

**RICHMOND & HOUNSLOW METHODIST CHURCH CIRCUIT**  
**ANNUAL REPORT AND FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 AUGUST 2021**

# **RICHMOND & HOUNSLOW METHODIST CHURCH CIRCUIT**

## **LEGAL AND ADMINISTRATIVE INFORMATION**

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**Trustees** For full list of Trustees, see note 27

**Circuit Superintendent** Reverend G Farrar

**Charity number** 1134245

**Principal address** 13 Enmore Road  
London  
Middlesex  
United Kingdom  
SW15 6LL

**Auditor** Azets Audit Services  
Trinity Court  
34 West Street  
Sutton  
Surrey  
United Kingdom  
SM1 1SH

**Bankers** HSBC Bank PLC  
8 Victoria Street  
London  
United Kingdom  
SW1H 0NJ

Central Finance Board of the Methodist Church (CFB)  
9 Bonhill Street  
London  
United Kingdom  
EC2A 4PE

CAF Bank Limited (Charities Aid Foundation Bank)  
25 Kings Hill Avenue  
West Malling  
Kent  
United Kingdom  
ME19 4JQ

**Investment advisors** The Trustees for Methodist Church Purposes  
Central Buildings  
Oldham Street  
Manchester  
M1 1JQ  
United Kingdom

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# **RICHMOND & HOUNSLOW METHODIST CHURCH CIRCUIT**

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# **RICHMOND & HOUNSLOW METHODIST CHURCH CIRCUIT**

## **TRUSTEES' REPORT**

### ***FOR THE YEAR ENDED 31 AUGUST 2021***

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The trustees present their report and financial statements for the year ended 31 August 2021.

The accounts have been prepared in accordance with the accounting policies set out in note 1 to the accounts and comply with the charity's governing document, the Charities Act 2011 and the 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 from 1 January 2019.

#### **Objectives and activities**

The Richmond and Hounslow Circuit operates as part of the Methodist Church of Great Britain, whose mission is 'to respond to the gospel of God's love in Christ and to live out its discipleship in worship and mission'. The Circuit's specific calling is to facilitate and support the eight local Methodist Churches in its area as they respond to that call, through responsible stewardship and effective oversight of its resources physical and material, it seeks to enable those local congregations to increase the awareness of God's presence and celebrate God's love helping them to grow and learn through mutual support and care, enabling them to be a good neighbour to people in need and to challenge injustice.

The circuit supports the provision of high quality worship in all churches on Sundays and at other times continuing to support preachers in the circuit facilitating continuing development opportunities and actively encouraging all church members to pursue their vocations.

The circuit has ensured that the highest standards of Safeguarding for children and vulnerable adults have been maintained across the circuit. The circuit has monitored the provision of pastoral care across the Circuit.

The Reverend Geoffrey Farrer applied to extend his term with the circuit for another five years. This was accepted and ratified at the July circuit meeting. The Reverend Claudia Lupi decided not to extend her term which is due to finish in July 2022. The Children's and Youth Leader resigned and left in May 2021.

Again, the year has been challenging due to covid restrictions and lockdown in December. The circuit has supported discipleship work in our churches encouraging fellowship groups and other teaching. It has been able to maintain a high standard of worship during the months we were able to reopen and nearly all our churches were able to open within the Covid guidelines. Help was given to meet the changing government guidelines in order to do this. Support, services and teaching online and via email and telephone contact were also provided, A monthly Circuit magazine was produced to help us all remain connected and those members who do not have internet access were written to once a fortnight. There was in addition weekly Sunday worship on zoom and later YouTube. On Sunday evenings a zoom Bible study met and once a month the ecumenical group now rebranded 'Theology in the Pub' met. A weekly coffee morning also met on zoom plus a weekly Bible Fellowship throughout September until July.

When physical worship was banned, ministers and stewards organised online ministry which reached large numbers, including overseas and opportunity was undertaken by some churches to carry out repairs and maintenance on the buildings. While singing was banned in doors some churches began a new witness of hymn singing in the outside grounds of the church. In these ways and in others we have endeavoured to keep connected as a circuit during the pandemic.

# **RICHMOND & HOUNSLOW METHODIST CHURCH CIRCUIT**

## **TRUSTEES' REPORT (CONTINUED)**

### ***FOR THE YEAR ENDED 31 AUGUST 2021***

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The objective of the circuit is to provide administration services, pastoral and spiritual leadership including supporting their outreach work within their local communities and every attempt was made to continue this appropriately during covid restrictions. Outreach work is an important part of church life. Two churches are part of ecumenical projects working with the homeless over the winter, but this unfortunately had to be put on hold due to Covid restrictions. One of our churches was able to continue providing practical and spiritual help to the homeless on the streets in Richmond.

Other community projects when allowed to start included a Toddlers group offering support to children and families, an open coffee morning online, when the buildings were allowed to re-open the Meditation Group attracted new members. There was an exciting community project planned to reach out to the elderly, and those with dementia which had to be put on hold because of covid however the work with vulnerable young people was able to continue either online or when permitted face to face. The circuit has monitored the provision of safeguarding across the circuit and members were regularly contacted by their pastoral group.

The circuit is also responsible with helping the wider community at home and abroad which it does through a variety of donations to various charities and good causes. We were requested to consider helping financially other circuits within the Methodist circuits who were struggling financially. A grant was given to Harlesden of £10,000 and a donation of £2,000 to Roehampton University's Hardship Fund for students.

Whitton Church after much prayer and deliberation closed. The congregation had faced many difficulties and struggled for various reasons and after resulting local discussions the hard decision was made to close. There was a service of thanksgiving in July and the members transferred to another church and were given pastoral support throughout. Roehampton Church had also been struggling for several years and the proposal was made that the church would form a Class with Putney giving it the extra support that was required.

During this year the Deacon living and working on the Alton Estate continued to foster relationships with the local community through face-to-face interaction and via virtual means as covid restrictions have allowed. At Christmas because of covid, group carol singing was prevented however, the deacon and a member of the congregation were able to sing carols in a group of two around the estate.

Work has continued since lockdown to ensure the church is more frequently used. The church remained closed for much of this period, but the congregation were ministered to via telephone and in-person and walks to the park, thus continuing the spiritual and emotional support to those isolated by the lack of internet access. The 60+ café opened in July and operates weekly out of the church. The deacon attends as often as possible to offer support and encourage those isolated to regain their confidence in social situations.

The deacon is an active member of the governing board of the local Church of England primary school providing faith support. She also led the school in collective worship and is the SEND governor.

The deacon remained an active member on various community groups, being vice-chairman of the Roehampton Partnership which campaigns on behalf of the people of Roehampton to ensure their interest are taken into consideration.

She attended Safer Neighbourhood meetings with the police and other council departments. There have also been meetings bringing together various community groups as there is a desire to improve the sense of community on the estate. The Deacon is fully involved in these discussions and was a member of the steering committee of the Roehampton Community week which organised and funded a variety of projects throughout the year that enhance the environment, renovate public spaces, encouraging the arts, working with people of all ages and cultural backgrounds to improve their physical and mental health. There was a regular zoom group and women's network. The deacon organised events such as litter picking, crafting, self-defence and environmental awareness.

The Men's shed has expanded out of the garage and become the Roehampton Shed. All the initiatives are from a Christian point of view that believes all are made in God's image and that all creation should flourish.

# **RICHMOND & HOUNSLOW METHODIST CHURCH CIRCUIT**

## **TRUSTEES' REPORT (CONTINUED)**

### ***FOR THE YEAR ENDED 31 AUGUST 2021***

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The Children and Youth Leader was employed by the circuit in July 2017 to promote youth work within the Circuit with specific duties working as Coordinator at CEDARS Circuit Youth Project and Hounslow Methodist Church.

At Cedars most of the year was in lockdown, however virtual stand-ins for youth clubs with activities and challenges each week was put in place. There was a brief period when the youth club was able to re-open. When the youth club re-opened there was a higher demand than before and sadly because of government guidelines not all were able to be accommodated but those that could not will be reconnected later. Around 80% of the young people at Chiswick were welcomed back with club nights on Mondays and Wednesdays running through half-term. In February 2021 a new initiative was started called 'Fun in 40' which were 40 minutes of Cedars zoom sessions, the uptake for this was positive. All the work has complied with the government guidelines. The youth club at Roehampton struggled to re-open but contact was made with the young people.

Funding for the posts come from Circuit funds, grant funding, the District Advance Fund of the Methodist Church, plus a grant from The Putney United Gospel Temperance Society, we are very grateful to these organisations. All CEDARS groups are also supported by other volunteers for whom we are indebted.

THE CEDARS group closed as a Circuit project at the end of the year and the funds were transferred to the two churches who will now operate the project.

Manses were continued to be monitored throughout the year and all necessary repairs undertaken.

Circuit Property was maintained, and it was ensured that the buildings were Covid safe and were kept up to date with the most recent guidelines from the Methodist Church and the Government. The completion and regular review of risk assessments were carried out and individual churches appointed a representative to ensure this work was carried out with the trustees in each church ultimately responsible. Support was given to the churches and there were several zoom meetings.

A Lay Circuit Administrator continues to be employed to provide administrative services and support to the ministers and the circuit, in the development of planned projects, to aid ministry within the churches of the Circuit and to support the work of the Methodist Church as a whole, including keeping the Circuit informed of Connexional matters. She played a large role during lockdown, helping to sort out online worship and setting up a system for communication with those who did not have computer access. She also contributed to putting in place advice for safe worshipping.

We were very fortunate that the circuit had two people who were expert in online technology, and we are very grateful to them for their expertise and the time they put in to make online worship and communication so successful.

The Circuit has a small, dedicated number of Local Preachers including one in training. They meet regularly for fellowship, mutual support and study.

The Richmond and Hounslow Methodist Circuit relies on a large amount of time and effort from volunteers, who offer a variety of services which are unpaid. The charity would like to place on record its thanks to these volunteers without whose support it could not operate. It is impossible to estimate the value of these donated services.

The trustees have paid due regard to guidance issued by the Charity Commission in deciding what activities the charity should undertake for public benefit.

### **Achievements and performance**

We have continued to provide quality leadership in worship on Sundays both in the churches which were able to open, and online both during lockdown and throughout for those who were unable to attend in person. This has been very successful and reached out to many people including some who are overseas.

# **RICHMOND & HOUNSLOW METHODIST CHURCH CIRCUIT**

## **TRUSTEES' REPORT (CONTINUED)**

***FOR THE YEAR ENDED 31 AUGUST 2021***

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The Deacon has continued successful relationships with many who had multiple problems on an individual basis. It is difficult to make any objective measurement of the impact she had, but her input in this is very valued. The contact with local schools has continued as did the links with Holy Trinity and the combined joint projects for the Churches, and work with the elderly and youth. She continued to maintain contact and support during lockdown including successful involvement in community projects.

The CEDARS Circuit Youth Project based at Chiswick Methodist Church continues to provide activities and support for vulnerable young people (7-18 years old) in the provision of a junior Youth Club. The youth club here has thrived both when they were able to meet in person and with on-line activities. Good links have continued with Holy Trinity School and the Children & Youth Leader regularly attends school events

The Circuit Administrator has continued in her work including taking on the eventual selling of Whitton Church. She has continued to be involved with the development of Brentford Methodist Church with Centrepont which is a project to provide residence for 33 young people, occupancy being linked to full employment or apprenticeship and support given to them throughout. Meetings via zoom have taken place and considerable progress has been made. The circuit Administrator has supported the circuit leaders and the Treasurer, contributing to online worship, and setting up communication with those who did not have computer access. We are very grateful for all the work she has done.

Overall, the circuit has achieved its objectives for this year and is satisfied with the performance within the circuit.

### **Financial review**

Overall, the Balance Sheet of the Richmond and Hounslow Methodist Circuit is in a good position as a result of the sale of Twickenham Church and acquisition of the Brentford and Whitton Churches.

Current assets still exceed current liabilities of the Circuit. There is approximately £286,480 (2020: £221,886) in liquid assets and this consists of cash held in current and deposit accounts.

The assets of the Methodist Circuit are spread between bank balances and investment funds held by the Central Finance Board. The assets held by the Central Finance Board are invested in line with the general principles of the Methodist Church of Great Britain.

Grants are made from time to time to member churches in the Richmond and Hounslow Methodist Circuit for essential and usually unexpected repairs or for special renovations.

Grants of £20,000 were made to three churches, and £10,000 to one church to enable projects to provide for the mission of the churches. A grant of £20,000 was made to one church to help with the replacement of their roof. Also, a grant of £10,000 was given to Harlesden Circuit to assist with manse repairs. To enable churches to have special reopening's after Covid a grant of £500 was given to each of the six churches within the Circuit.

The decrease in the value of investments during the year of £316,327 (2020: increase of £1,112,594) is a combination of grants paid, transfers out for Urban Mission purposes, support of personnel serving the circuit and replenishment of the General Fund and manse refurbishment.

# **RICHMOND & HOUNSLOW METHODIST CHURCH CIRCUIT**

## **TRUSTEES' REPORT (CONTINUED)**

### ***FOR THE YEAR ENDED 31 AUGUST 2021***

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#### **Risk Management**

The Leadership Meeting regularly reviews the potential risks for the Richmond and Hounslow Methodist Circuit and has identified the following key issues:

- Declining membership leaving some churches with only a small number of ageing members.
- Declining membership means declining income;
- Declining interest of the CMTF due to Covid;
- The possibility of equalisation of CMTF across Methodist congregations nationally;
- The possibility of a fall in the value of CMTF investments;
- Major damage to a manse not fully covered by insurance. This is not considered likely;
- Legal action. This is not considered likely.

#### **Reserves policy**

The policy covers all funds held by the Circuit Meeting as charity trustees. Our reserves policy relates to our general funds which are available to be used for any or all of the purposes of the Richmond and Hounslow Methodist Circuit. The Circuit Model Trust Fund is also included for sake of clarity and openness and to show that the Circuit has a policy for the management of all its money and not just those which are defined as reserves.

The reserves policy for this fund is to hold at least six months expenditure in reserves; an amount of approximately £269,418 (which excludes the extensive refurbishment costs of the manses and churches). The General Fund, Circuit Surplus Fund and Designated fund combined total £193,365 (2020: £164,300). The balance in the Circuit Model Trust Fund is £828,119 (2020: £1,189,197). This fund is derived from the sales of churches and manses (less any levy on the proceeds) and used to be restricted by the Conference. The restriction is an internal regulation though the fund can be used for a variety of purposes.

It is intended (with Conference approval) to continue to use this fund to:

- support missions within the Richmond and Hounslow Methodist Circuit (currently approximately £26,900 per year). However, for the next two £79,400 is being set aside for the Urban Mission fund. £60,000 has also been set aside for grants to the churches for mission projects. Support for Cedars and Children and family worker approximately £48,250. A grant of £41,352 to the churches towards the assessments for 2021/22.

- support significant manse maintenance (e.g. major roof repairs)
- support church communities for significant expenditure which they are unable to fund from within their own resources.

It is therefore important that the fund is retained at approximately its current level to:

- provide enough interest to support mission projects, including lay workers;
- provide enough interest to support major manse maintenance
- provide capital to enable non-recurring grants to be made to church communities
- provide capital to enable non-recurring grants to be made to relevant activities associated with mission;
- provide a contribution to the District Advance Fund

#### **Aims**

The aim is twofold:

1. To secure and sustain the Circuit's viability and future;
2. To give reassurance to the general public that the Circuit intends to use all the money coming into its care for the purposes of the charity.



# **RICHMOND & HOUNSLOW METHODIST CHURCH CIRCUIT**

## **TRUSTEES' REPORT (CONTINUED)**

***FOR THE YEAR ENDED 31 AUGUST 2021***

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### **Mission Policy**

Essentially the Circuit mission is to provide:

1. The ministerial oversight and pastoral care of the churches in the Circuit;
2. Support ecumenical initiatives where appropriate;
3. Support the ministerial team including lay workers where appropriate;
4. Maintain the Circuit manses
5. Deal with administrative matters covering the Circuit as a whole.
6. Support community projects and outreach initiatives when appropriate.

### **Financial Plans**

A budget is prepared annually and draft assessments prepared to provide balanced income and expenditure for the year. This is discussed at a meeting of Church Treasurers and the final budget presented for approval to the Circuit Meeting.

A designated fund of £44,251 is held to enable urgent and planned major repairs and refurbishment to be carried out immediately by the Manses Committee, in agreement with the Leadership Team. To provide for costs relating to the management of Brentford Church, training and related grants to churches. This is reviewed annually. We hope to maintain the manses in a suitable condition as per Methodist Church guidelines. Major expenditure is covered from interest or capital from the Circuit Model Trust Fund if approval is received from the Central Finance Board of the Methodist Church.

The Circuit must ensure that it has sufficient resources to meet its financial obligations to support ministers, administer the Circuit and maintain manses. The total expenses (restricted and unrestricted) for 2020-21 amounted to approximately £538,835 (2020: £343,830). Most of this is supported from the contribution of churches within the Circuit, investment income including rental income, grants and donations.

The trustees have assessed the major risks to which the charity is exposed, and are satisfied that systems are in place to mitigate exposure to the major risks.

### **Structure, governance and management**

The charity was established by a charitable trust deed on 10th February 2010. The charity's governing documents are the Deed of Union (1932) and the Methodist Church Act (1976).

The trust is constituted under the standing orders of the Methodist Church nos. 500-575. The standing orders set out the way in which trustees are appointed.

The trustees who served the charity during the year are listed in the notes to these accounts.

The managing trustees at the date of this report are the members of the Circuit Meeting of the Richmond and Hounslow Methodist Circuit. These comprise all Circuit Officers (stewards, treasurer, secretaries, superintendent minister, ministers) and representatives from each of the churches. As such, the trustees receive no formal training, but decision making is not vested in a small number of people.

The Richmond and Hounslow Methodist Circuit is an association of churches grouped together in a geographical area. Ordained Ministers and Presbyters are appointed to serve the circuit. The Superintendent Minister is responsible for the work of all the churches in the circuit.

# **RICHMOND & HOUNSLOW METHODIST CHURCH CIRCUIT**

## **TRUSTEES' REPORT (CONTINUED)**

***FOR THE YEAR ENDED 31 AUGUST 2021***

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### **Plans for the future**

With the departure of the Reverend Claudia Lupi from Richmond and Barnes, Richmond according to the LEP regulation will now seek to have a United Reformed Church minister. It has been proposed that the circuit enters the stationing process seeking an appointment of a full-time presbyter with pastoral oversight at Richmond and Barnes plus a pioneering role in both these neighbourhoods.

With the resignation of the Youth worker in May it is proposed to employ a Youth and Family worker at Putney and Roehampton in a new role.

It is also proposed to appoint a Lay Pastor at Chiswick to undertake and develop work there.

With the sale of Whitton, the circuit continues its plans in developing a vision whereby the financial gain when the church is sold, can be put to good use particularly in developing mission and outreach services.

We intend to continue our work with Centre Point to develop the Brentford Methodist Church. A circuit vision day has been planned for next year to consider and consolidate our plans.

The Trustees intend to operate the Richmond and Hounslow Methodist Circuit in a similar manner for the foreseeable future.

### **Statement of trustees' responsibilities**

The trustees are responsible for preparing the Trustees' Report and the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

The law applicable to charities in England and Wales requires the trustees to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the charity and of the incoming resources and application of resources of the charity for that year.

In preparing these financial statements, the trustees are required to:

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in the Charities SORP;
- make judgements 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 in operation.

The trustees are responsible for keeping sufficient accounting records that 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, the Charity (Accounts and Reports) Regulations 2008 and the provisions of the trust deed. They are also responsible for safeguarding the assets of the charity and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

### **Auditor**

In accordance with the charity's articles, a resolution proposing that Azets Audit Services be reappointed as auditor of the charity will be put at a General Meeting.

# **RICHMOND & HOUNSLOW METHODIST CHURCH CIRCUIT**

## **TRUSTEES' REPORT (CONTINUED)**

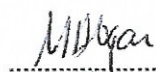
**FOR THE YEAR ENDED 31 AUGUST 2021**

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### **Disclosure of information to auditor**

Each of the trustees has confirmed that there is no information of which they are aware which is relevant to the audit, but of which the auditor is unaware. They have further confirmed that they have taken appropriate steps to identify such relevant information and to establish that the auditor is aware of such information.

The trustees' report was approved by the Board of Trustees.



Mrs M Logan

Trustee

Dated: 21/6/22



Reverend G Farrar

Trustee

Dated: 21/6/22

# **RICHMOND & HOUNSLOW METHODIST CHURCH CIRCUIT**

## **INDEPENDENT AUDITOR'S REPORT**

### **TO THE TRUSTEES OF RICHMOND & HOUNSLOW METHODIST CHURCH CIRCUIT**

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#### **Opinion**

We have audited the financial statements of Richmond & Hounslow Methodist Church Circuit (the 'charity') for the year ended 31 August 2021 which comprise the statement of financial activities, the balance sheet, the statement of cash flows and the 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 Financial Reporting Standard 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 2021 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.

#### **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 other 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 opinion.

#### **Conclusions relating to going concern**

In auditing the financial statements, we have concluded that the trustees' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the charity's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

Our responsibilities and the responsibilities of the trustees with respect to going concern are described in the relevant sections of this report.

#### **Other information**

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

In connection with our audit of the accounts, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the accounts 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 required to determine whether there is a material misstatement in the accounts 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.

# **RICHMOND & HOUNSLOW METHODIST CHURCH CIRCUIT**

## **INDEPENDENT AUDITOR'S REPORT (CONTINUED)**

### **TO THE TRUSTEES OF RICHMOND & HOUNSLOW METHODIST CHURCH CIRCUIT**

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

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

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

#### **Responsibilities of trustees**

As explained more fully in the Statement of Trustees' Responsibilities, the trustees are responsible for the preparation of the accounts and for being satisfied that they give a true and fair view, and for such internal control as the directors determine is necessary to enable the preparation of accounts that are free from material misstatement, whether due to fraud or error.

In preparing the accounts, 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 cease operations, or have no realistic alternative but to do so.

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

We have been appointed as auditor under section 144 of the Charities Act 2011 and report in accordance with the Act and relevant regulations made or having effect thereunder.

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 is available on the Financial Reporting Council's website at: <https://www.frc.org.uk/auditorsresponsibilities>. This description forms part of our auditor's report.

# **RICHMOND & HOUNSLOW METHODIST CHURCH CIRCUIT**

## **INDEPENDENT AUDITOR'S REPORT (CONTINUED)**

### **TO THE TRUSTEES OF RICHMOND & HOUNSLOW METHODIST CHURCH CIRCUIT**

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#### **Extent to which the audit was considered capable of detecting irregularities, including fraud**

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above and on the Financial Reporting Council's website, to detect material misstatements in respect of irregularities, including fraud.

We obtain and update our understanding of the entity, its activities, its control environment, and likely future developments, including in relation to the legal and regulatory framework applicable and how the entity is complying with that framework. Based on this understanding, we identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. This includes consideration of the risk of acts by the entity that were contrary to applicable laws and regulations, including fraud.

In response to the risk of irregularities and non-compliance with laws and regulations, including fraud, we designed procedures which included:

- Enquiry of management and those charged with governance around actual and potential litigation and claims as well as actual, suspected and alleged fraud;
- Reviewing minutes of meetings of those charged with governance;
- Assessing the extent of compliance with the laws and regulations considered to have a direct material effect on the financial statements or the operations of the entity through enquiry and inspection;
- Reviewing financial statement disclosures and testing to supporting documentation to assess compliance with applicable laws and regulations;
- Performing audit work over the risk of management bias and override of controls, including testing of journal entries and other adjustments for appropriateness, evaluating the business rationale of significant transactions outside the normal course of business and reviewing accounting estimates for indicators of potential bias.

Because of the inherent limitations of an audit, there is a risk that we will not detect all irregularities, including those leading to a material misstatement in the financial statements or non-compliance with regulation. This risk increases the more that compliance with a law or regulation is removed from the events and transactions reflected in the financial statements, as we will be less likely to become aware of instances of non-compliance. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

#### **Other matters**

Your attention is drawn to the fact that the charity has prepared accounts 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) in preference to the Accounting and Reporting by Charities: Statement of Recommended Practice issued on 1 April 2005 which is referred to in the extant regulations but has now been withdrawn. This has been done in order for the accounts to provide a true and fair view in accordance with Generally Accepted Accounting Practice effective for reporting periods beginning on or after 1 January 2015.

# **RICHMOND & HOUNSLOW METHODIST CHURCH CIRCUIT**

## **INDEPENDENT AUDITOR'S REPORT (CONTINUED)**

### **TO THE TRUSTEES OF RICHMOND & HOUNSLOW METHODIST CHURCH CIRCUIT**

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This report is made solely to the charity's trustees, as a body, in accordance with part section 144 of the Charities Act 2011 and the 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 auditors' 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 the charity's trustees as a body, for our audit work, for this report, or for the opinions we have formed.

*Azets Audit Services*

**Sam Thomas (Senior Statutory Auditor)**  
**Azets Audit Services**

24/06/22

**Chartered Accountants**  
**Statutory Auditor**

Trinity Court, 34 West Street  
Sutton, Surrey, SM1 1SH

Azets Audit Services is eligible for appointment as auditor of the charity by virtue of its eligibility for appointment as auditor of a company under of section 1212 of the Companies Act 2006.

# RICHMOND & HOUNSLOW METHODIST CHURCH CIRCUIT

## STATEMENT OF FINANCIAL ACTIVITIES INCLUDING INCOME AND EXPENDITURE ACCOUNT

FOR THE YEAR ENDED 31 AUGUST 2021

	Notes	Unrestricted funds 2021 £	Designated funds 2021 £	Restricted funds 2021 £	Total 2021 £	Unrestricted funds 2020 £	Designated funds 2020 £	Restricted funds 2020 £	Total 2020 £
<b><u>Income and endowments from:</u></b>									
Donations	3	25	-	2,133	2,158	32	-	2,086	2,118
Charitable activities	4	195,890	-	37,600	233,490	156,599	-	41,400	197,999
Investments	5	17,005	-	29,887	46,892	18,477	-	34,785	53,262
Other income	6	20,466	-	1,000,203	1,020,669	43,375	-	1,611,588	1,654,963
<b>Total income</b>		233,386	-	1,069,823	1,303,209	218,483	-	1,689,859	1,908,342
<b><u>Expenditure on:</u></b>									
Raising funds	7	-	-	2,390	2,390	-	-	165	165
Charitable activities	8	256,787	-	279,658	536,445	257,318	-	86,347	343,665
<b>Total resources expended</b>		256,787	-	282,048	538,835	257,318	-	86,512	343,830
Net gains/(losses) on investments	13	-	-	250,503	250,503	-	-	118,178	118,178
<b>Net (outgoing)/incoming resources before transfers</b>		(23,401)	-	1,038,278	1,014,877	(38,835)	-	1,721,525	1,682,690



# RICHMOND & HOUNSLOW METHODIST CHURCH CIRCUIT

## STATEMENT OF FINANCIAL ACTIVITIES (CONTINUED) INCLUDING INCOME AND EXPENDITURE ACCOUNT

FOR THE YEAR ENDED 31 AUGUST 2021

<b>Net (outgoing)/incoming resources before transfers</b>	(23,401)	-	1,038,278	1,014,877	(38,835)	-	1,721,525	1,682,690
Gross transfers between funds	66,574	(14,399)	(52,175)	-	134,230	32,050	(166,280)	-
<b>Net incoming resources</b>	43,173	(14,399)	986,103	1,014,877	95,395	32,050	1,555,245	1,682,690
<b>Other recognised gains and losses</b>								
Revaluation of tangible fixed assets	-	-	257,000	257,000	-	-	225,000	225,000
<b>Net movement in funds</b>	43,173	(14,399)	1,243,103	1,271,877	95,395	32,050	1,780,245	1,907,690
Fund balances at 1 September 2020	102,406	58,650	8,985,315	9,146,371	7,011	26,600	7,205,070	7,238,681
<b>Fund balances at 31 August 2021</b>	145,579	44,251	10,228,418	10,418,248	102,406	58,650	8,985,315	9,146,371

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

All income and expenditure derive from continuing activities.


# RICHMOND & HOUNSLOW METHODIST CHURCH CIRCUIT

## BALANCE SHEET

AS AT 31 AUGUST 2021

	Notes	2021 £	£	2020 £	£
<b>Fixed assets</b>					
Tangible assets	14	4,232,000		3,975,000	
Investment properties	16	4,964,000		3,735,000	
Investments	15	878,560		1,194,887	
		<u>10,074,560</u>		<u>8,904,887</u>	
<b>Current assets</b>					
Debtors	17	171,472		91,881	
Cash at bank and in hand		286,480		221,886	
		<u>457,952</u>		<u>313,767</u>	
<b>Creditors: amounts falling due within one year</b>	18	<u>(114,264)</u>		<u>(72,283)</u>	
Net current assets			343,688		241,484
<b>Total assets less current liabilities</b>			<u>10,418,248</u>		<u>9,146,371</u>
<b>Income funds</b>					
General restricted funds		5,996,418		5,010,315	
Revaluation reserve		<u>4,232,000</u>		<u>3,975,000</u>	
	21		10,228,418		8,985,315
Designated funds			44,251		58,650
Unrestricted funds			<u>145,579</u>		<u>102,406</u>
			<u>10,418,248</u>		<u>9,146,371</u>

The financial statements were approved by the Trustees on 21/06/22 .....

  
 .....  
 Mrs M Logan  
 Trustee

  
 .....  
 Reverend G Farrar  
 Trustee

# RICHMOND & HOUNSLOW METHODIST CHURCH CIRCUIT

## STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED 31 AUGUST 2021

	Notes	2021 £	£	2020 £	£
<b>Cash flows from operating activities</b>					
Cash absorbed by operations	25		(320,127)		(100,063)
<b>Investing activities</b>					
Proceeds on disposal of investment property		-		1,323,166	
Purchase of other investments		-		(1,323,166)	
Investment income received		384,721		250,189	
<b>Net cash generated from investing activities</b>			384,721		250,189
<b>Net cash used in financing activities</b>			-		-
<b>Net increase in cash and cash equivalents</b>			64,594		150,126
Cash and cash equivalents at beginning of year			221,886		71,760
<b>Cash and cash equivalents at end of year</b>			286,480		221,886

# **RICHMOND & HOUNSLOW METHODIST CHURCH CIRCUIT**

## **NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 AUGUST 2021**

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### **1 Accounting policies**

#### **Charity information**

Richmond & Hounslow Methodist Church Circuit is an association of Churches grouped together in a geographical area. The charity provides administration services and support for each of the Churches within the circuit. In addition, the charity is also responsible for helping the wider community, which it does through a variety of donations to various charities and good causes. The governing documents are the Deed of Union (1932) and the Methodist Church Act (1976).

#### **1.1 Accounting convention**

The financial statements have been prepared in accordance with the charity's governing document, the Charities Act 2011 and "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 2019)". The charity is a Public Benefit Entity as defined by FRS 102.

The financial statements are prepared in sterling, which is the functional currency of the charity. Monetary amounts in these financial statements are rounded to the nearest £.

The financial statements have been prepared under the historical cost convention, modified to include the revaluation of freehold properties and to include investment properties and certain financial instruments at fair value. The principal accounting policies adopted are set out below.

#### **1.2 Going concern**

At the time of approving the financial statements, the trustees have a reasonable expectation that the charity has adequate resources to continue in operational existence for the foreseeable future. Thus the trustees continue to adopt the going concern basis of accounting in preparing the financial statements.

#### **1.3 Charitable funds**

Unrestricted funds are available for use at the discretion of the trustees in furtherance of their charitable objectives.

Restricted funds are subject to specific conditions by donors as to how they may be used. The purposes and uses of the restricted funds are set out in the notes to the financial statements.

Endowment funds are subject to specific conditions by donors that the capital must be maintained by the charity.

#### **1.4 Incoming resources**

Income is recognised when the charity is legally entitled to it after any performance conditions have been met, the amounts can be measured reliably, and it is probable that income will be received.

Cash donations are recognised on receipt. Other donations are recognised once the charity has been notified of the donation, unless performance conditions require deferral of the amount. Income tax recoverable in relation to donations received under Gift Aid or deeds of covenant is recognised at the time of the donation.

Legacies are recognised on receipt or otherwise if the charity has been notified of an impending distribution, the amount is known, and receipt is expected. If the amount is not known, the legacy is treated as a contingent asset.

Income from member church assessments is deferred when paid in advance by the member churches, as these assessments relate to specific time periods of services provided.

# **RICHMOND & HOUNSLOW METHODIST CHURCH CIRCUIT**

## **NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**

**FOR THE YEAR ENDED 31 AUGUST 2021**

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### **1 Accounting policies**

**(Continued)**

#### **1.5 Resources expended**

Expenditure is recognised once there is a legal or constructive obligation to make a payment to a third party, it is probable that settlement will be required and the amount of the obligation can be measured reliably. Expenditure is classified under the following headings:

- Costs of raising funds comprise the costs from investments.
- Expenditure on charitable activities is all categorised within Circuit Support as this is deemed to be the only activity of the charity. Support and governance costs have been split on the proportion of direct costs incurred.
- Other expenditure.

#### **1.6 Tangible fixed assets**

Tangible fixed assets are initially measured at cost and subsequently measured at cost or valuation, net of depreciation and any impairment losses.

At the present time, three properties are used as Manses. All properties are owned by the Trustees for Methodist Church Purposes as Custodian Trustees but since the Charity has control of them, they are included in these financial statements.

The properties are stated at a valuation by the Managing Trustees, in accordance with the Charities SORP (FRS 102). The valuation is reflected in the properties revaluation fund since none of the properties has a known original cost. Revaluations occur at three year intervals, unless there is evidence of a material change in the value of the item. A revaluation of the properties was carried out by Antony Roberts Estate Agents Limited on 31st August 2019. However, these values have been adjusted to reflect their values at 31 August 2021. The next revaluation is due to take place in 2022.

The gain or loss arising on the disposal of an asset is determined as the difference between the sale proceeds and the carrying value of the asset, and is recognised in net income/(expenditure) for the year.

#### **1.7 Investment properties**

Investment property, which is property held to earn rentals and/or for capital appreciation, is initially recognised at cost, which includes the purchase cost and any directly attributable expenditure. Subsequently it is measured at fair value at the reporting end date.

Revaluations occur at three year intervals, unless there is evidence of a material change in the value of the item. A revaluation of the properties was carried out by Antony Roberts Estate Agents Limited on 31st August 2019. However, these values have been adjusted to reflect their values at 31 August 2021. The next revaluation is due to take place in 2022.

The Church building acquired during the year is included in the Balance Sheet at its insured value as determined by Methodist Insurance PLC.

The surplus or deficit on revaluation is recognised in profit or loss.

#### **1.8 Impairment of fixed assets**

At each reporting end date, the charity reviews the carrying amounts of its tangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any).

# **RICHMOND & HOUNSLOW METHODIST CHURCH CIRCUIT**

## **NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**

### **FOR THE YEAR ENDED 31 AUGUST 2021**

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#### **1 Accounting policies**

**(Continued)**

Recoverable amount is the higher of fair value less costs to sell and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset for which the estimates of future cash flows have not been adjusted.

If the recoverable amount of an asset is estimated to be less than its carrying amount, the carrying amount of the asset is reduced to its recoverable amount. An impairment loss is recognised immediately in income/ (expenditure for the year, unless the relevant asset is carried at a revalued amount, in which case the impairment loss is treated as a revaluation decrease.

Recognised impairment losses are reversed if, and only if, the reasons for the impairment loss have ceased to apply. Where an impairment loss subsequently reverses, the carrying amount of the asset is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset in prior years. A reversal of an impairment loss is recognised immediately, unless the relevant asset is carried in at a revalued amount, in which case the reversal of the impairment loss is treated as a revaluation increase.

#### **1.9 Cash and cash equivalents**

Cash and cash equivalents include cash in hand, deposits held at call with banks, other short-term liquid investments with original maturities of three months or less, and bank overdrafts. Bank overdrafts are shown within borrowings in current liabilities.

#### **1.10 Financial instruments**

The charity has elected to apply the provisions of Section 11 'Basic Financial Instruments' and Section 12 'Other Financial Instruments Issues' of FRS 102 to all of its financial instruments.

Financial instruments are recognised in the charity's balance sheet when the charity becomes party to the contractual provisions of the instrument.

Financial assets and liabilities are offset, with the net amounts presented in the financial statements, when there is a legally enforceable right to set off the recognised amounts and there is an intention to settle on a net basis or to realise the asset and settle the liability simultaneously.

##### ***Basic financial assets***

Basic financial assets, which include debtors and cash and bank balances, are initially measured at transaction price including transaction costs and are subsequently carried at amortised cost using the effective interest method unless the arrangement constitutes a financing transaction, where the transaction is measured at the present value of the future receipts discounted at a market rate of interest. Financial assets classified as receivable within one year are not amortised.

##### ***Basic financial liabilities***

Basic financial liabilities, including creditors and bank loans are initially recognised at transaction price unless the arrangement constitutes a financing transaction, where the debt instrument is measured at the present value of the future payments discounted at a market rate of interest. Financial liabilities classified as payable within one year are not amortised.

Debt instruments are subsequently carried at amortised cost, using the effective interest rate method.

Trade creditors are obligations to pay for goods or services that have been acquired in the ordinary course of operations from suppliers. Amounts payable are classified as current liabilities if payment is due within one year or less. If not, they are presented as non-current liabilities. Trade creditors are recognised initially at transaction price and subsequently measured at amortised cost using the effective interest method.

# **RICHMOND & HOUNSLOW METHODIST CHURCH CIRCUIT**

## **NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**

**FOR THE YEAR ENDED 31 AUGUST 2021**

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### **1 Accounting policies**

**(Continued)**

#### ***Derecognition of financial liabilities***

Financial liabilities are derecognised when the charity's contractual obligations expire or are discharged or cancelled.

#### **1.11 Employee benefits**

The cost of any unused holiday entitlement is recognised in the period in which the employee's services are received.

Termination benefits are recognised immediately as an expense when the charity is demonstrably committed to terminate the employment of an employee or to provide termination benefits.

#### **1.12 Retirement benefits**

The charity operates a defined contribution pension scheme for employees. The assets of the scheme are held separately from those of the charity. The annual contributions payable are charged to the Statement of Financial Activities.

### **2 Critical accounting estimates and judgements**

In the application of the charity's accounting policies, the trustees are required to make judgements, estimates and assumptions about the carrying amount of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates. The key estimates in the year include the valuation of the investment properties at the year end and therefore the revaluation amount.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised where the revision affects only that period, or in the period of the revision and future periods where the revision affects both current and future periods.

#### **Critical judgements**

In the directors' opinion there are no critical judgements, apart from those involving estimates (as detailed below), that they have made in applying the accounting policies and that have had significant effect on the amounts recognised in the financial statements.

#### **Key sources of estimation uncertainty**

##### ***Valuation of properties and investment properties***

Properties are professionally valued every three years. In the two years between, the Trustees use statistics from the UK land registry office to identify how the value of similar properties in the local area have changed over the past year. The brought forward values are then adjusted to reflect the change as either a gain or an impairment. Uncertainties relate to changes in the condition of the properties since the previous professional valuation and that the average percentage change of property values in local boroughs is used.

# RICHMOND & HOUNSLOW METHODIST CHURCH CIRCUIT

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2021

### 3 Donations

	Unrestricted funds	Restricted funds	Total	Unrestricted funds	Restricted funds	Total
	2021 £	2021 £	2021 £	2020 £	2020 £	2020 £
Donations and gifts	25	2,133	2,158	32	2,086	2,118

### 4 Charitable activities

	2021 £	2020 £
Assessments	195,890	156,599
Performance related grants	37,600	41,400
	233,490	197,999
Analysis by fund		
Unrestricted funds	195,890	156,599
Restricted funds	37,600	41,400
	233,490	197,999

### 5 Investments

	Unrestricted funds	Restricted funds	Total	Unrestricted funds	Restricted funds	Total
	2021 £	2021 £	2021 £	2020 £	2020 £	2020 £
Rental income	16,723	24,455	41,178	18,120	24,480	42,600
Income from unlisted investments	-	1,908	1,908	-	1,897	1,897
Interest receivable	282	3,524	3,806	357	8,408	8,765
	17,005	29,887	46,892	18,477	34,785	53,262



# RICHMOND & HOUNSLOW METHODIST CHURCH CIRCUIT

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2021

### 6 Other income

	Unrestricted funds	Restricted funds	Total	Unrestricted funds	Restricted funds	Total
	2021 £	2021 £	2021 £	2020 £	2020 £	2020 £
Other income	17,061	203	17,264	9,303	1,582	10,885
Twickenham Church	-	-	-	5,817	-	5,817
Brentford Church	3,405	-	3,405	28,255	1,610,006	1,638,261
Whitton Church	-	1,000,000	1,000,000	-	-	-
	<u>20,466</u>	<u>1,000,203</u>	<u>1,020,669</u>	<u>43,375</u>	<u>1,611,588</u>	<u>1,654,963</u>

### 7 Raising funds

	Restricted funds	Restricted funds
	2021 £	2020 £
<u>Investment management</u>	<u>2,390</u>	<u>165</u>
	<u>2,390</u>	<u>165</u>

# RICHMOND & HOUNSLOW METHODIST CHURCH CIRCUIT

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2021

### 8 Charitable activities

	Circuit Support 2021 £	Circuit Support 2020 £
Staff costs	203,230	197,119
Ministers - other costs	22,913	24,301
District and connexional	113,864	35,374
Cedars and Urban Mission	14,699	1,257
Manses	42,904	51,419
Circuit, preaching, training and mission	5,951	4,084
Lettings expenditure	9,323	7,351
Closed church expenses	12,732	11,479
3Generate expenses	-	1,440
Church grants	100,000	-
Sundry expenses	120	261
	<u>525,736</u>	<u>334,085</u>
Grant funding of activities (see note 9)	-	286
Share of support costs (see note 10)	3,009	2,294
Share of governance costs (see note 10)	7,700	7,000
	<u>536,445</u>	<u>343,665</u>
<b>Analysis by fund</b>		
Unrestricted funds	256,787	257,318
Restricted funds	279,658	86,347
	<u>536,445</u>	<u>343,665</u>

### 9 Grants payable

	Circuit Support 2020 £
Grants to institutions:	
Other	286
	<u>286</u>

# RICHMOND & HOUNSLOW METHODIST CHURCH CIRCUIT

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2021

### 10 Support costs

	Support costs £	Governance costs £	2021 £	Support costs £	Governance costs £	2020 £
Postage and stationery	1,551	-	1,551	1,288	-	1,288
Sundry expenses	1,450	-	1,450	1,006	-	1,006
Bank charges	8	-	8	-	-	-
Audit fees	-	7,700	7,700	-	7,000	7,000
	3,009	7,700	10,709	2,294	7,000	9,294
Analysed between Charitable activities	3,009	7,700	10,709	2,294	7,000	9,294

Governance costs includes payments to the auditors of £7,500 (2020: £7,014).

### 11 Trustees

During the year, Adam Nyawo received stipends and allowances of £26,093 (2020: £26,018), Katherine Johnson of £25,693 (2020: £25,204), Claudia Lupi of £26,093 (2020: £25,417), Geoffrey Farrar of £28,476 (2020: £27,281).

Margaret Logan was paid £11,067 (2020: 11,483) for services rendered as Circuit Administrator. Carol Powers was paid £6,350 (2020: £3,422) as the Cedars Youth Leader and Cedars coordinator, and also received £3,528 (2020: £7,181) from Chiswick Methodist Church. Megan Thomas was paid £20,911 (2020: £27,809) as a youth leader. Andrew Logan was paid £nil (2020: £2,614) for services rendered as a Cedars Youth Leader and Cedars coordinator.

None of the other Trustees, or persons connected with them, received any remuneration or other benefits from the Circuit or any connected organisation as a result of their office during the year ended 31st August 2021. The circuit minutes secretary and the Treasurer were paid expenses (validated against receipts) for amounts spent as a result of them fulfilling their duties, as well as ministers.

### 12 Employees

The average monthly number of employees during the year was:

	2021 Number	2020 Number
	8	7
Employment costs	2021 £	2020 £
Wages and salaries	160,373	154,326
Social security costs	12,855	13,577
Other pension costs	30,002	29,216

# RICHMOND & HOUNSLOW METHODIST CHURCH CIRCUIT

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2021

### 12 Employees

(Continued)

203,230	197,119
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No employee received emoluments in excess of £60,000 p.a.

### 13 Net gains/(losses) on investments

	Restricted funds	Restricted funds
	2021	2020
	£	£
Revaluation of investments	21,503	(6,822)
Revaluation of investment properties	229,000	125,000
	<u>250,503</u>	<u>118,178</u>

### 14 Tangible fixed assets

Land and buildings  
£

#### Cost or valuation

At 1 September 2020	3,975,000
Revaluation	257,000

At 31 August 2021	<u>4,232,000</u>
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#### Carrying amount

At 31 August 2021	<u>4,232,000</u>
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At 31 August 2020	<u>3,975,000</u>
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Land and buildings with a carrying amount of £3,975,000 were revalued at 31 August 2019 by Antony Roberts Estate Agents Limited, independent valuers not connected with the charity on the basis of market value. The valuation conforms to International Valuation Standards and was based on recent market transactions on arm's length terms for similar properties. The fair value has been updated as at 31st August 2021 based on property valuation trends in the local area.

The revaluation this year has given a rise in value of £257,000 (2020 - £225,000) with a total revaluation reserve of £4,232,000 as the historical cost value has been unknown.

The value of £4,232,000 (2020: £3,975,000) is split between Land values of £3,047,040 and building values of £1,184,960.

# RICHMOND & HOUNSLOW METHODIST CHURCH CIRCUIT

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 AUGUST 2021

### 15 Fixed asset investments

	Unlisted investments £
<b>Cost or valuation</b>	
At 1 September 2020	1,194,887
Valuation changes	21,502
Income	45,716
Charges and Transfers	(383,545)
At 31 August 2021	878,560
<b>Carrying amount</b>	
At 31 August 2021	878,560
At 31 August 2020	1,194,887

### 16 Investment property

	2021 £
<b>Fair value</b>	
At 1 September 2020	3,735,000
Additions through external acquisition	1,000,000
Net gains or losses through fair value adjustments	229,000
At 31 August 2021	4,964,000

Investment property has been valued at £4,964,000, being the circuit manses held at the year end which are not being used for the purposes of the circuit, the Brentford Church and the acquisition of the Whitton Church during the year. The fair value of the manses has been arrived at on the basis of a valuation carried out at 31 August 2019 by Antony Roberts Estate Agents Limited, who are not connected with the charity and then updated to reflect property valuation trends in the local area.

The carrying value of land included in investment properties comprises:

	2021 £	2020 £
Freehold	3,574,080	2,689,200

# RICHMOND & HOUNSLOW METHODIST CHURCH CIRCUIT

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2021

### 17 Debtors

	2021 £	2020 £
<b>Amounts falling due within one year:</b>		
Other debtors	85,915	46,798
Prepayments and accrued income	85,556	45,082
	<u>171,471</u>	<u>91,880</u>

### 18 Creditors: amounts falling due within one year

	Notes	2021 £	2020 £
Deferred income	19	105,252	63,053
Other creditors		1,000	-
Accruals and deferred income		8,012	9,230
		<u>114,264</u>	<u>72,283</u>

### 19 Deferred income

	2021 £	2020 £
Arising from assessments and grants	<u>105,252</u>	<u>63,053</u>

Deferred income is included in the financial statements as follows:

Urban mission grant deferred	26,900
Miles Trust	1,000
Barnes rent in advance	1,258
Church assessments paid by Circuit	41,352
Church assessments deferred	<u>34,742</u>
Total deferred income as at 31st August 2021	105,252

### 20 Retirement benefit schemes

#### Defined contribution schemes

The charity contributions to superannuation pensions was £27,418 (2020: £26,741). This is 26.9% of the basic stipend, and is a percentage which is agreed annually at the Methodist conference. The pension is a connexional scheme and these contributions are the only obligation of the Richmond and Hounslow Methodist Church Circuit.

The Circuit provides a money purchase pension arrangement with The Peoples Pension for lay workers, the Circuit contributes 6% of basic salary to the scheme. This year £2,584 (2020: £2,475) was contributed.

The charge to the statement of financial activities in respect of defined contribution schemes was £30,002 (2020: £29,216).

# RICHMOND & HOUNSLOW METHODIST CHURCH CIRCUIT

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

### FOR THE YEAR ENDED 31 AUGUST 2021

#### 21 Restricted funds

The income funds of the charity include restricted funds comprising the following unexpended balances of donations and grants held on trust for specific purposes:

	Balance at 1 September 2019	Movement in funds			Gains and losses	Balance at 1 September 2020	Movement in funds			Gains and losses	Balance at 31 August 2021
		Incoming resources	Outgoing resources	Transfers (to)/ from unrestricted funds			Incoming resources	Outgoing resources	Transfers (to)/ from unrestricted funds		
	£	£	£	£	£	£	£	£	£	£	£
Circuit Model Trust Fund	71,617	10,192	(1,934)	1,116,105	(6,783)	1,189,197	5,183	(182,818)	(200,402)	16,959	828,119
F Alfred Lass Bequest	2,198	43	(4)	(39)	(39)	2,159	40	(5)	(35)	396	2,555
Circuit Surplus Fund	8,477	70	(17)	(5,000)	-	3,530	12	(7)	-	-	3,535
Investment Properties											
Revaluation Fund	2,040,000	-	-	-	125,000	2,165,000	1,000,000	-	1,570,000	229,000	4,964,000
Fixed Asset Revaluation Fund	3,750,000	-	-	-	225,000	3,975,000	-	-	-	257,000	4,232,000
Urban Mission	6,124	40,800	(56,687)	12,500	-	2,737	33,550	(57,349)	23,600	-	2,538
Cedars Project	3,410	27,252	(26,144)	-	-	4,518	30,841	(41,869)	6,510	-	-
3Generate	78	1,210	(1,440)	220	-	68	-	-	-	-	68
Loan to Chiswick Church	-	-	-	3,000	-	3,000	-	-	-	-	3,000
Twickenham Church	1,323,166	-	-	(1,323,166)	-	-	-	-	-	-	-
Brentford Church TMCP funds	-	40,006	-	-	-	40,006	197	-	-	4,148	44,351
Brentford Church	-	1,570,000	-	-	-	1,570,000	-	-	(1,570,000)	-	-
Amounts received on behalf of other charities	-	286	(286)	-	-	-	-	-	-	-	-
2020-21 grants for Urban Mission and Cedars Project	-	-	-	30,100	-	30,100	-	-	(30,100)	-	-

# RICHMOND & HOUNSLOW METHODIST CHURCH CIRCUIT

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

### FOR THE YEAR ENDED 31 AUGUST 2021

21	Restricted funds	(Continued)					
	2021-22 grants for Urban Mission	-	-	-	-	26,900	-
	Loan to Barnes Church	-	-	-	-	80,000	-
	Contribution towards church assessments for 2021-22	-	-	-	-	41,352	-
		7,205,070	1,689,859	(86,512)	(166,280)	343,178	8,985,315
						1,069,823	(282,048)
						(52,175)	507,503
							10,228,418

The Circuit Model Trust Fund is to be used for any Methodist purposes, but transfers of funds, typically for essential repairs to properties or for Urban Mission purposes, have to be agreed at Circuit level and by the District. During the year, £26,900 was paid out for the Urban Mission (2020: £33,000) of which £26,900 (2020: £23,600) was an advance for 2021/22. £100,000 for grants to Churches for a variety of reasons, £80,000 loaned to Barnes Methodist Church for the roof repair, £45,000 (2020: £75,000) to replenish the general funds, £nil (2020: £24,356) to replenish the designated funds for manse refurbishment and £41,352 (2020: £47,268) for one quarters assessments for which the churches will not have to pay in the year 2021/22.

The F Alfred Lass Bequest is held for income only to be provided to the Superintendent to be applied by Circuit Stewards for the supplement of ministers' stipends.

The Urban Mission fund of £2,538 (2020: £2,737) consists of unspent grant monies received for the provision of a Minister for the wider community at the Alton Estates.

The Cedars Youth Project Fund of £nil (2020: £4,518) consists of unspent grant monies for the provision of a youth worker and general expenses. The project is now managed by Churches within the circuit and therefore the funds have been passed to them during the year.



# **RICHMOND & HOUNSLOW METHODIST CHURCH CIRCUIT**

## **NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**

***FOR THE YEAR ENDED 31 AUGUST 2021***

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### **22 Designated funds**

The income funds of the charity include the following designated funds which have been set aside out of unrestricted funds by the trustees for specific purposes:

A Designated Manse Fund of £20,000 was created in 2013 to enable urgent major repairs and refurbishment to be carried out immediately by the Manses Committee in agreement with the Leadership Team. This figure is reviewed annually and decreased in the year by £14,399 (2020 - increased by £32,050) providing a total designated fund as at 31st August 2021 of £44,251 (2020 - £58,650). A total of £11,700 was transferred to the fund due to underspends on the manses budget and the training budget in the year. £6,279 was transferred out for works to the Brentford Church and £19,820 for works to the manses.

# **RICHMOND & HOUNSLOW METHODIST CHURCH CIRCUIT**

## **NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**

### **FOR THE YEAR ENDED 31 AUGUST 2021**

#### **23 Analysis of net assets between funds**

	Unrestricted Funds 2021	Designated Funds 2021	Restricted Funds 2021	Total 2021	Unrestricted Funds 2020	Designated Funds 2020	Restricted Funds 2020	Total 2020
	£	£	£	£	£	£	as restated	as restated
Fund balances at 31 August 2021 are represented by:								
Tangible assets	-	-	4,232,000	4,232,000	-	-	3,975,000	3,975,000
Investment properties	-	-	4,964,000	4,964,000	-	-	3,735,000	3,735,000
Investments	-	-	878,560	878,560	-	-	1,194,887	1,194,887
Current assets/(liabilities)	145,579	44,251	153,858	343,688	102,406	58,650	80,428	241,484
	145,579	44,251	10,228,418	10,418,248	102,406	58,650	8,985,315	9,146,371

# **RICHMOND & HOUNSLOW METHODIST CHURCH CIRCUIT**

## **NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**

**FOR THE YEAR ENDED 31 AUGUST 2021**

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### **24 Related party transactions**

There were no disclosable related party transactions during the year (2020 - none).

<b>25 Cash generated from operations</b>	<b>2021</b>	<b>2020</b>
	<b>£</b>	<b>£</b>
Surplus for the year	1,014,877	1,682,690
Adjustments for:		
Investment income recognised in statement of financial activities	(46,892)	(53,262)
Acquisition of church from within the circuit	(1,000,000)	(1,570,000)
Fair value gains and losses on investment properties	(229,000)	(118,178)
Fair value gains and losses on investments	(21,503)	6,822
Movements in working capital:		
(Increase) in debtors	(79,591)	(70,686)
(Decrease) in creditors	(218)	(1,377)
Increase in deferred income	42,199	23,928
<b>Cash absorbed by operations</b>	<b>(320,128)</b>	<b>(100,063)</b>

### **26 Analysis of changes in net funds**

The charity had no debt during the year.

# **RICHMOND & HOUNSLOW METHODIST CHURCH CIRCUIT**

## **NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**

### **FOR THE YEAR ENDED 31 AUGUST 2021**

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#### **27 List of Trustees**

Mrs Jean Flann	
Mrs Lyneth Friday	
Mr Robin Gammon	Resigned 1 August 2021
Mr Ian Haddow	
Mrs Jean Butcher	
Miss Valerie Hearn	
Mrs Dinnie Heroe	
Mr Alan Housden	
Mrs Vivien Isaac	
Mr Andrew Logan	
Mr John Logan	
Mrs Margaret Logan	
Mr Stephen Ludlow	
Rev Barbara McIntivey	
Mrs Jane McMahon	
Mrs Frances Moorhouse	
Dr Margaret Moore	
Rev Nicola Morrison	
Mrs Rajini Muthukumar	
Mr Clive Norris	
Rev Adam Nyawo	
Mrs Mary Patterson	
Miss Carol Powers	
Mr Charles Rajkumar	
Ms Imogen Rush	Resigned 27 November 2020
Mrs Gill Sparkes	
Mr Anthony Squires	Resigned 25 February 2021
Mrs Rosaria Tandayi	Resigned 27 November 2020
Miss Winifred Thompson	
Mr Brendan Wasmuth	
Mr Ben Waterhouse	Resigned 1 February 2022
Mr Geoffrey Waterhouse	
Mrs Janet Wilson	
Mrs Marilyn Woodroffe	Resigned 1 February 2022
Rev Michaela Youngson	Resigned 31 August 2021
Rev Geoffrey Farrar	
Rev Claudia Lupi	
Mr Charles Oppong-Akuoko	
Mr Moses Tandayi	
Miss Megan Thomas	Resigned 25 February 2021
Deacon Kathy Johnson	
Mr Bismarck Laryea	
Mrs Susan Penney	Appointed 1 October 2021