	-	-	-	337
Arthur Newbery Trust 3669 (TIF)	9,374	38	-	-	9,412
AJ Briggs Trust (managed by Lloyds Bank Private Banking)	104,764	(2,341)	2,797	-	105,220
	<u>227,160</u>	<u>(2,181)</u>	<u>6,286</u>	<u>-</u>	<u>231,265</u>
<b>Movements in year ended 31 August 2017</b>					
Arthur Newbery Trust 5446 (Trustees Investment Fund: TIF)	359	-	-	-	359
Arthur Newbery Trust 4345 (TIF)	29,946	134	-	-	30,080
Arthur Newbery Trust 4763 (Methodist Managed Mixed Funds & TIF)	76,795	-	5,451	-	82,246
Arthur Newbery Trust 5447 (TIF)	337	-	-	-	337
Arthur Newbery Trust 3669 (TIF)	9,330	44	-	-	9,374
AJ Briggs Trust (managed by Lloyds Bank Private Banking)	99,737	(1,707)	6,734	-	104,764
	<u>216,504</u>	<u>(1,529)</u>	<u>12,185</u>	<u>-</u>	<u>227,160</u>

The investment income generated by funds 5446, 4763 and 3669 is used to fund the Circuit's day to day running costs. The investment income generated by funds 4345 and 3669 is held in the fund. The income generated by the AJ Briggs Trust is used to fund ministry in

**21 RESTRICTED FUNDS**

	£	£	£	£	£
<b>Movements in year ended 31 August 2018</b>					
Internal organisation - Network	107	(107)			-
Benevolence fund	4,401	(297)			4,104
George Henry Webb Bequest (to fund training and development)	275	(275)			-
Retford Close manse repairs	1,081	(1,081)			-
Edith Bailey Bequest (supporting people)	10,664	43			10,707
Arthur Newbery Trust (financing capital schemes in the Circuit)	187,100	77	6,203		193,380
Fund for the Worker with the Deaf	4,389	(695)			3,694
Circuit Youth Fund	2,125	(2,125)			-
	<u>210,142</u>	<u>(4,460)</u>	<u>6,203</u>	<u>0</u>	<u>211,885</u>
<b>Movements in year ended 31 August 2017</b>					
Internal organisation - Network	270	(163)	-	-	107
Benevolence fund	4,431	(30)	-	-	4,401
George Henry Webb Bequest (to fund training and development)	275	-	-	-	275
Retford Close manse repairs	3,815	(2,734)	-	-	1,081
Edith Bailey Bequest (supporting people)	10,616	48	-	-	10,664
Arthur Newbery Trust (financing capital schemes in the Circuit)	177,305	106	9,689	-	187,100
Fund for the Worker with the Deaf	5,019	(630)	-	-	4,389
Wootton and North Waltham Fund (for youth activities)	1,622	-	-	(1,622)	-
Circuit Youth Fund	503	-	-	1,622	2,125
	<u>203,856</u>	<u>(3,403)</u>	<u>9,689</u>	<u>0</u>	<u>210,142</u>

The Network funds are those held by the Basingstoke and Reading Women's Network. The Benevolence Fund is held by the Circuit to support individuals in need. The Retford Close manse repairs fund was for repairs to that property. The George Henry Webb Bequest was to be used to fund training and development activities. The Edith Bailey Bequest is to be used to support individuals in need. The Arthur Newbery Trust is available to fund capital schemes. The Fund for the Worker with the Deaf reserve contributes towards the cost of this post.

**BASINGSTOKE & READING METHODIST CIRCUIT**  
**NOTES FORMING PART OF THE FINANCIAL STATEMENTS**  
*For the year ended 31 August 2018 (cont'd.)*

**22 UNRESTRICTED FUNDS**

	Opening balances £	Net income or expenditure(-) £	Investment Gains/Losses £	Transfers £	Closing balances £
<b>Movements in year ended 31 August 2018</b>					
General fund (day to day running costs)	187,983	18,330	-	(35,000)	171,313
<b>Designated Funds:</b>					
Manse Maintenance fund	72,795	(57,261)	-	35,000	50,534
Manses capital (value of manses)	5,665,000	-	(137,595)	-	5,527,405
Circuit development fund (training, outreach, small projects)	11,747	-	-	-	11,747
Kentwood Fund (grants for buildings projects)	21,190	(1,119)	-	-	20,071
Circuit Model Trust fund	544,947	(30,088)	-	-	514,859
	<u>6,503,662</u>	<u>(70,138)</u>	<u>(137,595)</u>	<u>-</u>	<u>6,295,929</u>
<b>Movements in year ended 31 August 2017</b>					
General fund (day to day running costs)	215,509	(27,526)	-	-	187,983
<b>Designated Funds:</b>					
Manse Maintenance fund	65,090	7,705	-	-	72,795
Manses capital (value of manses) - restated	4,985,600	244,500	434,900	-	5,665,000
Circuit development fund (training, outreach, small projects)	11,747	-	-	-	11,747
Kentwood Fund (grants for buildings projects)	21,947	(4,500)	-	3,743	21,190
North Wamborough transferred funds	3,693	50	-	(3,743)	-
Circuit Model Trust fund	596,116	(51,169)	-	-	544,947
	<u>5,899,702</u>	<u>169,060</u>	<u>434,900</u>	<u>-</u>	<u>6,503,662</u>

**23 TRANSFERS BETWEEN FUNDS**

The transfers between funds represent the amalgamation of funds with similar objectives and offsetting depreciation on manses.

**24 AGENCY COLLECTIONS AND PAYMENTS**

The Circuit acted as agent in either the collection or facilitation of the monies tabulated below. None of these collections were for related parties as defined in Note 1 and do not appear elsewhere in these accounts.

	<u>Receipts</u> £	<u>Payments</u> £	<u>Balance 31 August 2018</u> £
Methodist Connexional Funds			
Methodist Church Fund	7,485	7,485	-
Funds for: Property	3,649	3,649	-
Mission in Britain	5,176	5,176	-
World Missions	5,116	5,116	-
Presbyters & Deacons	600	600	-
Methodist Homes for the Aged	398	398	-
All We Can	300	300	-
Methodist Ministers' Housing Society	1,162	1,162	-
Leaders of Worship & Preachers' Trust	100	100	-
Leprosy Mission	490	490	-
	<u>24,476</u>	<u>24,476</u>	<u>-</u>

**BASINGSTOKE & READING METHODIST CIRCUIT**  
**NOTES FORMING PART OF THE FINANCIAL STATEMENTS**  
*For the year ended 31 August 2018 (cont'd.)*

**25 RECONCILIATION OF NET (OUTGOING)/ INCOMING RESOURCES TO NET CASH INFLOWS FROM OPERATIONS**

	<b>2018</b>	<b>2017</b>
	<b>£</b>	<b>£</b>
Net movement in funds	(111,883)	186,002
(Gains)/losses on investments		
Investment properties	47,595	(244,500)
Other investments	(12,490)	(21,874)
Investment income and rent from investments	(75,713)	(74,650)
Loss/(profit) on sale of fixed assets	-	-
(Increase)/decrease in debtors	(4,502)	366
Increase/(decrease) in creditors	47,592	62,122
<b>Net cash used in operating activities</b>	<u>(109,401)</u>	<u>(92,534)</u>
<b>Analysis of cash and cash equivalents</b>		
CFB deposits	375,774	368,791
Cash at bank and in hand	9,507	18,032
<b>Net cash used in operating activities</b>	<u>385,281</u>	<u>386,823</u>