

RICHMOND & HOUNSLOW METHODIST CHURCH CIRCUIT
ANNUAL REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2022

RICHMOND & HOUNSLOW METHODIST CHURCH CIRCUIT

LEGAL AND ADMINISTRATIVE INFORMATION

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

RICHMOND & HOUNSLOW METHODIST CHURCH CIRCUIT

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RICHMOND & HOUNSLOW METHODIST CHURCH CIRCUIT

TRUSTEES' REPORT

FOR THE YEAR ENDED 31 AUGUST 2022

The trustees present their annual report and financial statements for the year ended 31 August 2022.

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 seven 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.

During this year the circuit has made a new Circuit Mission Plan.

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. It has continued with a bi-monthly newsletter keeping people throughout the circuit in touch.

The circuit has ensured that the highest standards of Safeguarding for children and vulnerable adults have been maintained across the circuit facilitating continuing development opportunities and actively encouraging all church members to pursue their vocations.

The Reverend Claudia Lupi decided not to extend her term which is due to finish in July 2022. The Reverend Stephen Lewis from the URC has been appointed as minister at Raleigh Road United Church. A Lay Pastor has been appointed at Chiswick. Deacon Kathy Johnson will be extending her stay for another five years.

The objective of the circuit is to provide administration services, pastoral and spiritual leadership including supporting outreach work within their local communities, and every attempt was made to help churches restart this when the covid restrictions finished.

Outreach work is an important part of church life. Two churches were part of ecumenical projects working with the homeless over the winter, but this unfortunately had to be put on hold due to Covid restrictions. However, a new venture Café Together has been started providing a free hot meal and a safe place one evening a week. It was successfully trailed at Bell Road last summer and the model is being rolled out to other churches. 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 in 2 of our churches, and when the buildings were allowed to re-open the Meditation Group attracted new members. A mid-week fellowship group and a prayer group continues to meet online, and most churches participate in Advent and Lent groups. 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 but plans are now moving ahead to re-start these. The work with vulnerable young people was able to continue either online or now face to face or both.

Several of the churches, in addition to face-to-face services have, since lockdown also continued to provide online services via zoom or YouTube for those who are unable to attend church or who wish to review the service. Bell Road continues to provide music in worship monthly, recording songs to be used on-line.

RICHMOND & HOUNSLOW METHODIST CHURCH CIRCUIT

TRUSTEES' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2022

Two of our churches put on events to raise money for Ukraine Emergency Appeal. One church put on a concert and the other hosted a lunch. Both events were very successful and raised a considerable amount of money.

During the year a new Men's Breakfast group was started at Bell Road and there have been various mid-week activities for children and young people,
The circuit has monitored the provision of safeguarding across the circuit and members are 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.

During the year Putney Methodist Church installed new exterior and interior lighting and sound system in order to enhance its impact in the local community. Outside attractive (and low energy) floodlights have made the building an even more prominent local landmark, and drawn attention to the colourful banners which publicise church activities. Inside the improved lighting and sound have facilitated a series of concerts, exhibitions and other public events, which both educate and inform local people and raise money for charities such as Christian Aid. A particular focus in the year was the celebration in October of the 150th anniversary of the opening of the first building on the site (this opened in 1870, but the celebrations were delayed because of the pandemic) A historical exhibition in the church generated major public interest and the exhibition has since been re-mounted several times in the local library.

The deacon living and working on the Alton Estate, where there is considerable poverty and deprivation, has continued to foster relationships with the local community through face-to-face interaction and via virtual means, as working practices have adapted since covid.

At Christmas this year covid restrictions relaxed enough to allow carol-singing, and the churches of Putney and Roehampton provided carols at the Christmas Fair centred on Roehampton church and the neighbouring shops, accompanied by the MP on her flute.

The church is now used much more than it was before lock-down, as networking via the internet took off during covid restrictions and our profile is now much more visible. The 60+ café operating weekly out of the church, is very well attended. The deacon and the Anglican pioneer curate attend as often as possible to offer support, listen and encourage.

The deacon is still an on-going, active member of the governing board of the local Church of England primary school, providing faith support, and is governor for SEND and maths and spends one afternoon a week when possible, listening to the year 2 children read. Many of these children have been greatly affected by the isolation of lock-down last year, both educationally and emotionally. The deacon also leads the school in collective worship twice a term.

The deacon is an active member on various community groups, being vice-chair of the Roehampton Partnership, which gives a voice for local people in the light of the poor transport provision in this area and the ever-present threat of re-development. She is a minute taker and assistant chair of the Safer Neighbourhood meetings with police and other council departments to highlight local fears on safety when the police staffing shortages on the Estate have been an issue, whilst more violent crimes have risen since the ending of lock-down.

RICHMOND & HOUNSLOW METHODIST CHURCH CIRCUIT

TRUSTEES' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2022

The deacon is also a member of the steering committee of the Roehampton Community Week which continues to organise and fund a variety of projects throughout the year that enhance the environment in Roehampton, renovate public spaces, encourage the arts and work with people of a variety of ages and cultural backgrounds to improve their physical and mental health. As part of this the deacon regularly attends a zoom Roehampton network group and a women's network that brings people together to share ideas, identify needs and campaigns for the safety of women and girls in the area.

The deacon is co-lead of the Trussell Trust foodbank that operates out of the church every Friday afternoon, with support from their warehouse, meaning that the church building itself is not required to store vast quantities of provisions. The food bank offers not just food, but signposting to other help, and also prayer and a listening ear. There has been an upturn in the number of guests since its opening in September 2021.

The church congregation now meets not on Sunday but on a Tuesday morning each week. Our numbers have gone up from 6 to 11 people who attend regularly. They are from a variety of denominational backgrounds and at least one has come back to church after many years away. Our worship is alternative and informal, with numerous different Christian speakers invited to lead our spiritual reflection and discussion on different topics.

In partnership with her Anglican colleague, the deacon supports a monthly worship time in one of the local nursing homes, bringing a time of song, reflection and prayer to those who are no longer able to attend church.

All initiatives are joined from a Christian viewpoint that believes that all are made in God's image and God's will is that all creation should flourish. The networking this year has now lead to three new initiatives discussed later.

Cedars Youth and Children's projects continues to thrive with the lead worker visiting a local primary school, and Cedars now receives referrals from the school for children struggling socially and the school actively encourages them to attend.

Plans are moving ahead for a monthly dementia café and a monthly stroke club with support from the Alzheimer's Society and the Stroke Association and their local representatives.

Funding for the posts come from Circuit grants, the District Advance Fund of the Methodist Church, plus a grant from Miles Trust, we are very grateful to these organisations.

All CEDARS groups are also supported by other volunteers for whom we are indebted.

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

Circuit Property News

The circuit property was maintained, and it was ensured that the buildings 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.

Whitton

Whitton church and site was put up for sale following its closure in July 2021. An offer has been accepted and contracts of sale are being finalised.

Brentford

There has been no significant progress in negotiations with Centrepont over the year and options for the site are still being considered.

RICHMOND & HOUNSLOW METHODIST CHURCH CIRCUIT

TRUSTEES' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2022

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 and continues to help provide online worship which since lockdown ceased has continued to play an important role in recording church services for those who are unable to attend or for those who wish to listen again, she also organises a circuit newsletter which keeps the churches in touch with each other.

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. We are also grateful to the person at Raleigh Road who puts their services on YouTube.

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, and online services have continued since lock-down ended in several churches for those who were unable to attend in person or who wish to listen to the service again. This has been very successful and reached out to many people including some who are overseas.

The Deacon has maintained 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 here but her input in this is very valued. She has maintained the contact with the local Church of England primary school, community groups such as the Safer Neighbourhood Meetings, the Roehampton Partnership, the police and local council among others and continues the links with Holy Trinity. A new initiative has been the establishment of the Trussell Trust in the church providing not just food but support, signposting and prayer.

Since lockdown she has continued the zoom Roehampton network group and a women's network identifying needs and campaigns for the safety of women and girls. She maintains contact and support and involvement with many local organisations which aim to help the needs of people on this deprived estate.

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. The circuit Administrator has supported the circuit leaders, ministers 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.

RICHMOND & HOUNSLOW METHODIST CHURCH CIRCUIT

TRUSTEES' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2022

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 £250,116 (2021: £286,480) 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.

A grant of £20,000 was made to Raleigh Road United Church and four smaller grants of £1,000 each were made to Churches to facilitate projects to support the mission.

The decrease in the value of investments during the year of £170,344 (2021 - £316,327) is a combination of grants paid, transfers out for Urban Mission purposes, support of personnel serving the circuit and manse refurbishment.

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 decreased funds and market conditions;
- 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.

RICHMOND & HOUNSLOW METHODIST CHURCH CIRCUIT

TRUSTEES' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2022

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 £211,463 (which excludes the extensive refurbishment costs of the manses and churches). The General Fund, Circuit Surplus Fund and Designated fund combined total £197,622 (2021: £193,365). The balance in the Circuit Model Trust Fund is £659,806 (2021: £828,119). 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 £26,700 per year). However, for the year £52,700 is being set aside for the Urban Mission fund. £40,000 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 £47,333 to the churches towards the assessments for 2022/23.
- support significant manse refurbishment of approximately £600,000 in 2022/23.
- 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.

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.
6. Support community projects and outreach initiatives when appropriate.

RICHMOND & HOUNSLOW METHODIST CHURCH CIRCUIT

TRUSTEES' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2022

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 £59,069 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 and Whitton 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 2021-22 amounted to approximately £422,926 (2021: £538,835). Most of this is supported from the contribution of churches within the Circuit, investment income including rental income, grants and donations. With the sale of Whitton Church almost completed, the Circuit intends to carry out major refurbishment for two of the manses.

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.

Plans for the future

With the departure of the Reverend Claudia Lupi from Richmond and Barnes, Richmond according to the LEP regulation has appointed the Reverend Steven Lewis as minister to Raleigh Road United Church. He will start his ministry at Raleigh Road in September 2022. Deacon Kathy Johnson will be extending her stay for another five years.

It has been proposed that the circuit enters the stationing seeking an appointment of a full-time deacon who will undertake a dual role of pastoral care at Barnes and Richmond churches and spend 50% of his time in a pioneering capacity.

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.

The deacon at Roehampton has proposed a regular prayer walk in the community and start a weekly Mother and Toddler group. She plans the instillation of a labyrinth for the community to use.

RICHMOND & HOUNSLOW METHODIST CHURCH CIRCUIT

TRUSTEES' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2022

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.

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: 11-6-23


.....
Reverend G Farrar

Trustee

Dated: 11/06/2023

RICHMOND & HOUNSLOW METHODIST CHURCH CIRCUIT

STATEMENT OF TRUSTEES' RESPONSIBILITIES

FOR THE YEAR ENDED 31 AUGUST 2022

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).

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- 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.

RICHMOND & HOUNSLOW METHODIST CHURCH CIRCUIT

INDEPENDENT AUDITOR'S REPORT

TO THE TRUSTEES OF RICHMOND & HOUNSLOW METHODIST CHURCH CIRCUIT

Opinion

We have audited the financial statements of Richmond & Hounslow Methodist Church Circuit (the 'charity') for the year ended 31 August 2022 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 2022 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.

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.

RICHMOND & HOUNSLOW METHODIST CHURCH CIRCUIT

INDEPENDENT AUDITOR'S REPORT (CONTINUED)

TO THE TRUSTEES OF RICHMOND & HOUNSLOW METHODIST CHURCH CIRCUIT

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.

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.

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.

RICHMOND & HOUNSLOW METHODIST CHURCH CIRCUIT

INDEPENDENT AUDITOR'S REPORT (CONTINUED)

TO THE TRUSTEES OF RICHMOND & HOUNSLOW METHODIST CHURCH CIRCUIT

Other matters

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)
for and on behalf of Azets Audit Services

14/06/2023

Chartered Accountants
Statutory Auditor

Trinity Court
34 West Street
Sutton
Surrey
United Kingdom
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 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 2022

	Notes	Unrestricted funds 2022 £	Designated funds 2022 £	Restricted funds 2022 £	Total 2022 £	Unrestricted funds 2021 £	Designated funds 2021 £	Restricted funds 2021 £	Total 2021 £
<u>Income and endowments from:</u>									
Donations	3	898	-	-	898	25	-	2,133	2,158
Charitable activities	4	136,452	-	20,000	156,452	195,890	-	37,600	233,490
Investments	5	24,671	-	21,056	45,727	17,005	-	29,887	46,892
Other income	6	56,289	-	18,800	75,089	20,466	-	1,000,203	1,020,669
Total income		218,310	-	59,856	278,166	233,386	-	1,069,823	1,303,209
<u>Expenditure on:</u>									
Raising funds	7	-	-	2,503	2,503	-	-	2,390	2,390
Charitable activities	8	271,529	-	130,094	401,623	256,787	-	279,658	536,445
Other	10	-	-	18,800	18,800	-	-	-	-
Total resources expended		271,529	-	151,397	422,926	256,787	-	282,048	538,835
Net gains/(losses) on investments	13	-	-	116,079	116,079	-	-	250,503	250,503
Net (outgoing)/incoming resources before transfers		(53,219)	-	24,538	(28,681)	(23,401)	-	1,038,278	1,014,877

RICHMOND & HOUNSLOW METHODIST CHURCH CIRCUIT

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

FOR THE YEAR ENDED 31 AUGUST 2022

Net (outgoing)/incoming resources before transfers	(53,219)	-	24,538	(28,681)	(23,401)	-	1,038,278	1,014,877
Gross transfers between funds	42,651	14,818	(57,469)	-	66,574	(14,399)	(52,175)	-
Net (outgoing)/incoming resources	(10,568)	14,818	(32,931)	(28,681)	43,173	(14,399)	986,103	1,014,877
Other recognised gains and losses								
Revaluation of tangible fixed assets	-	-	333,000	333,000	-	-	257,000	257,000
Net movement in funds	(10,568)	14,818	300,069	304,319	43,173	(14,399)	1,243,103	1,271,877
Fund balances at 1 September 2021	145,579	44,251	10,228,418	10,418,248	102,406	58,650	8,985,315	9,146,371
Fund balances at 31 August 2022	<u>135,011</u>	<u>59,069</u>	<u>10,528,487</u>	<u>10,722,567</u>	<u>145,579</u>	<u>44,251</u>	<u>10,228,418</u>	<u>10,418,248</u>

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 2022

	Notes	2022 £	£	2021 £	£
Fixed assets					
Tangible assets	14	6,465,000		4,232,000	
Investment properties	16	3,200,094		4,964,000	
Investments	15	708,216		878,560	
		<u>10,373,310</u>		<u>10,074,560</u>	
Current assets					
Debtors	17	184,005		171,472	
Cash at bank and in hand		250,116		286,480	
		<u>434,121</u>		<u>457,952</u>	
Creditors: amounts falling due within one year	18	(84,864)		(114,264)	
Net current assets		<u>349,257</u>		<u>343,688</u>	
Total assets less current liabilities		<u>10,722,567</u>		<u>10,418,248</u>	
Income funds					
General restricted funds		4,063,487		5,996,418	
Revaluation reserve		6,465,000		4,232,000	
	22	<u>10,528,487</u>		<u>10,228,418</u>	
Designated funds		59,069		44,251	
Unrestricted funds		135,011		145,579	
		<u>10,722,567</u>		<u>10,418,248</u>	

The financial statements were approved by the Trustees on 11/06/2023.....


 Mrs M Logan
 Trustee


 Reverend G Farrar
 Trustee

RICHMOND & HOUNSLOW METHODIST CHURCH CIRCUIT

STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED 31 AUGUST 2022

	Notes	2022 £	£	2021 £	£
Cash flows from operating activities					
Cash absorbed by operations	25		(232,420)		(320,127)
Investing activities					
Investment income received		196,056		384,721	
Net cash generated from investing activities			196,056		384,721
Net cash used in financing activities			-		-
Net (decrease)/increase in cash and cash equivalents			(36,364)		64,594
Cash and cash equivalents at beginning of year			286,480		221,886
Cash and cash equivalents at end of year			250,116		286,480

RICHMOND & HOUNSLOW METHODIST CHURCH CIRCUIT

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 AUGUST 2022

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 2022

1 Accounting policies

(Continued)

1.5 Resources expended

Expenditure is recognised once there is a legal or constructive obligation to transfer economic benefit to a third party, it is probable that a transfer of economic benefits will be required in settlement, and the amount of the obligation can be measured reliably.

Expenditure is classified by activity. The costs of each activity are made up of the total of direct costs and shared costs, including support costs involved in undertaking each activity. Direct costs attributable to a single activity are allocated directly to that activity. Shared costs which contribute to more than one activity and support costs which are not attributable to a single activity are apportioned between those activities on a basis consistent with the use of resources. Central staff costs are allocated on the basis of time spent, and depreciation charges are allocated on the portion of the asset's use.

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 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 the statement of financial activities.

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 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.

RICHMOND & HOUNSLOW METHODIST CHURCH CIRCUIT

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2022

1 Accounting policies

(Continued)

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).

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.

RICHMOND & HOUNSLOW METHODIST CHURCH CIRCUIT

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2022

1 Accounting policies

(Continued)

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.

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.

RICHMOND & HOUNSLOW METHODIST CHURCH CIRCUIT

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2022

2 Critical accounting estimates and judgements

(Continued)

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.

3 Donations

	Unrestricted funds	Unrestricted funds	Restricted funds	Total
	2022 £	2021 £	2021 £	2021 £
Donations and gifts	898	25	2,133	2,158

4 Charitable activities

	2022 £	2021 £
Assessments	136,452	195,890
Performance related grants	20,000	37,600
	156,452	233,490
Analysis by fund		
Unrestricted funds	136,452	195,890
Restricted funds	20,000	37,600
	156,452	233,490

RICHMOND & HOUNSLOW METHODIST CHURCH CIRCUIT

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2022

5 Investments

	Unrestricted funds	Restricted funds	Total	Unrestricted funds	Restricted funds	Total
	2022 £	2022 £	2022 £	2021 £	2021 £	2021 £
Rental income	23,836	12,000	35,836	16,723	24,455	41,178
Income from unlisted investments	-	6,637	6,637	-	1,908	1,908
Interest receivable	835	2,419	3,254	282	3,524	3,806
	<u>24,671</u>	<u>21,056</u>	<u>45,727</u>	<u>17,005</u>	<u>29,887</u>	<u>46,892</u>

6 Other income

	Unrestricted funds	Restricted funds	Total	Unrestricted funds	Restricted funds	Total
	2022 £	2022 £	2022 £	2021 £	2021 £	2021 £
Other income	46,299	-	46,299	17,061	1,000,203	1,017,264
Grants received on behalf of churches	-	18,800	18,800	-	-	-
Closed churches	9,990	-	9,990	3,405	-	3,405
	<u>56,289</u>	<u>18,800</u>	<u>75,089</u>	<u>20,466</u>	<u>1,000,203</u>	<u>1,020,669</u>

7 Raising funds

	Restricted funds	Restricted funds
	2022 £	2021 £
<u>Investment management</u>	<u>2,503</u>	<u>2,390</u>
	<u>2,503</u>	<u>2,390</u>

RICHMOND & HOUNSLOW METHODIST CHURCH CIRCUIT

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 AUGUST 2022

8 Charitable activities

	Circuit Support 2022 £	Circuit Support 2021 £
Staff costs	203,180	203,230
Ministers - other costs	23,582	22,913
District and connexional	86,783	113,864
Cedars and Urban Mission	-	14,699
Manses	26,933	42,904
Circuit, preaching, training and mission	8,303	5,951
Lettings expenditure	7,060	9,323
Closed church expenses	13,009	12,732
Church grants	20,000	100,000
Sundry expenses	609	120
	<u>389,459</u>	<u>525,736</u>
Share of support costs (see note 9)	1,652	3,009
Share of governance costs (see note 9)	10,512	7,700
	<u>401,623</u>	<u>536,445</u>
Analysis by fund		
Unrestricted funds	271,529	256,787
Restricted funds	130,094	279,658
	<u>401,623</u>	<u>536,445</u>

9 Support costs

	Support costs £	Governance costs £	2022 Support costs £	Governance costs £	2021 £
Postage and stationery	689	-	689	1,551	1,551
Sundry expenses	848	-	848	1,450	1,450
Bank charges	115	-	115	8	8
Audit fees	-	7,492	7,492	-	7,700
Legal and professional	-	3,020	3,020	-	-
	<u>1,652</u>	<u>10,512</u>	<u>12,164</u>	<u>3,009</u>	<u>10,709</u>
Analysed between					
Charitable activities	<u>1,652</u>	<u>10,512</u>	<u>12,164</u>	<u>3,009</u>	<u>10,709</u>

Governance costs includes payments to the auditors of £8,010 (2021: £6,700).

RICHMOND & HOUNSLOW METHODIST CHURCH CIRCUIT

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 AUGUST 2022

10 Other

	Restricted funds	Total
	2022	2021
		£
Grants paid to churches which were received on their behalf	18,800	-
	18,800	-
	<u>18,800</u>	<u>-</u>

11 Trustees

During the year, Adam Nyawo received stipends and allowances of £25,995 (2021: £26,093), Katherine Johnson of £25,995 (2021: £25,693), Claudia Lupi of £26,395 (2021: £26,093), Geoffrey Farrar of £28,977 (2021: £28,476).

Margaret Logan was paid £11,138 (2021: 11,067) for services rendered as Circuit Administrator. Carol Powers was paid £18,230 (2021: £6,350) as the Cedars Youth Leader and Cedars coordinator, and also received £nil (2021: £3,528) from Chiswick Methodist Church. Megan Thomas was paid £nil (2021: £20,911) as a youth leader.

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 2022. 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:

	2022 Number	2021 Number
	7	8
	<u>7</u>	<u>8</u>
Employment costs	2022	2021
	£	£
Wages and salaries	160,707	160,373
Social security costs	13,051	12,855
Other pension costs	29,422	30,002
	<u>203,180</u>	<u>203,230</u>

No employee received emoluments in excess of £60,000 p.a.

There were no employees whose annual remuneration was more than £60,000.

RICHMOND & HOUNSLOW METHODIST CHURCH CIRCUIT

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 AUGUST 2022

13 Net gains/(losses) on investments

	Restricted funds	Restricted funds
	2022	2021
	£	£
Revaluation of investments	(20,015)	21,503
Revaluation of investment properties	136,094	229,000
	<u>116,079</u>	<u>250,503</u>

14 Tangible fixed assets

	Land and buildings
	£
Cost or valuation	
At 1 September 2021	4,232,000
Revaluation	333,000
Transfer from investment property	1,900,000
	<u>6,465,000</u>
At 31 August 2022	
Carrying amount	
At 31 August 2022	<u>6,465,000</u>
At 31 August 2021	<u>4,232,000</u>

Land and buildings with a carrying amount of £6,465,000 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 2022 based on property valuation trends in the local area.

The revaluation this year has given a rise in value of £333,000 (2021 - £257,000) with a total revaluation reserve of £6,465,000 as the historical cost value has been unknown.

The value of £6,465,000 (2021: £4,232,000) is split between Land values of £4,654,800 and building values of £1,810,200.

RICHMOND & HOUNSLOW METHODIST CHURCH CIRCUIT

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 AUGUST 2022

15 Fixed asset investments

	Unlisted investments £
Cost or valuation	
At 1 September 2021	878,560
Valuation changes	(18,336)
	<hr/>
At 31 August 2022	860,224
	<hr/>
Carrying amount	
At 31 August 2022	860,224
	<hr/> <hr/>
At 31 August 2021	878,560
	<hr/> <hr/>

16 Investment property

	2022 £
Fair value	
At 1 September 2021	4,964,000
Transfers to tangible fixed assets	(1,900,000)
Net gains or losses through fair value adjustments	136,094
	<hr/>
At 31 August 2022	3,200,094
	<hr/> <hr/>

Investment property has been valued at £3,200,094, being the circuit manses held at the year end which are not being used for the purposes of the circuit, the Brentford Church and Whitton Church. 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:

	2022 £	2021 £
Freehold	2,304,068	3,574,080
	<hr/>	<hr/>

17 Debtors

	2022 £	2021 £
Amounts falling due within one year:		
Other debtors	82,083	85,916
Prepayments and accrued income	101,921	85,555
	<hr/>	<hr/>
	184,004	171,471
	<hr/> <hr/>	<hr/> <hr/>

RICHMOND & HOUNSLOW METHODIST CHURCH CIRCUIT

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 AUGUST 2022

18 Creditors: amounts falling due within one year

	Notes	2022 £	2021 £
Deferred income	19	75,220	105,252
Other creditors		-	1,000
Accruals and deferred income		9,644	8,012
		<u>84,864</u>	<u>114,264</u>

19 Deferred income

	2022 £	2021 £
Arising from assessments and grants	<u>75,220</u>	<u>105,252</u>

Deferred income is included in the financial statements as follows:

Urban mission grant deferred	26,700	
Church assessments paid by Circuit		43,733
Church assessments deferred	<u>4,747</u>	
Total deferred income as at 31st August 2022	75,220	

20 Retirement benefit schemes

Defined contribution schemes

The charity contributions to superannuation pensions was £27,786 (2021: £27,418). 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 £1,636 (2021: £2,584) was contributed.

The charge to the statement of financial activities in respect of defined contribution schemes was £29,422 (2021: £30,002).

21 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 increased in the year by £14,818 (2021 - increased by £32,050) providing a total designated fund as at 31st August 2022 of £59,069 (2021 - £44,251). A total of £18,210 was transferred to the fund for manse repairs and Whitton Church support costs in the year. £12,569 was transferred out for repairs to the Barnes manse and support costs for Brentford Church. £9,177 has been set aside for manse refurbishment costs.

RICHMOND & HOUNSLOW METHODIST CHURCH CIRCUIT

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2022

22 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 2020	Incoming resources	Movement in funds			Gains and losses	Balance at 1 September 2021	Incoming resources	Movement in funds			Gains and losses	Balance at 31 August 2022
	£	£	Outgoing resources	Transfers (to)/from unrestricted funds	£	£	£	£	Outgoing resources	Transfers (to)/from unrestricted funds	£	£	£
Circuit Model Trust Fund	1,189,197	5,183	(182,818)	(200,402)		16,959	828,119	8,247	(75,719)	(82,666)		(18,175)	659,806
F Alfred Lass Bequest	2,159	40	(5)	(35)		396	2,555	62	(7)	(55)		(161)	2,394
Circuit Surplus Fund	3,530	12	(7)	-		-	3,535	17	(10)	-		-	3,542
Investment Properties													
Revaluation Fund	2,165,000	1,000,000	-	1,570,000		229,000	4,964,000	-	-	(1,900,000)		136,094	3,200,094
Fixed Asset Revaluation Fund	3,975,000	-	-	-		257,000	4,232,000	-	-	1,900,000		333,000	6,465,000
Urban Mission	2,737	33,550	(57,349)	23,600		-	2,538	32,001	(56,735)	26,900		-	4,704
Cedars Project	4,518	30,841	(41,869)	6,510		-	-	-	-	-		-	-
3Generate	68	-	-	-		-	68	-	(1)	(67)		-	-
Loan to Chiswick Church	3,000	-	-	-		-	3,000	-	-	(3,000)		-	-
Brentford Church TMCP funds	40,006	197	-	-		4,148	44,351	731	(126)	(802)		(1,680)	42,474
Brentford Church	1,570,000	-	-	(1,570,000)		-	-	-	-	-		-	-
2020-21 grants for Urban Mission and Cedars Project	30,100	-	-	(30,100)		-	-	-	-	-		-	-
2021-22 grants for Urban Mission	-	-	-	26,900		-	26,900	-	-	(26,900)		-	-
Loan to Barnes Church	-	-	-	80,000		-	80,000	-	-	-		-	80,000

RICHMOND & HOUNSLOW METHODIST CHURCH CIRCUIT

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2022

22	Restricted funds	(Continued)									
	Contribution towards church assessments for 2021-22	-	-	-	41,352	-	-	-	(41,352)	-	-
	2022-23 grants for Urban Mission	-	-	-	-	-	-	-	26,700	-	26,700
	Contribution towards church assessments for 2022-23	-	-	-	-	-	-	-	43,773	-	43,773
	Grants received on behalf of churches	-	-	-	-	-	18,800	(18,800)	-	-	-
		8,985,315	1,069,823	(282,048)	(52,175)	507,503	10,228,418	59,858	(151,398)	449,078	10,528,487

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, £26,700 was paid out for the Urban Mission (2021: £26,900) of which £26,700 (2021: £26,900) was an advance for 2022/23. £4,000 (2021 : £100,000) for grants to Churches for a variety of reasons, £20,000 to Raleigh Road United Church, £10,677 for manse surveys and architect fees and £43,773 (2021: £41,352) for one quarters assessments for which the churches will not have to pay in the year 2022/23.

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 £4,704 (2021 : £2,538) consists of unspent grant monies received for the provision of a Minister for the wider community at the Alton Estates.

RICHMOND & HOUNSLOW METHODIST CHURCH CIRCUIT

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2022

23 Analysis of net assets between funds	Unrestricted Funds		Designated Funds		Restricted Funds		Total		Unrestricted Funds		Designated Funds		Restricted Funds		Total	
	2022	£	2022	£	2022	£	2022	£	2021	£	2021	£	2021	£	2021	£
Fund balances at 31 August 2022 are represented by:																
Tangible assets	-		-		6,465,000		6,465,000		-		-		4,232,000		4,232,000	
Investment properties	-		-		3,200,094		3,200,094		-		-		4,964,000		4,964,000	
Investments	-		-		708,216		708,216		-		-		878,560		878,560	
Current assets/(liabilities)	135,011		59,069		155,177		349,257		145,579		44,251		153,858		343,688	
	135,011		59,069		10,528,487		10,722,567		145,579		44,251		10,228,418		10,418,248	

RICHMOND & HOUNSLOW METHODIST CHURCH CIRCUIT

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2022

24 Related party transactions

There were no disclosable related party transactions during the year (2021 - none).

25 Cash generated from operations	2022 £	2021 £
Surplus for the year	(28,681)	1,014,877
Adjustments for:		
Investment income recognised in statement of financial activities	(45,727)	(46,892)
Acquisition of church from within the circuit	-	(1,000,000)
Fair value gains and losses on investment properties	(136,094)	(229,000)
Fair value gains and losses on investments	20,015	(21,503)
Movements in working capital:		
(Increase) in debtors	(12,533)	(79,591)
Increase/(decrease) in creditors	632	(218)
(Decrease)/increase in deferred income	(30,032)	42,199
Cash absorbed by operations	(232,420)	(320,128)

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 2022

27 List of Trustees

Mrs Jean Flann
Mrs Lyneth Friday
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
Dr Clive Norris
Rev Adam Nyawo
Mrs Mary Patterson
Miss Carol Powers
Mr Charles Rajkumar
Mrs Gill Sparkes
Miss Winifred Thompson
Mr Brendan Wasmuth
Mr Geoffrey Waterhouse
Mrs Janet Wilson
Rev Geoffrey Farrar
Rev Claudia Lupi
Mr Charles Oppong-Akuoko
Mr Moses Tandayi
Deacon Kathy Johnson
Mr Bismarck Laryea
Mrs Sarah Weeks

Resigned 31 August 2022

Appointed 11 September 2022