

# WEST HERTFORDSHIRE AND BORDERS METHODIST CIRCUIT

England & Wales · Charity number 1135094

## Details

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**Other names** THE METHODIST CHURCH - WATFORD CIRCUIT

**Status** Registered

**Legal form** Other

**Registered** 2010-03-22

**Register** [View on the Charity Commission register](#)

## Contact

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High Street  
Harpenden  
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AL5 2RU

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**Website** [www.whbmethodistchurch.org.uk](http://www.whbmethodistchurch.org.uk)

## Activities

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**Objects:** THE PURPOSES OF THE METHODIST CHURCH ARE AND SHALL BE DEEMED TO HAVE BEEN SINCE THE DATE OF UNION THE ADVANCEMENT OF -(A) THE CHRISTIAN FAITH IN ACCORDANCE WITH THE DOCTRINAL STANDARDS AND THE DISCIPLINE OF THE METHODIST CHURCH;(B) ANY CHARITABLE PURPOSE FOR THE TIME BEING OF ANY CONNEXIONAL, DISTRICT, CIRCUIT, LOCAL OR OTHER ORGANISATION OF THE METHODIST CHURCH;(C) ANY CHARITABLE PURPOSE FOR THE TIME BEING OF ANY SOCIETY OR INSTITUTION SUBSIDIARY OR ANCILLARY TO THE METHODIST CHURCH;(D) ANY PURPOSE FOR THE TIME BEING OF ANY CHARITY BEING A CHARITY SUBSIDIARY OR ANCILLARY TO THE METHODIST CHURCH.

**Activities:** Our mission is to encourage, enable and equip the churches, congregations and individuals of the Circuit to draw nearer to God, to proclaim the good news of Christ and to share the love of God.

## Classification

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- **How:** Makes Grants To Organisations, Provides Human Resources, Provides Services, Acts As An Umbrella Or Resource Body
- **What:** Religious Activities
- **Who:** The General Public/mankind

## Geography

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- **Area of benefit:** UNDEFINED. IN PRACTICE, LOCAL.
- Buckinghamshire
- Central Bedfordshire
- Hertfordshire

## Finances

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Period end	Income	Expenditure	Assets	Employees
2025-08-31	£574,325	£829,547	£9,377,237	2
2024-08-31	£599,053	£763,871	£9,854,701	11
2023-08-31	£1,497,862	£611,092	£9,748,545	11
2022-08-31	£518,159	£572,416	£8,751,515	12
2021-08-31	£520,325	£558,981	£7,880,737	12
2020-08-31	£504,074	£575,452	£6,533,554	12

## Trustees

Name	Role	Appointed
<b>Revd Dr Caroline Wickens</b>	Chair	2025-09-01
ALISON BRAIN		2016-06-13
Ann Iris Shepherd		2020-09-21
Ann Matthews		2020-12-09
CELIA GREEN		
Chrystyna Yvonne Smith		2018-11-01
Clive Wickham		2018-05-26
DAVID ROGER PAIN		2012-09-28
DAVID Stewart MCGUIRE		
DEBRA JO SUTHERLAND		2015-04-28
David Robert Edney		
JANICE LEWIS		2016-06-14
JENI BOWMAN		2012-09-26
Juliet Sarah Jacobs		2025-07-29
KATHRYN MARGARET SPALL		2022-01-18
Karen Noble		2025-10-21
Kwasi Obeng Darko		2025-10-07
LINDA CATHERINA MORGAN		2024-05-01
LYNDSAY MARGARET CAMPBELL		2016-09-16
Lesley Markham-Jones		2023-08-16
Linda Marie-Claire Black		2019-02-14
Lorraine Jeanette Pearce		2019-06-12
MARGARET ANNE FAULKNER		2014-09-10
MRS JENNY HARRIS		2016-06-14
Margaret Rose Woods		2019-08-30
Michael Hill		2021-11-08
Michael Lees		2021-04-22

Name	Role	Appointed
Miranda Henrietta Kowalczyk		2024-05-01
PAULINE ANN ROGERS		
Paul Albert Johnston		2024-07-04
Philippa Jane Bayfield		2026-01-21
REV BRIAN NEAL TEBBUTT		2012-09-27
REV JOHN FELLOWS		2012-09-01
ROSEMARY ANN BERDINNER		2015-08-09
Rev Andrew John Brazier		2019-09-01
Rev Caroline Ann Weaver		2021-09-01
Rev Donna Lynne Fowler-Marchant		2020-09-01
Rev Helen Louise Roberts		2023-09-01
Rev Joyce Mayisiri		2022-09-01
Rev Mark Paul Hammond		2013-09-10
Rev Michael Glenn Giles		2025-09-01
Rosemary Anne Rhodes		2020-02-01
Sally Elizabeth Pearson		2025-07-29
Shireen Wickham		2021-09-01
Susan Dyce		2019-08-28
Suzanne E Wood		2017-06-14
Trevor Anthony Wadcock		2024-08-01

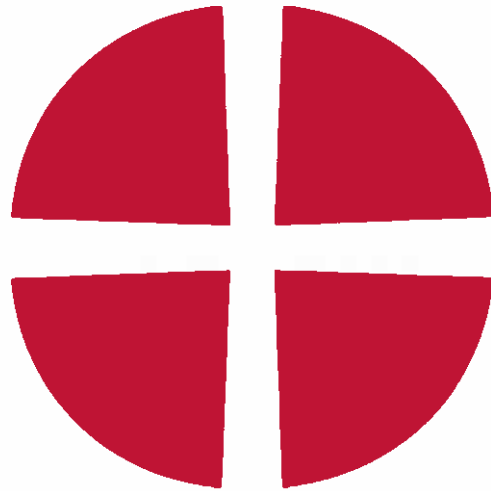
**WEST HERTFORDSHIRE AND BORDERS METHODIST CIRCUIT**

England & Wales - Charity number 1135094

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# Accounts

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**West Hertfordshire and Borders Methodist Circuit  
(Registered Charity 1135094)**

**Trustees Annual Report and Accounts  
For the Year Ended  
31<sup>st</sup> August 2025**

**West Hertfordshire and Borders Methodist Circuit  
Trustees Annual Report and Accounts  
For the Year Ended 31<sup>st</sup> August 2025**

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## **Trustees Annual Report for the year ended 31<sup>st</sup> August 2025**

The Trustees of the West Hertfordshire and Borders Methodist Circuit present their report, with the financial statements of the charity, for the year ended 31<sup>st</sup> August 2025. The Trustees have adopted the provisions of '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<sup>st</sup> January 2015)'.

### **1. Objectives and Activities**

In setting our objectives and planning our activities, the Circuit Trustees (who meet in September, January/February and May/June each year) have given careful consideration to the Charity Commissioners' published guidance on public benefit, and we believe that we conform with the Charities Act 2011, and the Charities (Accounts and Reports) Regulations 2008.

Our stated mission is to, 'encourage, enable and equip the churches, congregations and individuals of the Circuit to draw nearer to God, to proclaim the good news of Christ, and to share the love of God.'

We aim to achieve this through the provision of ministerial staff, financial and other support to the seventeen Methodist Churches, one Methodist/Anglican LEP and one Methodist/United Reformed Church LEP in our local area (which covers Dacorum, Three Rivers, Watford, Harpenden and parts of Buckinghamshire and Bedfordshire).

### **2. Achievements and Performance**

Under the heading '*Collaborative arrangements with connected charities*' (3.3 below), there is further information on how we obtain our funds. In this paragraph we provide an overview of how they were spent. For more detail, please see the Churches' own Trustees Annual Reports (where these are required to be prepared).

During the year, the principal input into the Circuit was through the work of the Ministers, six Presbyters and one Deacon. Around 44% of the revenue budget was spent on stipends and accommodation for the ministerial staff (£365k in 2024-25, £361k in 2023-24). This includes routine manse maintenance but not improvements and renovations.

The Circuit appointed a paid Safeguarding Officer with effect from December 2018, with the role of supporting the churches in their safeguarding policies, practices, compliance and training; and a bursar from October 2021, with their work focussed mainly on property matters at the manses (although that post is currently vacant).

The Circuit has a sum of money available for grants, principally for mission projects or to support Churches needing to make modifications to their premises to meet health and safety legislation, to enable inclusivity and to encourage eco-friendly improvements to church buildings. Funding is usually matched with what has been raised by the church in question, and is sometimes split three ways with the District. Where funds are required for other purposes, the Circuit may give short-term

or longer-term loans. Requests are invited, to be discussed first by the Circuit Leadership Team with final decisions being made by the full Circuit Meeting, except for smaller grants which can be approved by the Circuit Leadership Team (up to £3,000).

Grants totalling £101,318 were paid during the year to 9 churches to support works to carry out necessary repairs, improve insulation and upgrade sound and AV systems. The largest grant (£71,327) was paid to Harpenden Methodist Church to remodel the interior of the church to enhance its use for mission and outreach.

The Circuit put in place a programme of support for the churches to enable them to meet steep rises in energy bills from April 2022. The impact on churches varied depending on when fixed price contracts ended, with some churches affected almost immediately while others had longer contracts running into 2024 or 2025. The Circuit is funding increases in excess of 5% per annum for the period from 1<sup>st</sup> April 2022 to 31 August 2026. The Circuit estimated the cost for the period from 1<sup>st</sup> September 2023 to 31 August 2026 at £100,000 per annum, giving an estimated total of £300,000. The actual cost in 2024/25 was £65,414 (2023/24 £61,895). Future estimates depend critically on future energy prices and the impact of measures being taken by churches to reduce their energy consumption. The Circuit plans to wind down this support in stages by the end of August 2028.

### **3. Financial Review**

During the year, the Circuit received total revenue income of £574k (2023-24: £599k). The main reasons for the reduction in revenue receipts were reduced income on the Model Trust Fund and the Circuit no longer received the grants for the Ghanaian Chaplain. Total Circuit expenditure was £830k (2023-24: £764k). The main reason for this was a significant increase in grants paid to Circuit churches for property improvement schemes. In terms of revenue expenditure there was a deficit in 2024-25 of £255,576 (2023-24: £161,560).

The Trustees have every reason to believe that the Circuit is a going concern, in that they hold free reserves of around £505k, over and above those required to cover six months of revenue expenditure and other specific commitments, even if every Church defaulted on its assessment.

The title to the nine properties (manses) in which the Ministers live (including one currently let out), the Cloisters Hall, Markyate Methodist Church and Southdown Methodist Chapel (now the home of the SPACe project) are held by the Trustees for Methodist Church Purposes, in Manchester. The Circuit acts as Managing Trustee, and is responsible for the day to day management of these properties, having the right and obligations of exercising power or discretion over them. The church buildings of the active churches in the Circuit are the responsibility of their Church Councils, some of which have registered charity status in their own right, and some of which do not.

In response to the new accounting standards, the manses have been revalued for these accounts (*see note 7 for details*).

The principal source of funds for the Circuit is the assessment levied on the Churches. In addition, the Circuit receives rental income from a manse that is currently not used to house a minister.

The churches' income is derived from freewill donations by church members and others attending worship, and payments for the use of church halls and rooms by clubs, activity groups and other organisations. Despite significant reductions in these sources of income since March 2020 the

majority of the circuit assessment payments by churches have continued to be made. As reported below the Circuit holds reserves of £505k over and above the baseline of 50% of annual expenditure of annual expenditure and other specific commitments. The Trustees' view is that the Circuit's reserves are sufficient to meet any likely shortfalls at present.

From September 2016 staffing was reduced by one Minister, leaving a vacant manse. A decision was made to rent out this manse for an initial period of two years, giving the Circuit the opportunity to assess whether the staffing reduction was permanent or whether there were other Circuit (charitable) purposes to which the property can be put. During this period, the rental received will not be used for general revenue purposes, but to support churches in meeting assessments, to fund specific projects and posts (currently the Circuit safeguarding Officer) and to add to the funds available for grants. Since this is not deemed to be a long-term use of the property, it has not been categorised as an investment property in the accounts. Future decisions about how we use the property may cause us to review this. The property has been rented out for a further three-year period from September 2024.

Another manse fell vacant in August 2024 with the departure of the minister who was not replaced. A retired minister is living there temporarily and is supporting the work of the Circuit.

The Southdown Methodist Church formally ceased to meet for worship in October 2023. A project is in development to develop the Southdown Methodist church building as a Christian performing arts centre (SPACe). The project is currently at the feasibility stage, with some performances, teaching and other activities taking place alongside the initial development. The building was taken into the managing trusteeship of the Circuit Meeting on 31 August 2024.

### **3.1 Investment Policy and Performance**

To comply with Methodist Standing Orders, monies for long term investment are lodged with the Trustees for Methodist Church Purposes (TMCP). As stated above, TMCP acts as custodian trustee for all real estate held by the Circuit, for all large (over £20k) bequests, and for the proceeds of the sale of properties. These sums are invested in unitised investments or held on deposit. The investment returns are close to tracking the movements of the FTSE100 index. The deposit income reflects rates available elsewhere, but additionally the Circuit can be assured that the underlying investments take account of the social, environmental and ethical concerns of the Methodist Church.

Short term deposits are lodged directly with the Central Finance Board of the Methodist Church (CFB) and attract a rate of interest in line with other market rates. Again, the CFB aim to utilise the monies held with them, alongside other denominations, to engage with companies in which they hold investments, to bring about change in line with our ethical concerns regarding poverty and unsafe working practices, etc.

There are no other benchmarks for the expected returns on investments with the TMCP and CFB. The objective is a rate of return reflecting the market rate, but which fits with the Trustees' low appetite for risk. The Central Finance Board now have a number of accounts for funds not immediately required, and which attract slightly higher rates, which meeting the same ethical aims. These will bear further examination going forwards.

### 3.2 Reserves Level and Policy

The Circuit has a reserves policy covering all of its unrestricted funds which is reviewed annually. The Charity Commission's recommended minimum policy level for free reserves is such as to pay for six months of revenue expenditure, although there continues to be conversation as to whether the Circuit should take Church and District reserves into account to avoid over provision along the chain of payments between the three tiers.

The recommended amount equates to fifty percent of lines 9 – 16 of the Standard Form of Accounts (general fund), net of expenditure met by grants received, which in 2024-25 amounted to £262k (2023-24: £279k).

The Circuit sets aside a sum each year from the revenue budget to meet maintenance expenditure on the manses, quinquennial inspections, and costs incurred when ministers move into the Circuit. Expenditure is allocated against that reserve for budget and financial planning purposes. The amount allocated in 2024-25 was £35,000. £39,827 was spent from this reserve during the year on manse maintenance, together with £3,186 on costs for the move of a new minister into the Circuit. The reserve stood at £24,030 at 31 August 2025.

More substantial renovations and improvements to the manses are charged directly to reserves and not to the manse maintenance reserve. £30,534 was spent during the year, the main items being an works to upgrade bathrooms, boilers and heating systems.

The Circuit has set aside the rental income from the surplus manse as a special reserve with two purposes – firstly to support churches who would suffer financial difficulties if they met their full allocated assessment; and secondly to support specific projects or appointments – the Circuit has appointed a paid safeguarding officer. The costs of this post will be met from this source.

The total reserves held at the end of the year were as follows -:

	£
<i>Unrestricted funds</i>	
General Fund	8,798,065
TMCP Funds	579,172
	9,377,237
<i>Less: invested in buildings</i>	(8,579,165)
Uncommitted reserves	798,072
<i>Less: Sum set aside under Reserves Policy</i>	(262,542)
<i>Less: allocated to manses reserve</i>	(24,030)
<i>Less: reserve derived from surplus manse</i>	(6,247)
Available for Grants and other purposes	505,253

The Trustees consider that the level of reserves is sufficient to meet known risks, in particular the potential loss of assessment income from the churches in the light of the reductions in the churches' income, described above.

### **3.3 Collaborative arrangements with Connected Charities**

The Circuit's main source of funding is the assessments paid by each of the Churches, amounting to £479k (2023-24: £475k). The West Hertfordshire and Borders Circuit came into being in 2012, formed from the merger of the Harpenden, Hemel Hempstead & Berkhamsted and Watford Circuits. Initially, the assessments charged to each Church reflected historical circumstances, being increased by small percentages, primarily to reflect pay increases. During 2015-16 the Circuit and Church Treasurers continued to work on an assessment formula which would reflect more closely the current position of each Church. Proposals were brought to the June 2016 Circuit Meeting reflecting ministerial input, Church membership and the ability of the Church to pay (measured in terms of their income over the previous three years). These were agreed, and have formed the basis of assessments for years from 2016-17.

The Circuit is part of the Bedfordshire, Essex and Hertfordshire Methodist District, which in turn is part of the Methodist Connexion in Great Britain. The District takes a levy on Circuit reserves (above set limits) held with TMCP and credits these to the District Advance Fund, from which grants can be made. In 2024-25, this levy amounted to £50,847.

In addition, the District collects an assessment from the Circuits, on behalf of the Connexion, based on staffing and membership numbers. The Circuit's contribution in 2024-25 was £108.7k (2023-24: £101.6k).

As reported last year, the managing trusteeship of the Cloisters Hall in Rickmansworth was transferred to the Circuit with effect from 1<sup>st</sup> April 2021, following the dissolution of the Local Ecumenical Partnership (LEP) between Rickmansworth Methodist Church and St Mary's Church of England. The Trustees have concluded that it is uneconomic to continue to operate the hall and decided to close the hall on 31 December 2022, with a view to its disposal. The accounts of the Cloisters Hall have been consolidated into these accounts.

Markyate Methodist Church closed for worship on 31<sup>st</sup> August 2022. The Circuit Meeting became the managing trustees of the land and buildings on 30<sup>th</sup> June 2022. The land and buildings were transferred into these accounts on that date. Bank and CFB balances were transferred to the Circuit on 31<sup>st</sup> August 2022, and the trust funds held at TMCP were transferred on 1<sup>st</sup> September 2022. The money in those trust funds (£2,257) was subsequently withdrawn to meet some of the ongoing costs of the Markyate chapel pending its sale, and the trusts were closed. The chapel was sold in October 2025 for £513,750. The sale proceeds net of expenses of sale were £497,899. The Connexional Advance and Priority Fund levy was £175,160, leaving net proceeds to the Circuit of £322,739.

Southdown Methodist Church closed for worship in October 2023. The church building was transferred to the Circuit on 31<sup>st</sup> August 2024 and work is in hand to develop the building as a Christian Performing Arts Centre ("SPACe"). The church's financial resources, together with the lease on the Southdown Halls building, were transferred to High Street Methodist Church, Harpenden. An amount continues to be paid to the Circuit from the annual lease income of the Halls property.

## **4 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).

For each financial year (ending the 31<sup>st</sup> August), the Trustees are required to prepare financial statements that give a true and fair view of the Circuit's financial activities during the year, and of its financial position at the end of the year. In preparing these statements, the Trustees must -:

- select suitable accounting policies and apply them consistently;
- observe the methods and principles in the Charities' SORP;
- make judgements and estimates that are reasonable and prudent;
- follow applicable accounting standards, subject to any material departures being both disclosed and explained;
- prepare the financial statements on the going concern basis, unless it is inappropriate to assume that the Circuit will continue in operation.

The Trustees are responsible for keeping proper accounting records which disclose with reasonable accuracy, at any time, the financial position of the Circuit, and enables them to ensure that the financial statements comply with the law. They are also responsible for safeguarding the assets of the Circuit, and ensuring their proper application under charity law, and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

### **4.1 Risk Management, Safeguarding & Property**

As well as ensuring that the Circuit follows policies which minimise financial risk, the Trustees undertake to promote good practice in financial practices within the individual Churches, compatible with their size and resources available.

Every person has a value and dignity which arise directly from our creation in God's own image and likeness. This implies a duty to protect them from harm. The Trustees, on behalf of the West Hertfordshire and Borders Methodist Circuit, commit themselves to ensuring the implementation of Connexional Safeguarding Policy; government legislation, guidance and safe practice in the Circuit and in the Churches. They are committed to the provision of support, advice and training for lay and ordained people that will ensure people are clear and confident about their roles and responsibilities in safeguarding and promoting the welfare of children and adults who may be vulnerable.

The Trustees have recently appointed a paid Circuit Safeguarding Officer to give these issues appropriate oversight.

The Trustees' aim is to care practically and appropriately for the Circuit's staff by providing and maintaining suitable and good quality housing which, as far as possible, will -:

- be in an appropriate location;
- enable the Circuit's staff to live in dignity and comfort and to carry out their Circuit responsibilities whilst respecting their independence and privacy;
- be adaptable to meet their needs.

The Circuit is committed to keeping all its property in a good standard of repair and will continue to strive to meet the *Decent Homes Standard*. It does this by having a planned maintenance programme and by the provision of a responsive repair and maintenance service. Both the planned maintenance programme and the responsive repair and maintenance service are carried out so as to ensure that good value for money is obtained at all times.

The Trustees will promote within their property, and within individual Churches, due attention to health and safety legislation and procedures. Physical safety is important. Information and advice will be shared with regard to, for example, *Lone Working* and *Working at Height*. Churches should have appropriate risk assessments in place.

## **5 Structure, Governance and Management**

The West Hertfordshire and Borders Methodist Circuit is an unincorporated charitable association governed by the Methodist Church Act 1976, the Deed of Union (1932), and the Model Trust Deeds of the Methodist Church. Detailed governance arrangements are outlined within the Constitutional Practice and Discipline of the Methodist Church by order of the annual conference (CPD).

It was registered with the Charity Commission on its formation in 2012, adopting the charity number of the preceding Watford Circuit.

### **5.1 Structure**

Circuits are the co-ordinating charities for local groups of Churches, in this case covering Dacorum, Harpenden, Watford, Three Rivers and parts of Bedfordshire (Studham) and Buckinghamshire (Ley Hill). Circuits pay the stipends of the Ministers and employ lay staff to serve the Churches in the Circuit.

The Circuit is part of the Bedfordshire, Essex & Hertfordshire District. Districts are the co-ordinating charities for a group of circuits and make their decisions at half yearly synods.

The Methodist Conference meets once each year as the supreme denominational body for all the Methodist Churches. Overall regulatory authority rests with the Methodist Conference.

### **5.2 Purpose of the Circuit**

The Circuit is an expression, over a wider geographical area than any individual Church, of the connexional character of the Methodist Church.

The purposes of the Methodist Church are and shall be deemed to have been since the date of the union the advancement of -:

- the Christian faith in accordance with the doctrinal standards and the discipline of the Methodist Church, and
- any charitable purposes for the time being of any Connexional, District, Circuit, local or other organisation of the Methodist Church, and
- any charitable purpose for the time being of any society or institution subsidiary or ancillary to the Methodist Church, and
- any purpose for the time being of any charity being a charity subsidiary or ancillary of the Methodist Church.

The primary purpose of this Circuit is to advance the mission of the Church as we, 'encourage, enable and equip the churches, congregations and individuals of the Circuit to draw nearer to God, to proclaim the good news of Christ, and to share the love of God' by placing at their disposal resources of finance, personnel and expertise.

### **5.3 Governance**

The Circuit operates within a statutory framework of regulation and seeks to ensure that it follows Methodist Standing Orders. It relies on the Connexional Office at 25 Tavistock Place, London WC1H 9SF, and on District staff to provide guidance on changes that could affect the Circuit.

The Trustees comprise the Circuit Staff (with the exception of the Circuit Administrator), other Methodist Ministers resident in the area, Circuit Officers, and representatives of each of the Churches, elected by their Church Councils. The number of representatives is relative to the size of the Churches' membership.

The Circuit Leadership Team meets on a bi-monthly basis, but major decisions, including those of expenditure are subject to agreement or ratification by the Circuit meeting, which meets three times a year (and at other times if necessary for urgent decisions). In turn, the Circuit Meeting appoints representatives to the District Synod, the District's decision-making body.

## **6 Reference and Administrative Details**

### **6.1 Name of the Charity**

The West Hertfordshire and Borders Methodist Circuit

### **6.2 Charity Registration Number**

1135094, registered in England and Wales

### **6.3 Circuit Office**

Harpenden Methodist Church  
High Street  
Harpenden  
Hertfordshire  
AL5 2RU

01582 713056  
[westhertsandborderscircuit@gmail.com](mailto:westhertsandborderscircuit@gmail.com)

### **6.4 Superintendent Minister**

Rev Rachael Hawkins (to 31<sup>st</sup> August 2025)  
Rev. Dr Caroline Wickens (from 1<sup>st</sup> September 2025)

## **6.5 Secretary of the Circuit Meeting**

Lyndsay Campbell – *to January 2026*  
Philippa Bayfield – *from January 2026*

## **6.6 Circuit Treasurer**

David Edney

## **6.7 Circuit Administrator**

Jennifer Frith (*non-Trustee*)

## **6.8 Circuit Staff**

Rev Dr Caroline Wickens – (Superintendent – from 1/9/2025)  
Rev Andrew Brazier  
Rev Dr Donna Fowler-Marchant  
Rev Mark Hammond  
Rev Rachael Hawkins (Superintendent – to 31/8/2025)  
Rev Joyce Mayisiri  
Rev Helen Roberts  
Deacon Sarah Wickett – to 28/2/2026

Pauline Jackson (*Safeguarding Officer: non-trustee*)

## **6.9 Circuit Officers**

Linda Black (*Circuit Steward*)  
David Edney (*Circuit Steward and Circuit Treasurer*)  
Janet Gilfoyle (*Circuit Steward to 31 August 2025*)  
Mike Lees (*Circuit Steward*)  
David Pain (*Circuit Steward – from September 2025*)  
Lorraine Pearce (*Circuit Steward*)  
Lyndsay Campbell (*Circuit Meeting Secretary to January 2026; Circuit Steward from January 2026*)  
Karen Noble (Secretary of the Preachers' meeting) – *from September 2025*  
Philippa Bayfield (Circuit Meeting Secretary) – *from January 2026*

## **6.10 Names of Trustees**

Circuit Staff and Officers are automatically members of the Circuit Meeting (unless noted otherwise). Supernumerary Ministers, or other Methodist Ministers resident in the area, also have a right to be part of the Circuit Meeting. Other Trustees are appointed by the Circuit's Church Councils, the number being dependent on the size of the individual Church.

In addition to those named above, the following served as Trustees at some point during the year 2024-25, or are Trustees as of the date of the approval of this report. One Minister who is resident

in the area, but not active in Trustee decision making, has requested that their details do not appear in any publications.

Richard Atkins (to 29/7/2025)  
Jeni Bowman  
Susan Dyce  
Paul Creasey (to 31/8/25)  
Jenny Harris  
Paul Johnston  
Janice Lewis  
Juliet Jacobs (from 29/7/2025)  
Miranda Kowalczyk  
David McGuire  
Clare Rayment (to 31/8/25)  
Pauline Rogers  
Rosemary Rhodes  
Ann Shepherd  
Kathryn Spall  
Rev Brian Tebbutt (*Supernumerary*)  
Rev Caroline Weaver (*Supernumerary*)  
Clive Wickham

Rosemary Berdinner  
Alison Brain  
Rev John Fellows (*Supernumerary*)  
Rev Michael Giles (*Supernumerary*) (from 1/9/2025)  
Margaret Faulkner  
Celia Green  
Michael Hill  
Lesley Markham-Jones  
Linda Morgan  
Ann Matthews  
Sally Pearson (from 29/7/2025)  
Chrystyna Smith  
Debra Sutherland  
Esther Wane (to 29/7/2025)  
Trevor Wadcock  
Suzanne Wood  
Shireen Wickham  
Margaret Woods

### **6.11 Bankers**

Unity Trust Bank PLC  
Nine Brindleyplace  
Birmingham.  
B1 2HB

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

### **6.12 Investment Managers and Custodian Trustees**

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

### **6.13 Auditors**

Hicks and Company  
Chartered Accountants & Statutory Auditors  
Vaughan Chambers  
Vaughan Road  
Harpenden  
Hertfordshire  
AL5 4EE

## 6.14 Churches making up the Circuit

Abbots Langley Methodist Church  
All Saints', Berkhamsted (Anglican/Methodist Local Ecumenical Partnership)  
Batford Methodist Church  
Berry Lane Methodist Church  
Bushey & Oxhey Methodist Church  
Carpenders Park and South Oxhey Methodist Church  
Croxley Green Methodist Church  
Gaddesden Row Methodist Church (merged to become The Villages Church 1/9/2025)  
Harpenden (High Street) Methodist Church  
Hemel Hempstead Methodist Church (HHMC)  
Kings Langley Methodist Church  
Ley Hill Methodist Church  
Markyate Methodist Church \*\*  
The Scroll Church (Methodist/URC LEP)  
Redbourn Methodist Church  
St Andrew's (Bushey Heath) Methodist Church  
St Martha's (Tring) Methodist Church  
Southdown Methodist Church (ceased to meet for worship October 2023) ++  
Studham Methodist Church (merged to become The Villages Church 1/9/2025)  
Trinity (Watford) Methodist Church  
Trowley Hill (Flamstead) Methodist Church (merged to become The Villages Church 1/9/2025)

\*\* Markyate Methodist Church formally closed on 31<sup>st</sup> August 2022. The land and buildings were transferred to the managing trusteeship of the Circuit on 30<sup>th</sup> June 2022. The chapel building was sold on 17 October 2025.

++ Southdown Methodist Church closed for worship in October 2023. The chapel building was transferred to the Circuit on 31<sup>st</sup> August 2024. The financial resources together with the residual freehold of, and the benefit of the lease on, the Southdown Halls building were transferred to High Street Methodist Church, Harpenden. An amount continues to be paid to the Circuit from the annual rental income of the Halls. The chapel building is now in use as the Southdown Performing Arts Centre (SPACe), an outreach project of the Circuit.

### Statement of disclosures to the Auditor

- (a) So far as the Trustees are aware, there is no relevant audit information of which the Auditors are unaware, and;
- (b) We have taken all the steps we ought to have taken as Trustees in order to make ourselves aware of any relevant audit information and to establish that the Auditors are aware of that information;

Approved by the Trustees on the 21<sup>st</sup> May 2026

*Caroline Wickens*

Rev Dr Caroline Wickens (Superintendent Minister)

**WEST HERTFORDSHIRE AND BORDERS METHODIST CIRCUIT  
INDEPENDENT AUDITORS' REPORT TO THE TRUSTEES  
FOR THE YEAR ENDED 31<sup>st</sup> AUGUST 2025**

**Opinion**

We have audited the financial statements of The West Hertfordshire and Borders Methodist Circuit ('the charity') for the year ended 31 August 2025 which comprise the Statement of Financial Activities, the Statement of Financial Position and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (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 2025 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 Auditors' 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 trustees are responsible for the other information. The other information comprises the information included in the Annual Report, other than the financial statements and our Report of the Independent Auditors thereon.

Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether this gives rise to a material misstatement in the financial statements themselves. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

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

We have nothing to report in respect of the following matters where the Charities (Accounts and Reports) Regulations 2008 requires us to report to you if, in our opinion:

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

### **Responsibilities of trustees**

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

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

### **Our responsibilities for the audit of the financial statements**

We have been appointed as auditors 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 a Report of the Independent Auditors 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.

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below:

Based on our understanding of the entity and sector in which it operates, we identified the principal risks of non-compliance with laws and regulations relating to the charity. We also considered those laws and regulations that have a direct impact on the preparation of the financial statements. We communicated identified laws and regulations throughout our team and remained alert to any indications of non-compliance throughout the audit.

We assessed the susceptibility of the charity's financial statements to material misstatement, including obtaining an understanding of how fraud may occur, by making enquiries of the trustees and management as to where they considered there was susceptibility to fraud and considering the internal controls in place to mitigate fraud risks and non-compliance with laws and regulations.

In response to the risk of fraud through management bias (including the risk of override of controls) and the risk of irregularities and non-compliance with laws and regulations, we designed procedures which included, but were not limited to:


- performing analytical procedures to identify unusual or unexpected transactions
- assessing whether judgements and assumptions made in determining accounting estimates were indicative of potential bias
- reviewed a sample of transactions from the charity's records
- performing completeness of income tests
- test checking the appropriateness of journal entries
- agreeing financial statement disclosures to the underlying supporting documentation
- checking for correspondence with the Charity Commission
- reading the minutes of board of trustees' meetings
- checking for any actual and potential litigation and claims

There are inherent limitations in our audit procedures outlined above. The more removed that laws and regulations are from financial transactions, the less likely it is that we would become aware of non-compliance. Auditing standards also limit the audit procedures to identify non-compliance with laws and regulations to enquiry of the trustees and other management and the inspection of regulatory and legal correspondence, if any. Material misstatements that arise due to fraud can be harder to detect than those that arise from error as they may involve deliberate concealment or collusion. We are not responsible for preventing non-compliance and cannot be expected to detect non-compliance with all laws and regulations.

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

### **Use of our report**

This report is made solely to the charity's trustees, as a body, in accordance with Part 4 of the Charities (Accounts and Reports) Regulations 2008. 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.



Philip Dean BA, FCA (Senior Statutory Auditor)  
Hicks and Company  
Chartered Accountants and Statutory Auditors  
Vaughan Chambers  
Vaughan Road  
Harpenden  
Hertfordshire  
AL5 4EE

Date: 21-MAY-26

**THE METHODIST CHURCH  
TRUSTEES ANNUAL REPORT AND ACCOUNTS  
(ACCRUALS BASIS)**

**For the year ended 31<sup>st</sup> August 2025**

**West Hertfordshire and Borders Methodist Circuit**

Registered Charity – Registration number 1135094

District/Circuit No: 34/14

**Ministers:**

Rev Rachael Hawkins (Superintendent to 31/8/2025)  
Rev Dr Caroline Wickens (Superintendent from 1/9/2025)  
Rev Andrew Brazier  
Rev Dr Donna Fowler-Marchant  
Rev Mark Hammond  
Rev Joyce Mayisiri  
Rev Helen Roberts  
Deacon Sarah Wickett (to 28/2/2026)

**Circuit Stewards:**

Linda Black  
David Edney  
Janet Gilfoyle (to 31/8/2025)  
Mike Lees  
David Pain (from September 2025)  
Lorraine Pearce  
Lyndsay Campbell (from January 2026)

**Circuit Treasurer:**

David Edney

## Statement of Financial Activities (SOFA) for the year ended 31 August 2025

	Notes to the accounts	General Fund (Unrestricted)	Circuit Model Trust (Unrestricted)	Cloisters Hall	Total 2024-25	Total 2023-24
		£	£	£	£	£
<b>Income and Endowments from:</b>						
1 Donations and legacies		-	-		-	-
2 Income from monetary investments		9,216	34,089		43,305	59,867
3 Income from investment properties			-		-	-
4 Assessments on Churches		478,956	-		478,956	474,776
5 Capital Receipts		-	-		-	-
6 Grants received		-	-		-	20,779
7 Other charitable income		52,064	-		52,064	43,631
<b>8 Total income</b>		<b>540,236</b>	<b>34,089</b>		<b>574,325</b>	<b>599,053</b>
<b>Expenditure on:</b>						
9 Grants and donations	7	84,572	82,160		166,732	86,464
10 Salaries and associated costs	6	294,538	-		294,538	333,862
11 Property maintenance		76,232	-		76,232	73,093
12 Connexional assessment & model trust levy		-	-		-	-
13 District Assessment & Levy		108,724	50,487		159,211	172,993
14 Depreciation		-	-		-	-
15 Office expenses		419	-		419	365
16 Other outgoings	5	129,741	2,674		132,415	97,094
16b Sale of land		-	-		-	-
<b>17 Total charitable expenditure</b>		<b>694,226</b>	<b>135,321</b>		<b>829,547</b>	<b>763,871</b>
18 Gains/(losses) on monetary investments		-	-353		-353	3,258
19 Gains/(losses) on investment properties		-	-		-	-
<b>20 Net income/(expenditure)</b>		<b>-153,990</b>	<b>-101,585</b>		<b>-255,575</b>	<b>-161,560</b>
21 Transfers between funds		142,584	-142,584		0	0
22 Other gains/(losses)		-221,889	-		-221,889	-293,730
22a Property Introduced						561,446
<b>23 Net movement in funds</b>		<b>-233,295</b>	<b>-244,169</b>		<b>-477,464</b>	<b>106,156</b>
24 Total funds brought forward		8,149,007	823,341	882,353	9,854,701	9,748,545
<b>25 Total funds carried forward</b>		<b>7,915,712</b>	<b>579,172</b>	<b>882,353</b>	<b>9,377,237</b>	<b>9,854,701</b>

West Hertfordshire and Borders Methodist Circuit  
Statement of Financial Position as at 31 August 2025

34/14

	Notes	General Fund (Unrestricted) £	Circuit Model Trust Fund (Unrestricted) £	Cloisters Hall £	Totals 2025 £	Totals 2024 £
<b>Fixed Assets</b>						
Circuit Manses, Buildings & Equipment	8	7,696,812			7,696,812	7,918,701
Investment properties		-		882,353	882,353	882,353
Investments	9	-	51,446		51,446	51,799
<b>Total fixed assets</b>		<b>7,696,812</b>	<b>51,446</b>	<b>882,353</b>	<b>8,630,611</b>	<b>8,852,853</b>
<b>Current Assets</b>						
Debtors and Prepayments	10	25,153	-		25,153	25,135
Investments with TMCP		-	527,726		527,726	771,543
Central Finance Board Deposits		230,815	-		230,815	249,003
Cash at Bank and in hand		15,994	-		15,994	22,586
<b>Total current assets</b>		<b>271,962</b>	<b>527,726</b>		<b>799,688</b>	<b>1,068,267</b>
<b>Current liabilities</b>						
Creditors (due in under 1 year)	11	53,062	-		53,062	66,419
Grants payable within 2025-26		-	-		-	-
<b>Total current liabilities</b>		<b>53,062</b>	<b>-</b>		<b>53,062</b>	<b>66,419</b>
<b>Net current assets/liabilities</b>		<b>218,900</b>	<b>527,726</b>		<b>746,626</b>	<b>1,001,848</b>
<b>Total assets less current liabilities</b>						
		<b>7,915,712</b>	<b>579,172</b>	<b>882,353</b>	<b>9,377,237</b>	<b>9,854,701</b>
<b>Loans and creditors due after 1 year</b>						
	12	-	-		-	-
<b>Net assets</b>		<b>7,915,712</b>	<b>579,172</b>	<b>882,353</b>	<b>9,377,237</b>	<b>9,854,701</b>
<b>Funds of the Circuit</b>						
General Fund (Unrestricted)		5,669,831	-	882,353	6,552,184	6,002,143
Circuit Model Trust Fund (Unrestricted)		-	579,172		579,172	823,342
Revaluation Reserve (Unrestricted)		2,245,881	-		2,245,881	2,467,770
Property Introduced		-			-	561,446
<b>Total Unrestricted Funds</b>	14	<b>7,915,712</b>	<b>579,172</b>	<b>882,353</b>	<b>9,377,237</b>	<b>9,854,701</b>
Circuit Model Trust Fund (Unrestricted Designated)		-	-		-	-
Endowment Funds		-	-		-	-
<b>Total Funds</b>		<b>7,915,712</b>	<b>579,172</b>	<b>882,353</b>	<b>9,377,237</b>	<b>9,854,701</b>

The financial statements were approved by the Board of Trustees on 21<sup>st</sup> May 2026 and signed on their behalf by:

*Caroline Wickens*

Rev Dr Caroline Wickens

Superintendent Minister

West Hertfordshire and Borders Methodist Circuit

Cash Flow Statement for the year ended 31 August 2025

	Note	2025 £	2024 £
<b>Cash from operating activities</b>			
Net cash used in operating activities		(311,904)	(199,033)
<b>Cash flows from investing activities</b>			
Dividends, interest and rents from investments		43,306	51,551
Proceeds from the sale of property, plant and equipment			
Purchase of property, plant and equipment			
Purchase of intangible assets			
Proceeds from the sale of investments			
Purchase of investments			
Other – Thornbury extension			(75,985)
<b>Net cash provided by investing activities</b>		<b>43,306</b>	<b>(24,434)</b>
<b>Cash flows from financing activities</b>			
New borrowing - loan made to North Watford			
Repayments of borrowing			
<b>Net cash used in financing activities</b>			
<b>Other Cash Flows</b>			
Cash and Cash Equivalents – Cloisters Hall transferred to the Circuit on 1 April 2021			
<b>Change in cash and cash equivalents in the reporting period</b>		<b>(268,598)</b>	<b>(223,467)</b>
Cash and cash equivalents at the beginning of the reporting period		1,043,132	1,266,599
<b>Cash and cash equivalents at the end of the reporting period</b>		<b>774,534</b>	<b>1,043,132</b>
<b>Reconciliation of net income to net cash flow from operating activities</b>			
Net income for the reporting period (as per statement of financial activities)		(255,575)	(161,560)
<b>Adjustments for:</b>			
Depreciation and amortisation charges			
Profit on the sale of fixed assets			
Loss on the sale of fixed assets			
(Gains)/Losses on investments		353	(3,258)
Dividends, interest and rents from investments		(43,306)	(51,551)
Decrease/(increase) in stocks			
(increase)/decrease in debtors		(18)	1,373
increase/(decrease) in creditors		(13,357)	15,963
<b>Net cash used in operating activities</b>		<b>(311,904)</b>	<b>(199,033)</b>
<b>Analysis of cash and cash equivalent</b>			
Cash in hand		15,994	22,586
Short term deposit (less than 3 months)		758,540	1,020,546
<b>Total cash and cash equivalents</b>		<b>774,534</b>	<b>1,043,132</b>

# **West Hertfordshire and Borders Methodist Circuit Notes to the Accounts**

## **1 Basis of accounting**

The financial statements of the charity, which is a public benefit entity under FRS 102, have been prepared in accordance with the Charities SORP (FRS102) 'Accounting and Reporting by Charities: Statement of Recommended Practice applicable to Charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (effective 1 January 2015)', and the Charities Act 2011. The financial statements have been prepared under the historical cost convention, with the exception of investments which are included at market value, as modified by the revaluation of certain assets.

## **2 Funds**

The funds held constitute: General Funds held for any purpose of the Circuit which are unrestricted. The Circuit Model Trust Funds have wide purposes defined in Standing Orders and are categorised as unrestricted. The Revaluation Reserve (Unrestricted) relates to the revaluation of the freehold properties (manses). Restricted funds are those held for a narrower purpose and endowment funds which represent gifts, the capital normally being unavailable for spending, and the income from which is either restricted or unrestricted. Any funds may be represented by more than just cash.

## **3 Accounting policies**

### **Incoming resources**

These are included in the Statement of Financial Activities (SOFA) when the Circuit becomes entitled to the resources, the trustees are virtually certain that they will receive the resources; and the monetary value can be measured with sufficient reliability.

### **Resources expended**

Expenditure is recognised when a liability is incurred, or a constructive obligation arises, that results in the payment being unavoidable. Whilst some grants may be agreed in principle for a number of years, they are confirmed on an annual basis. Governance costs amounted to £4,404 comprising audit fees of £4,284 and bank charges and fees of £120. All other expenditure relates to the costs of the charitable activities.

### **Liability recognition**

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

## **Tangible fixed assets for use by the Circuit**

Tangible fixed assets are capitalised if they can be used for more than one year, and cost at least £1,000. They are valued at cost or a reasonable value on receipt. Where cost is not available, the Circuit Meeting may provide a reasonable estimate of cost or of the buildings' current value to the circuit.

The manses have been revalued to market value, and further details relating to this revaluation can be found in note 7 below.

Provision is made for depreciation where appropriate.

From September 2016, the staffing was reduced by one Minister, leaving a vacant manse. A decision was made to rent this out for an initial period of two years, giving the Circuit the opportunity to assess whether the staffing reduction was permanent or whether there were other Circuit (charitable) purposes to which the property can be put. The rent received is being used to support some of the Churches who are most financially stretched and to fund specific projects. The manse has been let for a further three-year period from September 2024.

## **Investments**

Investments are stated in the statement of financial position at the bid price at the year-end. Investment income is included in the accounts when receivable and any gains or losses on revaluation at the year-end are also shown in the SOFA.

## **Taxation**

The Circuit is exempt from tax on its charitable activities.

## **Pension costs**

The ministers are members of the Methodist Church Ministers' Pension Scheme, operated centrally. The Circuit also participates in a defined contribution pension scheme operated by the Pensions Trust. Contributions payable to these pension schemes are charged to the Statement of Financial Activities in the period to which they relate.

## **4 Payments to Trustees**

	<b>2025</b>	<b>2024</b>
Payments made to Trustees for additional services provided to the Circuit	Nil	Nil
Number of Trustees who were paid expenses These expenses include travel costs, preaching fees paid to Supernumerary Ministers, and reimbursement of payments made on behalf of the Circuit	5	6
Total amount paid	£ 1,465	£ 1,144

<b>5 Fees for examination or audit of the accounts</b>	<b>2025</b>	<b>2024</b>
Auditor's fees for reporting on the accounts	£4,600	£4,500
Other fees (e.g. advice, accountancy services) paid to the auditor	Nil	Nil

<b>6 Paid employees</b>	<b>2025</b>	<b>2024</b>
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**Staff costs paid during the year were:**

Gross wages, salaries and benefits in kind	£227,481	£248,552
Employer's National Insurance costs	£ 23,092	£ 22,216
Pension costs	£ 42,346	£ 61,379
Payroll Bureau Fee	£ 480	£ 480
Apprenticeship Levy	£ 1,139	£ 1,234
<b>Total staff costs</b>	<b>£294,538</b>	<b>£333,861</b>

<b>Average number of staff in the year:</b> (comprising six full time and three part-time staff)	<b>9</b>	<b>11</b>
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The use of the word 'staff' should be taken to include both lay staff employed directly by the Circuit, and Presbyters and Deacons who are legally not employees, but 'office-holders'. Whilst their relationship is technically with God and the Connexion, their stipends are funded from Circuit funds.

There were no employees or staff who received benefits of more than £60,000.

## **7 Analysis of grants**

The following grants have been made in the year:	<b>2025</b>	<b>2024</b>
Harpenden Methodist Church	£ 71,327	-
Flamstead Methodist Church	£ 4,933	-
Batford Methodist Church	£ 5,900	-
Energy Related Grants	£ 65,414	£61,895
Other Grants	£ 19,158	£24,569
<b>Total grants paid</b>	<b>£166,732</b>	<b>£86,464</b>

## 8 Tangible Fixed Assets

### Cost or Valuation

	Manses & Buildings £	Equipment £	Total (Restated) £
Balance brought forward	8,801,054	2,919	8,803,973
Additions	.	-	-
Revaluations	-221,889	-	-221,889
Disposals		-	-
Transfers		-	-
Balance carried forward	8,579,165	2,919	8,582,084

Maintenance work is taken from revenue expenditure. For internal accounting purposes the trustees have established a reserve policy to even out the annual costs of maintaining manses, which tend to be highest in years when ministers change appointments.

### Accumulated depreciation

Depreciation is provided for in order to write off each asset, e.g. computer equipment, over its estimated useful life.

Basis: Straight line

Rate: Equipment - over 3 years; Manses – over 50 years

Balance brought forward	-	2,919	-	2,919
Depreciation charge for the year	-	-	-	-
Revaluations	-	-	-	-
Disposals	-	-	-	-
Transfers	-	-	-	-
Balance carried forward	-	2,919	-	2,919

---

## Net book value

Brought forward	8,801,054	-	-	8,801,054
Carried forward	8,579,165	-	-	8,579,165

The Circuit holds nine properties (manses) on the statement of financial position, which were previously held by the three former Circuits prior to the merger on the 1<sup>st</sup> September 2012. Methodist guidelines allowed for these to be stated at their cost price, market valuation or insurance value, and all three forms of valuation had been used by the former Circuits. Following the merger, it was decided to include the manses at their inherited value in the Circuit's accounts.

When preparing the accounts for the year ended 31 August 2016, the Trustees reviewed this policy in the context of the new accounting statements (SORPs), coming into effect, and decided to account for the manses at their market value. Accordingly, the Trustees have valued the manses and buildings at the 31<sup>st</sup> August 2024.

The overall effect of the revaluation during the year has been a reduction in reserves at 31<sup>st</sup> August 2025 by £221,889 (2024: increase of £293,730).

The value of the buildings as at 31<sup>st</sup> August 2025 of £8,579,165 is comprised of the total inherited amount of £5,771,838 plus the revaluation reserve of £2,245,881 and property introduced at 31/8/2024 of £561,446.

## 9 Investment assets

### Analysis of investments

#### Bid Price at year end £

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

Nil

Securities not listed on a recognised Stock Exchange

Nil

Cash held as part of the investment portfolio

Nil

Other investments

51,446

Total

51,446

### Change in investment values

Carrying (market) value at the beginning of the year

51,799

Add: additions to investments at cost

Nil

Less: disposals at carrying value

Nil

Add/(deduct): net gain/(loss) on revaluation

-353

Carrying (market) value at the end of the year

51,446

## 10 Debtors

**2025**  
**£**

**2024**  
**£**

Sundry debtors & prepayments

25,153

25,135

Principally reflecting ministerial stipends paid in advance.

## 11 Creditors due within one year

**2025**  
**£**

**2024**  
**£**

Sundry creditors & deferred income

53,062

66,419

Principally reflecting assessments paid in August for the following year.

## 12 Creditors due after one year

	<b>2025</b>	<b>2024</b>
	<b>£</b>	<b>£</b>

Sundry creditors & accrued income

Nil

Nil

## 13 Capital Commitments & Contingent Liabilities

	<b>2025</b>	<b>2024</b>
	<b>£</b>	<b>£</b>

At the 31<sup>st</sup> August, capital commitments amounted to:

Nil

Nil

## 14 Circuit Reserves

The Circuit's policy is to allocate its reserves as follows:

General reserve equal to 50% of annual expenditure:

£ 262,542

Manse repair and maintenance reserve:

£ 24,030

Reserve from the income from the surplus manse, allocated to support churches with their assessments and to fund specific projects and appointments:

£ 6,247

Balance of reserve available to make grants to Circuit churches to support mission projects, necessary work to address health & safety or accessibility, energy efficiency improvements, and energy bills:

£ 505,253

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Total Reserves (excluding the value of buildings)

£ 798,072

Name of Circuit

Circuit No

West Hertfordshire and Borders

34/14

**Statement of Financial Activities (SOFA) for the year ended  
31 August 2024**

	Notes to the accounts	General Fund (Unrestricted)	Circuit Model Trust (Unrestricted)	Cloisters Hall	Total 2023-24
		£	£		£
<b>Income</b>					
1	Donations and legacies				
2	Income from monetary investments	7,920	51,947		59,867
3	Income from investment properties				
4	Assessments on Churches	474,776			474,776
5	Capital Receipts				
6	Grants received	20,779			20,779
7	Other charitable income	43,631			43,661
8	<b>Total income</b>	<b>547,106</b>	<b>51,947</b>		<b>599,053</b>
<b>Expenditure</b>					
9	Grants and donations	86,464			86,464
10	Salaries and associated costs	333,862			333,862
11	Property maintenance	73,093			73,093
12	Connexional assessment & model trust levy				
13	District Assessment & Levy	101,612	71,381		172,993
14	Sale of Land				
15	Office expenses	365			
16	Other outgoings	93,954	3,140		97,094
17	<b>Total charitable expenditure</b>	<b>689,350</b>	<b>74,521</b>		<b>763,871</b>
18	Gains/(losses) on monetary investments		3,258		3,258
19	Gains/(losses) on investment properties				
20	<b>Net income/(expenditure)</b>	<b>-142,244</b>	<b>-19,316</b>		<b>-161,560</b>
21	Transfers between funds	259,082	-259,082		
22	Other gains/(losses)	-293,730			-293,730
22a	Property Introduced	561,446			561,446
23	<b>Net movement in funds</b>	<b>384,554</b>	<b>-278,398</b>		<b>106,156</b>
24	Total funds brought forward	7,764,452	1,101,740	882,353	9,748,545
25	<b>Total funds carried forward</b>	<b>8,149,006</b>	<b>823,342</b>	<b>882,353</b>	<b>9,854,701</b>



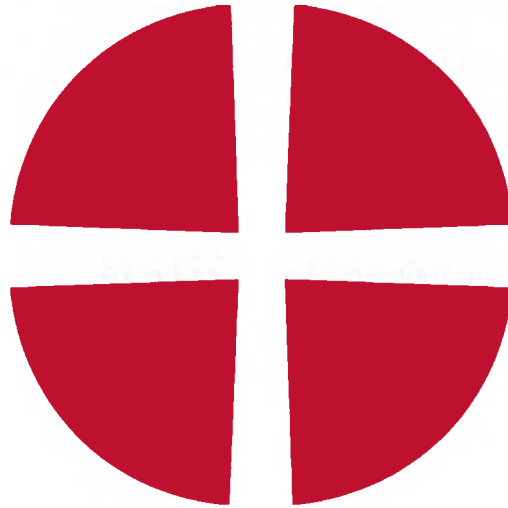
**WEST HERTFORDSHIRE AND BORDERS METHODIST CIRCUIT**

England & Wales - Charity number 1135094

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# Accounts

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**West Hertfordshire and Borders Methodist Circuit  
(Registered Charity 1135094)**

**Trustees Annual Report and Accounts  
For the Year Ended  
31<sup>st</sup> August 2024**

**West Hertfordshire and Borders Methodist Circuit  
Trustees Annual Report and Accounts  
For the Year Ended 31<sup>st</sup> August 2024**

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## **Trustees Annual Report for the year ended 31<sup>st</sup> August 2024**

The Trustees of the West Hertfordshire and Borders Methodist Circuit present their report, with the financial statements of the charity, for the year ended 31<sup>st</sup> August 2024. The Trustees have adopted the provisions of '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<sup>st</sup> January 2015)'.

### **1. Objectives and Activities**

In setting our objectives and planning our activities, the Circuit Trustees (who meet in September, February and June each year) have given careful consideration to the Charity Commissioners' published guidance on public benefit, and we believe that we conform with the Charities Act 2011, and the Charities (Accounts and Reports) Regulations 2008.

Our stated mission is to, 'encourage, enable and equip the churches, congregations and individuals of the Circuit to draw nearer to God, to proclaim the good news of Christ, and to share the love of God.'

We aim to achieve this through the provision of ministerial staff, financial and other support to the seventeen Methodist Churches, one Methodist/Anglican LEP and one Methodist/United Reformed Church LEP in our local area (which covers Dacorum, Three Rivers, Watford, Harpenden and parts of Buckinghamshire and Bedfordshire).

### **2. Achievements and Performance**

Under the heading '*Collaborative arrangements with connected charities*' (3.3 below), there is further information on how we obtain our funds. In this paragraph we provide an overview of how they were spent. For more detail, please see the Churches' own Trustees Annual Reports (where these are required to be prepared).

During the year, the principal input into the Circuit was through the work of the Ministers, seven Presbyters and one Deacon, aided by a part-time Lay Outreach Worker. Around 57% of the revenue budget was spent on stipends and accommodation for the ministerial staff (£361k in 2023-24, £332k in 2022-23). This includes routine manse maintenance but not improvements and renovations.

The Circuit appointed a paid Safeguarding Officer with effect from December 2018, with the role of supporting the churches in their safeguarding policies, practices, compliance and training; and a bursar from October 2021, with their work focussed mainly on property matters at the manses (although that post is currently vacant).

The Circuit has a sum of money available for grants, principally for mission projects or to support Churches needing to make modifications to their premises to meet health and safety legislation, to enable inclusivity and to encourage eco-friendly improvements to church buildings. Funding is usually matched with what has been raised by the church in question, and is sometimes split three ways with the District. Where funds are required for other purposes, the Circuit may give short-term

or longer-term loans. Requests are invited, to be discussed first by the Circuit Leadership Team with final decisions being made by the full Circuit Meeting, except for smaller grants which can be approved by the Circuit Leadership Team (up to £3,000).

Grants totalling £24,569 were paid during the year to 10 churches to support works to upgrade heating systems, repair roofs, replace windows, repair wooden flooring and upgrade sound and AV systems.

The Circuit put in place a programme of support for the churches to enable them to meet steep rises in energy bills from April 2022. The impact on churches varied depending on when their fixed price contracts came to an end, with some churches affected almost immediately while others have longer contracts running into 2024 or 2025. The Circuit is funding increases in excess of 5% per annum for the period from 1<sup>st</sup> April 2022 to 31 August 2026. The Circuit estimated the cost for the period from 1<sup>st</sup> September 2023 to 31 August 2026 at £100,000 per annum, giving an estimated total of £300,000. The actual cost in 2023/24 was £61,895. Future estimates depend critically on future energy prices and the impact of measures being taken by churches to reduce their energy consumption.

### **3. Financial Review**

During the year, the Circuit received total revenue income of £599k (2022-23: £556k). The main reason for the increase in revenue receipts was higher interest income. Total Circuit expenditure was £764k (2022-23: £611k). The main reasons for this were improvement expenditure on the manses and a higher District Advance fund levy, reflecting the increase in the model trust fund following the property sale in the previous year. In terms of revenue expenditure there was a deficit in 2023-24 of £161,560 (2022-23: £57,522).

The Trustees have every reason to believe that the Circuit is a going concern, in that they hold free reserves of around £740k, over and above those required to cover six months of revenue expenditure and other specific commitments, even if every Church defaulted on its assessment.

The title to the nine properties (manses) in which the Ministers live (including one currently let out) the Cloisters Hall, Markyate Methodist Church and Southdown Methodist Church are held by the Trustees for Methodist Church Purposes, in Manchester. The Circuit acts as Managing Trustee, and is responsible for the day to day management of these properties, having the right and obligations of exercising power or discretion over them. The church buildings of the active churches in the Circuit are the responsibility of their Church Councils, some of which have registered charity status in their own right, and some of which do not.

In response to the new accounting standards, the manses have been revalued for these accounts (*see note 7 for details*).

The principal source of funds for the Circuit is the assessment levied on the Churches. In addition, the Circuit received grants to support the work of one minister, who is also the chaplain to the Ghanaian Methodist Fellowship in the UK (this appointment ended in August 2024), and rental income from a manse.

The churches' income is derived from freewill donations by church members and others attending worship, and payments for the use of church halls and rooms by clubs, activity groups and other

organisations. Despite significant reductions in these sources of income since March 2020 the majority of the circuit assessment payments by churches have continued to be made. However, some churches have reduced their assessment payments and others have indicated that they will need to do so as their income has not recovered sufficiently since churches were able to reopen for worship and for lettings use by local groups. As reported below the Circuit holds reserves of £740k over and above the baseline of 50% of annual expenditure of annual expenditure and other specific commitments. The Trustees' view is that the Circuit's reserves are sufficient to meet the likely shortfalls at present. A plan is being drawn up to address the future financial position in the light of these developments.

From September 2016, staffing was reduced by one Minister, leaving a vacant manse. A decision was made to rent out this manse for an initial period of two years, giving the Circuit the opportunity to assess whether the staffing reduction was permanent or whether there were other Circuit (charitable) purposes to which the property can be put. During this period, the rental monies received will not be used for general revenue purposes, but to support transitions in the assessment process, to fund specific projects (currently the Circuit safeguarding Officer) and to add to the funds available for grants. Since this is not deemed to be a long-term use of the property, it has not been categorised as an investment property in the accounts. Future decisions about how we use the property may cause us to review this. The property has been rented out for a further three-year period from September 2021.

The rental income from the surplus manse has been unaffected by the coronavirus restrictions and the Trustees have no indication that there will be any significant impact on this income for the foreseeable future.

Another manse fell vacant in August 2024 with the departure of the minister who was not replaced. A retired minister is living there temporarily and is supporting the work of the service.

The Southdown Methodist Church formally ceased to meet for worship in October 2023. A project is currently in development to develop the Southdown Methodist church building as a Christian performing arts centre (SPACE). The project is currently at the feasibility stage. The building was taken into the managing trusteeship of the Circuit Meeting on 31 August 2024.

### **3.1 Investment Policy and Performance**

To comply with Methodist Standing Orders, monies for long term investment are lodged with the Trustees for Methodist Church Purposes (TMCP). As stated above, TMCP acts as custodian trustee for all real estate held by the Circuit, for all large (over £20k) bequests, and for the proceeds of the sale of properties. These sums are invested in unitised investments or held on deposit. The investment returns are close to tracking the movements of the FTSE100 index. The deposit income reflects rates available elsewhere, but additionally the Circuit can be assured that the underlying investments take account of the social, environmental and ethical concerns of the Methodist Church.

Short term deposits are lodged directly with the Central Finance Board of the Methodist Church (CFB) and attract a rate of interest in line with other market rates. Again, the CFB aim to utilise the monies held with them, alongside other denominations, to engage with companies in which they

hold investments, to bring about change in line with our ethical concerns regarding poverty and unsafe working practices, etc.

There are no other benchmarks for the expected returns on investments with the TMCP and CFB. The objective is a rate of return reflecting the market rate, but which fits with the Trustees' low appetite for risk. The Central Finance Board now have a number of accounts for funds not immediately required, and which attract slightly higher rates, which meeting the same ethical aims. These will bear further examination going forwards.

### 3.2 Reserves Level and Policy

The Circuit has a reserves policy covering all of its unrestricted funds which is reviewed annually. The Charity Commission's recommended minimum policy level for free reserves is such as to pay for six months of revenue expenditure, although there continues to be conversation as to whether the Circuit should take Church and District reserves into account to avoid over provision along the chain of payments between the three tiers.

The recommended amount equates to fifty percent of lines 9 – 16 of the Standard Form of Accounts (general fund), net of expenditure met by grants received, which in 2023-24 amounted to £279k (2022-23: £268k).

The Circuit sets aside a sum each year from the revenue budget to meet maintenance expenditure on the manses, quinquennial inspections, and costs incurred when ministers move into the Circuit. Expenditure is allocated against that reserve for budget and financial planning purposes. The amount allocated in 2023-24 was £35,000. £20,432 was spent from this reserve during the year on manse maintenance, together with £4,122 on quinquennial inspections. There were no costs for removal and relocation of a new minister. The reserve stood at £32,043 at 31 August 2024.

More substantial renovations and improvements to the manses are charged directly to reserves and not to the manse maintenance reserve. £121,200 was spent during the year, the main items being an extension to the kitchen and study at one of the manses, replacement of a heating system and works to improve insulation and damp-proofing.

The Circuit has set aside the rental income from the surplus manse as a special reserve with two purposes – firstly to support churches who would suffer financial difficulties if they met their full allocated assessment; and secondly to support specific projects or appointments – the Circuit has appointed a paid safeguarding officer. The costs of this post will be met from this source.

The total reserves held at the end of the year were as follows -:

	£
<i>Unrestricted funds</i>	
General Fund	9,031,359
TMCP Funds	823,342
	9,854,701
<i>Less: invested in buildings</i>	(8,801,054)
Uncommitted reserves	1,053,647
<i>Less: Sum set aside under Reserves Policy</i>	(278,733)
<i>Less: allocated to manses reserve</i>	(32,043)
<i>Less: reserve derived from surplus manse</i>	(3,331)
Available for Grants	739,540

The Trustees consider that the level of reserves is sufficient to meet known risks, in particular the potential loss of assessment income from the churches in the light of the reductions in the churches' income, described above.

### **3.3 Collaborative arrangements with Connected Charities**

The Circuit's main source of funding is the assessments paid by each of the Churches, amounting to £475k (2022-23: £461k). The West Hertfordshire and Borders Circuit came into being in 2012, formed from the merger of the Harpenden, Hemel Hempstead & Berkhamsted and Watford Circuits. Initially, the assessments charged to each Church reflected historical circumstances, being increased by small percentages, primarily to reflect pay increases. During 2015-16 the Circuit and Church Treasurers continued to work on an assessment formula which would reflect more closely the current position of each Church. Proposals were brought to the June 2016 Circuit Meeting reflecting ministerial input, Church membership and the ability of the Church to pay (measured in terms of their income over the previous three years). These were agreed, and have formed the basis of assessments for years from 2016-17, subject to a series of caps on the increases arising from the move to the new amounts.

The Circuit is part of the Bedfordshire, Essex and Hertfordshire Methodist District, which in turn is part of the Methodist Connexion in Great Britain. The District takes a levy on Circuit reserves (above set limits) held with TMCP and credits these to the District Advance Fund, from which grants can be made. In 2022-23, this levy amounted to £7.5k. The levy in September 2023 was £71k, reflecting the significant amounts received on the sale of the Southdown Church Halls.

In addition, the District collects an assessment from the Circuits, on behalf of the Connexion, based on staffing and membership numbers. The Circuit's contribution in 2023-24 was £101.6k (2022-23: £102.7k).

As reported last year, the managing trusteeship of the Cloisters Hall in Rickmansworth was transferred to the Circuit with effect from 1<sup>st</sup> April 2021, following the dissolution of the Local Ecumenical Partnership (LEP) between Rickmansworth Methodist Church and St Mary's Church of England. The Trustees have concluded that it is uneconomic to continue to operate the hall and decided to close the hall on 31 December 2022, with a view to its disposal. The accounts of the Cloisters Hall have been consolidated into these accounts but shown separately.

Markyate Methodist Church closed for worship on 31<sup>st</sup> August 2022. The Circuit Meeting became the managing trustees of the land and buildings on 30<sup>th</sup> June 2022. The land and buildings were transferred into these accounts on that date. Bank and CFB balances were transferred to the Circuit on 31<sup>st</sup> August 2022, and the trust funds held at TMCP were transferred on 1<sup>st</sup> September 2022. The money in those trust funds (£2,257) was withdrawn during the year to meet some of the ongoing costs of the Markyate chapel pending its sale, and the trusts were closed. The trustees' intention is to sell the building.

Southdown Methodist Church closed for worship in October 2023. The church building was transferred to the Circuit on 31<sup>st</sup> August 2024 and work is in hand to develop the building as a Christian Performing Arts Centre ("SPACe"). The church's financial resources, together with the lease on the Southdown Halls building, were transferred to High Street Methodist Church, Harpenden. An amount continues to be paid to the Circuit from the annual rental income of the property.

## **4 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).

For each financial year (ending the 31<sup>st</sup> August), the Trustees are required to prepare financial statements that give a true and fair view of the Circuit's financial activities during the year, and of its financial position at the end of the year. In preparing these statements, the Trustees must -:

- select suitable accounting policies and apply them consistently;
- observe the methods and principles in the Charities' SORP;
- make judgements and estimates that are reasonable and prudent;
- follow applicable accounting standards, subject to any material departures being both disclosed and explained;
- prepare the financial statements on the going concern basis, unless it is inappropriate to assume that the Circuit will continue in operation.

The Trustees are responsible for keeping proper accounting records which disclose with reasonable accuracy, at any time, the financial position of the Circuit, and enables them to ensure that the financial statements comply with the law. They are also responsible for safeguarding the assets of the Circuit, and ensuring their proper application under charity law, and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

### **4.1 Risk Management, Safeguarding & Property**

As well as ensuring that the Circuit follows policies which minimise financial risk, the Trustees undertake to promote good practice in financial practices within the individual Churches, compatible with their size and resources available.

Every person has a value and dignity which arise directly from our creation in God's own image and likeness. This implies a duty to protect them from harm. The Trustees, on behalf of the West Hertfordshire and Borders Methodist Circuit, commit themselves to ensuring the implementation of Connexional Safeguarding Policy; government legislation, guidance and safe practice in the Circuit and in the Churches. They are committed to the provision of support, advice and training for lay and ordained people that will ensure people are clear and confident about their roles and responsibilities in safeguarding and promoting the welfare of children and adults who may be vulnerable.

The Trustees have recently appointed a paid Circuit Safeguarding Officer to give these issues appropriate oversight.

The Trustees' aim is to care practically and appropriately for the Circuit's staff by providing and maintaining suitable and good quality housing which, as far as possible, will -:

- be in an appropriate location;
- enable the Circuit's staff to live in dignity and comfort and to carry out their Circuit responsibilities whilst respecting their independence and privacy;
- be adaptable to meet their needs.

The Circuit is committed to keeping all its property in a good standard of repair and will continue to strive to meet the *Decent Homes Standard*. It does this by having a planned maintenance programme and by the provision of a responsive repair and maintenance service. Both the planned maintenance programme and the responsive repair and maintenance service are carried out so as to ensure that good value for money is obtained at all times.

The Trustees will promote within their property, and within individual Churches, due attention to health and safety legislation and procedures. Physical safety is important. Information and advice will be shared with regard to, for example, *Lone Working* and *Working at Height*. Churches should have appropriate risk assessments in place.

## **5 Structure, Governance and Management**

The West Hertfordshire and Borders Methodist Circuit is an unincorporated charitable association governed by the Methodist Church Act 1976, the Deed of Union (1932), and the Model Trust Deeds of the Methodist Church. Detailed governance arrangements are outlined within the Constitutional Practice and Discipline of the Methodist Church by order of the annual conference (CPD).

It was registered with the Charity Commission on its formation in 2012, adopting the charity number of the preceding Watford Circuit.

### **5.1 Structure**

Circuits are the co-ordinating charities for local groups of Churches, in this case covering Dacorum, Harpenden, Watford, Three Rivers and parts of Bedfordshire (Studham) and Buckinghamshire (Ley Hill). Circuits pay the stipends of the Ministers and employ lay staff to serve the Churches in the Circuit.

The Circuit is part of the Bedfordshire, Essex & Hertfordshire District. Districts are the co-ordinating charities for a group of circuits and make their decisions at half yearly synods.

The Methodist Conference meets once each year as the supreme denominational body for all the Methodist Churches. Overall regulatory authority rests with the Methodist Conference.

### **5.2 Purpose of the Circuit**

The Circuit is an expression, over a wider geographical area than any individual Church, of the connexional character of the Methodist Church.

The purposes of the Methodist Church are and shall be deemed to have been since the date of the union the advancement of -:

- the Christian faith in accordance with the doctrinal standards and the discipline of the Methodist Church, and
- any charitable purposes for the time being of any Connexional, District, Circuit, local or other organisation of the Methodist Church, and
- any charitable purpose for the time being of any society or institution subsidiary or ancillary to the Methodist Church, and
- any purpose for the time being of any charity being a charity subsidiary or ancillary of the Methodist Church.

The primary purpose of this Circuit is to advance the mission of the Church as we, 'encourage, enable and equip the churches, congregations and individuals of the Circuit to draw nearer to God, to proclaim the good news of Christ, and to share the love of God' by placing at their disposal resources of finance, personnel and expertise.

### **5.3 Governance**

The Circuit operates within a statutory framework of regulation and seeks to ensure that it follows Methodist Standing Orders. It relies on the Connexional Office at 25 Tavistock Place, London WC1H 9SF, and on District staff to provide guidance on changes that could affect the Circuit.

The Trustees comprise the Circuit Staff (with the exception of the Circuit Administrator), other Methodist Ministers resident in the area, Circuit Officers, and representatives of each of the Churches, elected by their Church Councils. The number of representatives is relative to the size of the Churches' membership.

The Circuit Leadership Team meets on a bi-monthly basis, but major decisions, including those of expenditure are subject to agreement or ratification by the Circuit meeting, which meets three times a year (and at other times if necessary for urgent decisions). In turn, the Circuit Meeting appoints representatives to the District Synod, the District's decision-making body.

## **6 Reference and Administrative Details**

### **6.1 Name of the Charity**

The West Hertfordshire and Borders Methodist Circuit

### **6.2 Charity Registration Number**

1135094, registered in England and Wales

### **6.3 Circuit Office**

Circuit Office  
Harpenden Methodist Church  
High Street  
Harpenden  
Hertfordshire  
AL5 2RU

01582 713056  
[westhertsandborderscircuit@gmail.com](mailto:westhertsandborderscircuit@gmail.com)

### **6.4 Superintendent Minister**

Rev. Rachael Hawkins

## **6.5 Secretary of the Circuit Meeting**

Lyndsay Campbell

## **6.6 Circuit Treasurer**

David Edney

## **6.7 Circuit Administrator**

Jennifer Frith (*non-Trustee*)

## **6.8 Circuit Staff**

Rev Quophie Anochie Ababio (left the Circuit 31st August 2024)

Rev Andrew Brazier

Rev Dr Donna Fowler-Marchant

Rev Mark Hammond

Rev Rachael Hawkins (Superintendent)

Rev Joyce Mayisiri

Rev Helen Roberts (appointed to the Circuit 1<sup>st</sup> September 2023)

Deacon Sarah Wickett

Jennifer Frith (*Administrator: non-trustee*)

Pauline Jackson (*Safeguarding Officer: non-trustee*)

Robin McEwen (*Lay Outreach Worker*) – to 31 December 2023

## **6.9 Circuit Officers**

Linda Black (*Circuit Steward*)

David Edney (*Circuit Steward and Circuit Treasurer*)

Janet Gilfoyle (*Circuit Steward*)

Mike Lees (*Circuit Steward*)

Lorraine Pearce (*Circuit Steward*)

David Noble (*Circuit Property Secretary*) – to June 2024

Lyndsay Campbell (*Circuit Meeting Secretary*)

Linda Hillier (*Secretary of the Local Preachers' Meeting*) – to June 2024

## **6.10 Names of Trustees**

Circuit Staff and Officers are automatically members of the Circuit Meeting (unless noted otherwise). Supernumerary Ministers, or other Methodist Ministers resident in the area, also have a right to be part of the Circuit Meeting. Other Trustees are appointed by the Circuit's Church Councils, the number being dependent on the size of the individual Church.

In addition to those named above, the following served as Trustees at some point during the year 2023-24, or are Trustees as of the date of the approval of this report. One Minister who is resident in the area, but not active in Trustee decision making, has requested that their details do not appear in any publications.

Richard Atkins  
Jeni Bowman  
Susan Dyce  
Paul Creasey (from Feb 2023)  
Margaret Faulkner  
Celia Green  
Michael Hill  
Miranda Kowalczyk (from May 2023)  
David McGuire  
Ann Matthews  
Pauline Rogers  
Chrystyna Smith  
Debra Sutherland  
Esther Wane (from September 2023)  
Rev Brian Tebbutt (*Supernumerary*)  
Rev Caroline Weaver (*Supernumerary*)  
Shireen Wickham  
Margaret Woods

Rosemary Berdinner  
Alison Brain  
Rev John Fellows (*Supernumerary*)  
Jenny Harris  
Paul Johnston  
Janice Lewis  
Lesley Markham-Jones (from Aug 2023)  
Linda Morgan (from May 2024)  
Penny O'Neill (to Feb 2024)  
David North (to Aug 2024)  
David Pain  
Rosemary Rhodes  
Ann Shepherd  
Kathryn Spall  
Trevor Wadcock (from Aug 2024)  
Clive Wickham  
Suzanne Wood

### **6.11 Bankers**

Unity Trust Bank PLC  
Nine Brindleyplace  
Birmingham.  
B1 2HB

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

### **6.12 Investment Managers and Custodian Trustees**

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

### **6.13 Auditors**

Hicks and Company  
Chartered Accountants & Statutory Auditors  
Vaughan Chambers  
Vaughan Road  
Harpenden  
Hertfordshire  
AL5 4EE

## 6.14 Churches making up the Circuit

Abbots Langley Methodist Church  
All Saints', Berkhamsted (Anglican/Methodist Local Ecumenical Partnership)  
Batford Methodist Church  
Berry Lane Methodist Church  
Bushey & Oxhey Methodist Church  
Carpenders Park and South Oxhey Methodist Church  
Croxley Green Methodist Church  
Gaddesden Row Methodist Church  
Harpenden (High Street) Methodist Church  
Hemel Hempstead Methodist Church (HHMC)  
Kings Langley Methodist Church  
Ley Hill Methodist Church  
Markyate Methodist Church \*\*  
The Scroll Church (Methodist/URC LEP)  
Redbourn Methodist Church  
St Andrew's (Bushey Heath) Methodist Church  
St Martha's (Tring) Methodist Church  
Southdown Methodist Church (ceased to meet for worship October 2023) ++  
Studham Methodist Church  
Trinity (Watford) Methodist Church  
Trowley Hill (Flamstead) Methodist Church

\*\* Markyate Methodist Church formally closed on 31<sup>st</sup> August 2022. The land and buildings were transferred to the managing trusteeship of the Circuit on 30<sup>th</sup> June 2022. The balances at the Central Finance Board were transferred to the Circuit on 31<sup>st</sup> August 2022; and two trusts held by the Trustees For Methodist Church Purposes for the benefit of the church were transferred to the Circuit on 1<sup>st</sup> September 2022.

++ Southdown Methodist Church closed for worship in October 2023. The chapel building was transferred to the Circuit on 31<sup>st</sup> August 2024. The financial resources together with the residual freehold of, and the benefit of the lease on, the Southdown Halls building were transferred to High Street Methodist Church, Harpenden. An amount continues to be paid to the Circuit from the annual rental income of the property.

### Statement of disclosures to the Auditor

- (a) So far as the Trustees are aware, there is no relevant audit information of which the Auditors are unaware, and;
- (b) We have taken all the steps we ought to have taken as Trustees in order to make ourselves aware of any relevant audit information and to establish that the Auditors are aware of that information;

Approved by the Trustees on the 21<sup>st</sup> May 2025



Rev Rachael Hawkins (Superintendent Minister)

**WEST HERTFORDSHIRE AND BORDERS METHODIST CIRCUIT  
INDEPENDENT AUDITORS' REPORT TO THE TRUSTEES  
FOR THE YEAR ENDED 31<sup>st</sup> AUGUST 2024**

**Opinion**

We have audited the financial statements of The West Hertfordshire and Borders Methodist Circuit ('the charity') for the year ended 31 August 2024 which comprise the Statement of Financial Activities, the Statement of Financial Position and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (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 2024 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 Auditors' 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 trustees are responsible for the other information. The other information comprises the information included in the Annual Report, other than the financial statements and our Report of the Independent Auditors thereon.

Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether this gives rise to a material misstatement in the financial statements themselves. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

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

We have nothing to report in respect of the following matters where the Charities (Accounts and Reports) Regulations 2008 requires us to report to you if, in our opinion:

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

### **Responsibilities of trustees**

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

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

### **Our responsibilities for the audit of the financial statements**

We have been appointed as auditors 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 a Report of the Independent Auditors 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.

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below:

Based on our understanding of the entity and sector in which it operates, we identified the principal risks of non-compliance with laws and regulations relating to the charity. We also considered those laws and regulations that have a direct impact on the preparation of the financial statements. We communicated identified laws and regulations throughout our team and remained alert to any indications of non-compliance throughout the audit.

We assessed the susceptibility of the charity's financial statements to material misstatement, including obtaining an understanding of how fraud may occur, by making enquiries of the trustees and management as to where they considered there was susceptibility to fraud and considering the internal controls in place to mitigate fraud risks and non-compliance with laws and regulations.

In response to the risk of fraud through management bias (including the risk of override of controls) and the risk of irregularities and non-compliance with laws and regulations, we designed procedures which included, but were not limited to:

- performing analytical procedures to identify unusual or unexpected transactions
- assessing whether judgements and assumptions made in determining accounting estimates were indicative of potential bias
- reviewed a sample of transactions from the charity's records
- performing completeness of income tests
- test checking the appropriateness of journal entries
- agreeing financial statement disclosures to the underlying supporting documentation
- checking for correspondence with the Charity Commission
- reading the minutes of board of trustees' meetings
- checking for any actual and potential litigation and claims

There are inherent limitations in our audit procedures outlined above. The more removed that laws and regulations are from financial transactions, the less likely it is that we would become aware of non-compliance. Auditing standards also limit the audit procedures to identify non-compliance with laws and regulations to enquiry of the trustees and other management and the inspection of regulatory and legal correspondence, if any. Material misstatements that arise due to fraud can be harder to detect than those that arise from error as they may involve deliberate concealment or collusion. We are not responsible for preventing non-compliance and cannot be expected to detect non-compliance with all laws and regulations.

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

### **Use of our report**

This report is made solely to the charity's trustees, as a body, in accordance with Part 4 of the Charities (Accounts and Reports) Regulations 2008. 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.



Philip Dean BA, FCA (Senior Statutory Auditor)  
Hicks and Company  
Chartered Accountants and Statutory Auditors  
Vaughan Chambers  
Vaughan Road  
Harpenden  
Hertfordshire  
AL5 4EE

Date: 22<sup>nd</sup> MAY 2025.

**THE METHODIST CHURCH  
TRUSTEES ANNUAL REPORT AND ACCOUNTS  
(ACCRUALS BASIS)**

**For the year ended 31<sup>st</sup> August 2024**

**West Hertfordshire and Borders Methodist Circuit**

Registered Charity – Registration number 1135094

District/Circuit No: 34/14

**Ministers:**

Rev Rachael Hawkins (Superintendent)  
Rev Quophie Anochie Ababio (to 31<sup>st</sup> August 2024)  
Rev Andrew Brazier  
Rev Dr Donna Fowler-Marchant  
Rev Mark Hammond  
Rev Joyce Mayisiri  
Rev Helen Roberts (from 1<sup>st</sup> September 2023)  
Deacon Sarah Wickett

**Circuit Stewards:**

Linda Black  
David Edney  
Janet Gilfoyle  
Mike Lees  
Lorraine Pearce

**Circuit Treasurer:**

David Edney

## Statement of Financial Activities (SOFA) for the year ended 31 August 2024

	Notes to the accounts	General Fund (Unrestricted)	Circuit Model Trust (Unrestricted)	Cloisters Hall	Total 2023-24	Total 2022-23
		£	£	£	£	£
<b>Income and Endowments from:</b>						
1 Donations and legacies		-	-		-	-
2 Income from monetary investments		7,920	51,947		59,867	34,108
3 Income from investment properties			-	-	-	1,075
4 Assessments on Churches		474,776	-		474,776	461,264
5 Capital Receipts		-	-		-	941,553
6 Grants received		20,779	-		20,779	17,000
7 Other charitable income		43,631	-		43,631	42,862
<b>8 Total income</b>		<b>547,106</b>	<b>51,947</b>		<b>599,053</b>	<b>1,497,862</b>
<b>Expenditure on:</b>						
9 Grants and donations		86,464	-		86,464	56,131
10 Salaries and associated costs	6	333,862	-		333,862	305,232
11 Property maintenance		73,093	-	-	73,093	49,149
12 Connexional assessment & model trust levy		-	-		-	-
13 District Assessment & Levy		101,612	71,381		172,993	110,183
14 Depreciation		-	-		-	-
15 Office expenses		365	-		365	1,246
16 Other outgoings	5	93,954	3,140		97,094	89,151
16b Sale of land		-	-		-	-
<b>17 Total charitable expenditure</b>		<b>689,350</b>	<b>74,521</b>		<b>763,871</b>	<b>611,092</b>
18 Gains/(losses) on monetary investments		-	3,258		3,258	-2,739
19 Gains/(losses) on investment properties		-	-		-	-
<b>20 Net income/(expenditure)</b>		<b>-142,244</b>	<b>-19,316</b>		<b>-161,560</b>	<b>884,031</b>
21 Transfers between funds		259,082	-259,082	-	0	0
22 Other gains/(losses)		-293,730	-		-293,730	113,000
22a Property Introduced		561,446			561,446	
<b>23 Net movement in funds</b>		<b>384,554</b>	<b>-278,398</b>		<b>106,156</b>	<b>997,031</b>
24 Total funds brought forward		7,764,452	1,101,740	882,353	9,748,545	8,751,514
<b>25 Total funds carried forward</b>		<b>8,149,006</b>	<b>823,342</b>	<b>882,353</b>	<b>9,854,701</b>	<b>9,748,545</b>

	Notes	General Fund (Unrestricted) £	Circuit Model Trust Fund (Unrestricted) £	Cloisters Hall £	Totals 2024 £	Totals 2023 £
<b>Fixed Assets</b>						
Circuit Manses, Buildings & Equipment	7	7,918,701			7,918,701	7,575,000
Investment properties		-		882,353	882,353	882,353
Investments	8	-	51,799		51,799	48,541
<b>Total fixed assets</b>		<b>7,918,701</b>	<b>51,799</b>	<b>882,353</b>	<b>8,852,853</b>	<b>8,505,894</b>
<b>Current Assets</b>						
Debtors and Prepayments	9	25,135	-		25,135	26,508
Investments with TMCP		-	771,543		771,543	1,053,199
Central Finance Board Deposits		249,003	-		249,003	205,153
Cash at Bank and in hand		22,586	-		22,586	8,247
<b>Total current assets</b>		<b>296,724</b>	<b>771,543</b>		<b>1,068,267</b>	<b>1,293,107</b>
<b>Current liabilities</b>						
Creditors (due in under 1 year)	10	66,419	-		66,419	50,456
Grants payable within 2023-24		-	-		-	-
<b>Total current liabilities</b>		<b>66,419</b>	<b>-</b>		<b>66,419</b>	<b>50,456</b>
<b>Net current assets/liabilities</b>		<b>230,305</b>	<b>771,543</b>		<b>1,001,848</b>	<b>1,243,451</b>
<b>Total assets less current liabilities</b>		<b>8,149,006</b>	<b>823,342</b>	<b>882,353</b>	<b>9,854,701</b>	<b>9,748,545</b>
Loans and creditors due after 1 year	11	-	-		-	-
<b>Net assets</b>		<b>8,149,006</b>	<b>823,342</b>	<b>882,353</b>	<b>9,854,701</b>	<b>9,748,545</b>
<b>Funds of the Circuit</b>						
General Fund (Unrestricted)		5,119,790	-	882,353	6,002,143	5,961,291
Circuit Model Trust Fund (Unrestricted)			823,342		823,342	1,101,740
Revaluation Reserve (Unrestricted)		2,467,770	-		2,467,770	2,685,514
Property Introduced		561,446			561,446	-
<b>Total Unrestricted Funds</b>	<b>13</b>	<b>8,149,006</b>	<b>823,342</b>	<b>882,353</b>	<b>9,854,701</b>	<b>9,748,545</b>
Circuit Model Trust Fund (Unrestricted Designated)		-	-		-	-
Endowment Funds		-	-		-	-
<b>Total Funds</b>		<b>8,149,006</b>	<b>823,342</b>	<b>882,353</b>	<b>9,854,701</b>	<b>9,748,545</b>

The financial statements were approved by the Board of Trustees on 21<sup>st</sup> May 2025 and signed on their behalf by:



Rev Rachael Hawkins

Superintendent Minister

# West Hertfordshire and Borders Methodist Circuit

## Cash Flow Statement for the year ended 31 August 2024

	Note	2024 £	2023 £
<b>Cash from operating activities</b>			
Net cash used in operating activities		(199,033)	848,118
<b>Cash flows from investing activities</b>			
Dividends, interest and rents from investments		51,551	43,755
Proceeds from the sale of property, plant and equipment			
Purchase of property, plant and equipment			
Purchase of intangible assets			
Proceeds from the sale of investments			
Purchase of investments			
Other – Thornbury extension		(75,985)	
<b>Net cash provided by investing activities</b>		(24,434)	43,755
<b>Cash flows from financing activities</b>			
New borrowing - loan made to North Watford			
Repayments of borrowing			
<b>Net cash used in financing activities</b>			
<b>Other Cash Flows</b>			
Cash and Cash Equivalents – Cloisters Hall transferred to the Circuit on 1 April 2021			-
<b>Change in cash and cash equivalents in the reporting period</b>		(223,467)	891,873
Cash and cash equivalents at the beginning of the reporting period		1,266,599	374,726
<b>Cash and cash equivalents at the end of the reporting period</b>		<b>1,043,132</b>	<b>1,266,599</b>
<b>Reconciliation of net income to net cash flow from operating activities</b>			
Net income for the reporting period (as per statement of financial activities)		(161,560)	884,031
<b>Adjustments for:</b>			
Depreciation and amortisation charges			
Profit on the sale of fixed assets			
Loss on the sale of fixed assets			
(Gains)/Losses on investments		(3,258)	2,739
Dividends, interest and rents from investments		(51,551)	(43,755)
Decrease/(increase) in stocks			
(increase)/decrease in debtors		1,373	1,984
increase/(decrease) in creditors		15,963	3,119
<b>Net cash used in operating activities</b>		(199,033)	848,118
<b>Analysis of cash and cash equivalent</b>			
Cash in hand		22,586	8,247
Short term deposit (less than 3 months)		1,020,546	1,258,352
<b>Total cash and cash equivalents</b>		<b>1,043,132</b>	<b>1,266,599</b>

# **West Hertfordshire and Borders Methodist Circuit**

## **Notes to the Accounts**

### **1 Basis of accounting**

The financial statements of the charity, which is a public benefit entity under FRS 102, have been prepared in accordance with the Charities SORP (FRS102) 'Accounting and Reporting by Charities: Statement of Recommended Practice applicable to Charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (effective 1 January 2015)', and the Charities Act 2011. The financial statements have been prepared under the historical cost convention, with the exception of investments which are included at market value, as modified by the revaluation of certain assets.

### **2 Funds**

The funds held constitute: General Funds held for any purpose of the Circuit which are unrestricted. The Circuit Model Trust Funds have wide purposes defined in Standing Orders and are categorised as unrestricted. The Revaluation Reserve (Unrestricted) relates to the revaluation of the freehold properties (manses). Restricted funds are those held for a narrower purpose and endowment funds which represent gifts, the capital normally being unavailable for spending, and the income from which is either restricted or unrestricted. Any funds may be represented by more than just cash.

### **3 Accounting policies**

#### **Incoming resources**

These are included in the Statement of Financial Activities (SOFA) when the Circuit becomes entitled to the resources, the trustees are virtually certain that they will receive the resources; and the monetary value can be measured with sufficient reliability.

#### **Resources expended**

Expenditure is recognised when a liability is incurred, or a constructive obligation arises, that results in the payment being unavoidable. Whilst some grants may be agreed in principle for a number of years, they are confirmed on an annual basis. Governance costs amounted to £4,404 comprising audit fees of £4,284 and bank charges and fees of £120. All other expenditure relates to the costs of the charitable activities.

#### **Liability recognition**

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

## **Tangible fixed assets for use by the Circuit**

Tangible fixed assets are capitalised if they can be used for more than one year, and cost at least £1,000. They are valued at cost or a reasonable value on receipt. Where cost is not available, the Circuit Meeting may provide a reasonable estimate of cost or of the buildings' current value to the circuit.

The manses have been revalued to market value, and further details relating to this revaluation can be found in note 7 below.

Provision is made for depreciation where appropriate.

From September 2016, the staffing was reduced by one Minister, leaving a vacant manse. A decision was made to rent this out for an initial period of two years, giving the Circuit the opportunity to assess whether the staffing reduction was permanent or whether there were other Circuit (charitable) purposes to which the property can be put. The rent received is being used to support some of the Churches who are most financially stretched and to fund specific projects. The manse has been let for a further three-year period from September 2024.

## **Investments**

Investments are stated in the statement of financial position at the bid price at the year-end. Investment income is included in the accounts when receivable and any gains or losses on revaluation at the year-end are also shown in the SOFA.

## **Taxation**

The Circuit is exempt from tax on its charitable activities.

## **Pension costs**

The ministers are members of the Methodist Church Ministers' Pension Scheme, operated centrally. The Circuit also participates in a defined contribution pension scheme operated by the Pensions Trust. Contributions payable to these pension schemes are charged to the Statement of Financial Activities in the period to which they relate.

## **4 Payments to Trustees**

	<b>2024</b>	<b>2023</b>
Payments made to Trustees for additional services provided to the Circuit	Nil	Nil
Number of Trustees who were paid expenses These expenses include travel costs, preaching fees paid to Supernumerary Ministers, and reimbursement of payments made on behalf of the Circuit	6	7
Total amount paid	£ 1,144	£ 2,633

<b>5 Fees for examination or audit of the accounts</b>	<b>2024</b>	<b>2023</b>
Auditor's fees for reporting on the accounts	£4,500	£4,500
Other fees (e.g. advice, accountancy services) paid to the auditor	Nil	Nil

<b>6 Paid employees</b>	<b>2024</b>	<b>2023</b>
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**Staff costs paid during the year were:**

Gross wages, salaries and benefits in kind	£248,552	£230,687
Employer's National Insurance costs	£ 22,216	£ 20,274
Pension costs	£ 61,379	£ 52,541
Payroll Bureau Fee	£ 480	£ 480
Apprenticeship Levy	£ 1,234	£ 1,250
<b>Total staff costs</b>	<b>£333,861</b>	<b>£305,232</b>

<b>Average number of staff in the year:</b> (comprising six full time and five part-time staff)	11	11
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The use of the word 'staff' should be taken to include both lay staff employed directly by the Circuit, and Presbyters and Deacons who are legally not employees, but 'office-holders'. Whilst their relationship is technically with God and the Connexion, their stipends are funded from Circuit funds.

## 7 Tangible Fixed Assets

### Cost or Valuation

	Manses & Buildings £	Equipment £	Total (Restated) £
Balance brought forward	8,457,353	2,919	8,460,272
Additions	637,431	-	637,431
Revaluations	-293,730	-	-293,730
Disposals		-	-
Transfers		-	-
Balance carried forward	8,801,054	2,919	8,803,973

Maintenance work is taken from revenue expenditure. For internal accounting purposes the trustees have established a reserve policy to even out the annual costs of maintaining manses, which tend to be highest in years when ministers change appointments.

### Accumulated depreciation

Depreciation is provided for in order to write off each asset, e.g. computer equipment, over its estimated useful life.

Basis: Straight line

Rate: Equipment - over 3 years; Manses – over 50 years

Balance brought forward	-	2,919	-	2,919
Depreciation charge for the year	-	-	-	-
Revaluations	-	-	-	-
Disposals	-	-	-	-
Transfers	-	-	-	-
Balance carried forward	-	2,919	-	2,919

### Net book value

Brought forward	8,457,353	-	-	8,457,353
Carried forward	8,801,054	-	-	8,801,054

The Circuit holds nine properties (manses) on the statement of financial position, which were previously held by the three former Circuits prior to the merger on the 1<sup>st</sup> September 2012. Methodist guidelines allowed for these to be stated at their cost price, market valuation or insurance value, and all three forms of valuation had been used by the former Circuits. Following the merger, it was decided to include the manses at their inherited value in the Circuit's accounts.

When preparing the accounts for the year ended 31 August 2016, the Trustees reviewed this policy in the context of the new accounting statements (SORPs), coming into effect, and decided to account for the manses at their market value. Accordingly, the Trustees have valued the manses and buildings at the 31<sup>st</sup> August 2024.

The overall effect of the revaluation during the year has been a reduction in reserves at 31<sup>st</sup> August 2024 by £293,730 (2023: increase of £113,000).

The value of the buildings as at 31<sup>st</sup> August 2024 of £8,801,254 is comprised of the total inherited amount of £5,771,838 plus the revaluation reserve of £2,467,770 and property introduced at 31/8/2024 of £561,446.

## 8 Investment assets

### Analysis of investments

	<b>Bid Price at year end £</b>
Investments listed on a recognised Stock Exchange or held in common investment funds, open ended investment companies, unit trusts or other collective investment schemes	Nil
Securities not listed on a recognised Stock Exchange	Nil
Cash held as part of the investment portfolio	Nil
Other investments	51,799
<b>Total</b>	<b>51,799</b>

### Change in investment values

Carrying (market) value at the beginning of the year	48,541
Add: additions to investments at cost	Nil
Less: disposals at carrying value	Nil
Add/(deduct): net gain/(loss) on revaluation	3,258
Carrying (market) value at the end of the year	51,799

## 9 Debtors

	<b>2024 £</b>	<b>2023 £</b>
Sundry debtors & prepayments	25,135	26,508
Principally reflecting ministerial stipends paid in advance.		

## 10 Creditors due within one year

	<b>2024 £</b>	<b>2023 £</b>
Sundry creditors & deferred income	66,419	50,546
Principally reflecting assessments paid in August for the following year.		

### 11 Creditors due after one year

	<b>2024</b>	<b>2023</b>
	<b>£</b>	<b>£</b>
Sundry creditors & accrued income	Nil	Nil

### 12 Capital Commitments & Contingent Liabilities

	<b>2024</b>	<b>2023</b>
	<b>£</b>	<b>£</b>
At the 31 <sup>st</sup> August, capital commitments amounted to:	Nil	Nil

### 13 Circuit Reserves

The Circuit's policy is to allocate its reserves as follows:

General reserve equal to 50% of annual expenditure:	£ 278,733
Manse repair and maintenance reserve:	£ 32,043
Reserve from the income from the surplus manse, allocated to support churches with their assessments and to fund specific projects and appointments:	£ 3,331
Balance of reserve available to make grants to Circuit churches to support mission projects, necessary work to address health & safety or accessibility, energy efficiency improvements, and energy bills:	£ 739,540
<b>Total Reserves (excluding the value of buildings)</b>	<b>£ 1,053,647</b>

Name of Circuit

Circuit No

West Hertfordshire and Borders

34/14

**Statement of Financial Activities (SOFA) for the year ended  
31 August 2023**

	Notes to the accounts	General Fund (Unrestricted)	Circuit Model Trust (Unrestricted)	Cloisters Hall	Total 2022-23
		£	£		£
<b>Income</b>					
1	Donations and legacies				
2	Income from monetary investments	5,715	28,393	-	<b>34,108</b>
3	Income from investment properties	-		1,075	<b>1,075</b>
4	Assessments on Churches	458,551	2,713		<b>461,264</b>
5	Capital Receipts	-	941,553		<b>941,553</b>
6	Grants received	17,000			<b>17,000</b>
7	Other charitable income	36,415	5,897	550	<b>42,862</b>
<b>8</b>	<b>Total income</b>	<b>517,681</b>	<b>978,556</b>	<b>1,625</b>	<b>1,497,862</b>
<b>Expenditure</b>					
9	Grants and donations	56,131	-		<b>56,131</b>
10	Salaries and associated costs	305,232	-		<b>305,232</b>
11	Property maintenance	48,441	-	708	<b>49,149</b>
12	Connexional assessment & model trust levy	-	-		<b>-</b>
13	District Assessment & Levy	102,676	7,507		<b>110,183</b>
14	Sale of Land	-	-		<b>-</b>
15	Office expenses	1,246	-		<b>1,246</b>
16	Other outgoings	75,743	4,612	8,796	<b>89,151</b>
<b>17</b>	<b>Total charitable expenditure</b>	<b>589,469</b>	<b>12,119</b>	<b>9,504</b>	<b>611,092</b>
18	Gains/(losses) on monetary investments		-2,739		<b>-2,739</b>
19	Gains/(losses) on investment properties				
<b>20</b>	<b>Net income/(expenditure)</b>	<b>-71,788</b>	<b>963,698</b>	<b>-7,879</b>	<b>884,031</b>
21	Transfers between funds	130,664	-94,586	-36,078	<b>0</b>
22	Other gains/(losses)	113,000			<b>113,000</b>
<b>23</b>	<b>Net movement in funds</b>	<b>171,876</b>	<b>869,112</b>	<b>-43,957</b>	<b>997,031</b>
24	Total funds brought forward	7,592,576	232,628	926,310	8,751,514
<b>25</b>	<b>Total funds carried forward</b>	<b>7,764,452</b>	<b>1,101,740</b>	<b>882,353</b>	<b>9,748,545</b>

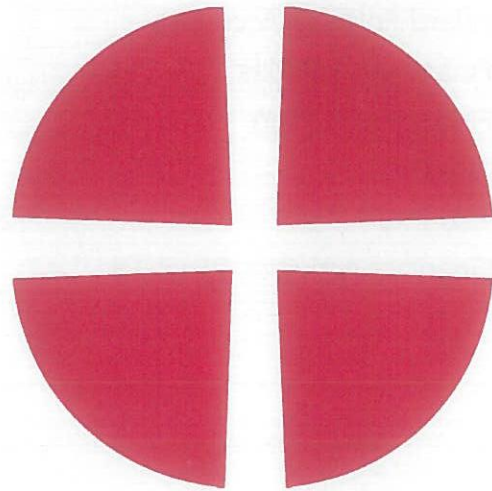
**WEST HERTFORDSHIRE AND BORDERS METHODIST CIRCUIT**

England & Wales - Charity number 1135094

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# Accounts

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**West Hertfordshire and Borders Methodist Circuit  
(Registered Charity 1135094)**

**Trustees Annual Report and Accounts  
For the Year Ended  
31<sup>st</sup> August 2023**

**West Hertfordshire and Borders Methodist Circuit  
Trustees Annual Report and Accounts  
For the Year Ended 31<sup>st</sup> August 2023**

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## **Trustees Annual Report for the year ended 31<sup>st</sup> August 2023**

The Trustees of the West Hertfordshire and Borders Methodist Circuit present their report, with the financial statements of the charity, for the year ended 31<sup>st</sup> August 2023. The Trustees have adopted the provisions of '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<sup>st</sup> January 2015)'.

### **1. Objectives and Activities**

In setting our objectives and planning our activities, the Circuit Trustees (who meet in September, February and June each year) have given careful consideration to the Charity Commissioners' published guidance on public benefit, and we believe that we conform with the Charities Act 2011, and the Charities (Accounts and Reports) Regulations 2008.

Our stated mission is to, 'encourage, enable and equip the churches, congregations and individuals of the Circuit to draw nearer to God, to proclaim the good news of Christ, and to share the love of God.'

We aim to achieve this through the provision of ministerial staff, financial and other support to the seventeen Methodist Churches, one Methodist/Anglican LEP and one Methodist/United Reformed Church LEP in our local area (which covers Dacorum, Three Rivers, Watford, Harpenden and parts of Buckinghamshire and Bedfordshire).

### **2. Achievements and Performance**

Under the heading '*Collaborative arrangements with connected charities*' (3.3 below), there is further information on how we obtain our funds. In this paragraph we provide an overview of how they were spent. For more detail, please see the Churches' own Trustees Annual Reports (where these are required to be prepared).

During the year, the principal input into the Circuit was through the work of the Ministers, seven Presbyters and one Deacon, aided by a part-time Lay Outreach Worker. Around 56% of the revenue budget was spent on stipends and accommodation for the ministerial staff (£332k in 2022-23, £386k in 2021-22).

The Circuit appointed a paid Safeguarding Officer with effect from December 2018, with the role of supporting the churches in their safeguarding policies, practices, compliance and training; and a bursar from October 2021, with their work focussed mainly on property matters at the manses (although that post is currently vacant).

The Circuit has a sum of money available for grants, principally for mission projects or to support Churches needing to make modifications to their premises to meet health and safety legislation, to enable inclusivity and to encourage eco-friendly improvements to church buildings. Funding is usually matched with what has been raised by the church in question, and is sometimes split three ways with the District. Where funds are required for other purposes, the Circuit may give short-term

or longer-term loans. Requests are invited, to be discussed first by the Circuit Leadership Team with final decisions being made by the full Circuit Meeting, except for smaller grants which can be approved by the Circuit Leadership Team (up to £3,000).

Grants totalling £6,503 were paid during the year to 6 churches to support works to address urgent issues with heating and hot water, repair roofs, and upgrade sound and AV systems.

Grant support was committed to All Saints LEP Berkhamsted for outreach work in 2017, and an initial payment of £6,276 was made, but it has not been possible to make an appointment and the payment was returned to the Circuit during 2022/23.

The Circuit put in place a programme of support for the churches to enable them to meet steep rises in energy bills from April 2022. The impact on churches varied depending on when their fixed price contracts came to an end, with some churches affected almost immediately while others have longer contracts running into 2024 or 2025. The Circuit is funding increases in excess of 5% per annum for the period from 1<sup>st</sup> April 2022 to 31 August 2026. Total payments made in 2022/23 amounted to £55,904. The estimated cost for the period from 1<sup>st</sup> September 2023 to 31 August 2026 is £100,000 per annum, giving an estimated future liability of £300,000. This estimate depends critically on future energy prices and the impact of measures being taken by churches to reduce their energy consumption.

### **3. Financial Review**

During the year, the Circuit received total revenue income of £556k (2021-22: £518k), and capital receipts of £941k. The main reasons for the increase in revenue receipts were the rental income from the temporarily vacant manse and higher interest income. Total Circuit expenditure was £611k (2021-22: £572k). The main reason for this was the grants made to churches to support their energy costs. In terms of revenue expenditure there was a deficit in 2022-23 of £57,521 (2021-22: £59,723), although when taking capital receipts into account there was a surplus of £884,032.

The Trustees have every reason to believe that the Circuit is a going concern, in that they hold free reserves of around £995k, over and above those required to cover six months of revenue expenditure and other specific commitments, even if every Church defaulted on its assessment.

The title to the nine properties (manses) in which the Ministers live (including one currently let out) the Cloisters Hall and Markyate Methodist Church are held by the Trustees for Methodist Church Purposes, in Manchester. The Circuit acts as Managing Trustee, and is responsible for the day to day management of these properties, having the right and obligations of exercising power or discretion over them. The church buildings of the active churches in the Circuit are the responsibility of their Church Councils, some of which have registered charity status in their own right, and some of which do not.

In response to the new accounting standards, the manses have been revalued for these accounts (*see note 7 for details*).

The principal source of funds for the Circuit is the assessment levied on the Churches. In addition, the Circuit receives grants to support the work of one minister, who is also the chaplain to the Ghanaian Methodist Fellowship in the UK, and rental income from a manse.

The churches' income is derived from freewill donations by church members and others attending worship, and payments for the use of church halls and rooms by clubs, activity groups and other organisations. Despite significant reductions in these sources of income since March 2020 the majority of the circuit assessment payments by churches have continued to be made. However, some churches have reduced their assessment payments and others have indicated that they will need to do so as their income has not recovered sufficiently since churches were able to reopen for worship and for lettings use by local groups. As reported below the Circuit holds reserves of £995k over and above the baseline of 50% of annual expenditure of annual expenditure and other specific commitments. The Trustees' view is that the Circuit's reserves are sufficient to meet the likely shortfalls at present. A plan is being drawn up to address the future financial position in the light of these developments.

From September 2016, staffing was reduced by one Minister, leaving a vacant manse. A decision was made to rent out this manse for an initial period of two years, giving the Circuit the opportunity to assess whether the staffing reduction was permanent or whether there were other Circuit (charitable) purposes to which the property can be put. During this period, the rental monies received will not be used for general revenue purposes, but to support transitions in the assessment process, to fund specific projects (currently the Circuit safeguarding Officer) and to add to the funds available for grants. Since this is not deemed to be a long-term use of the property, it has not been categorised as an investment property in the accounts. Future decisions about how we use the property may cause us to review this. The property has been rented out for a further three-year period from September 2021.

The rental income from the surplus manse has been unaffected by the coronavirus restrictions and the Trustees have no indication that there will be any significant impact on this income for the foreseeable future.

A further manse became vacant in August 2022 on the departure of the minister with no immediate replacement. The manse was therefore let out for a period of 6 months from September 2022. A new minister was appointed with effect from 1<sup>st</sup> September 2023.

The managing trustees of Southdown Methodist Church decided to sell the building containing the church halls. The sale was concluded in December 2022 on the basis of a long lease for £1.55m. Legal and other costs of sale were £16,224 and the levy on sale paid to the Methodist Connexional Priority Fund was £589,510. In accordance with SO 945 of the Methodist Constitution Practice and Discipline (CPD) the net proceeds were paid into the Circuit funds. Costs of preliminary valuation and of clearing out the contents of the building amounting to £3,932 and an unpaid assessment of £2,713 were met out of the net sale proceeds, leaving a net capital receipt in the accounts of £941,553. The Southdown Methodist Church formally ceased to meet for worship in October 2023. The future of the church building is under consideration.

### **3.1 Investment Policy and Performance**

To comply with Methodist Standing Orders, monies for long term investment are lodged with the Trustees for Methodist Church Purposes (TMCP). As stated above, TMCP acts as custodian trustee for all real estate held by the Circuit, for all large (over £20k) requests, and for the proceeds of the sale of properties. These sums are invested in unitised investments or held on deposit. The

investment returns are close to tracking the movements of the FTSE100 index. The deposit income reflects rates available elsewhere, but additionally the Circuit can be assured that the underlying investments take account of the social, environmental and ethical concerns of the Methodist Church.

Short term deposits are lodged directly with the Central Finance Board (CFB) and attract a rate of interest in line with other market rates. Again, the CFB aim to utilise the monies held with them, alongside other denominations, to engage with companies in which they hold investments, to bring about change in line with our ethical concerns regarding poverty and unsafe working practices, etc.

There are no other benchmarks for the expected returns on investments with the TMCP and CFB. The objective is a rate of return reflecting the market rate, but which fits with the Trustees' low appetite for risk. The Central Finance Board now have a number of accounts for funds not immediately required, and which attract slightly higher rates, which meeting the same ethical aims. These will bear further examination going forwards.

### 3.2 Reserves Level and Policy

The Circuit has a reserves policy covering all of its unrestricted funds which is reviewed annually. The Charity Commission's recommended minimum policy level for free reserves is such as to pay for six months of revenue expenditure, although there continues to be conversation as to whether the Circuit should take Church and District reserves into account to avoid over provision along the chain of payments between the three tiers.

The recommended amount equates to fifty percent of lines 9 – 16 of the Standard Form of Accounts (general fund), net of expenditure met by grants received, which in 2022-23 amounted to £268k (2021-22: £256k).

The Circuit has agreed to set aside a sum each year from the revenue budget to meet maintenance expenditure on the manses, quinquennial inspections, and costs incurred when ministers move into the Circuit. Expenditure is allocated against that reserve for budget and financial planning purposes. The amount allocated in 2022-23 was £32,000. £18,228 was spent from this reserve during the year on manse maintenance, together with £1,842 on quinquennial inspections and £4,907 for removal and relocation costs of the new minister.

More substantial renovations and improvements to the manses are charged directly to reserves and not to the manse maintenance reserve. £22,360 was spent during the year, the main item being £20,730 on replacing doors and windows at one of the manses.

The Circuit has also set aside the rental income from the surplus manse as a special reserve with two purposes – firstly to support churches who would suffer financial difficulties if they met their full allocated assessment; and secondly to support specific projects or appointments – the Circuit has appointed a paid safeguarding officer. The costs of this post will be met from this source.

The total reserves held at the end of the year were as follows -:

	£
<i>Unrestricted funds</i>	
General Fund	8,646,805
TMCP Funds	1,101,740
	9,748,545
<i>Less: invested in buildings</i>	8,457,353
Uncommitted reserves	1,291,992
<i>Less: Sum set aside under Reserves Policy</i>	268,482
<i>Less: allocated to manses reserve</i>	21,597
<i>Less: reserve derived from surplus manse</i>	5,752
Available for Grants	995,361

The Trustees consider that the level of reserves is sufficient to meet known risks, in particular the potential loss of assessment income from the churches in the light of the reductions in the churches' income, described above.

### **3.3 Collaborative arrangements with Connected Charities**

The Circuit's main source of funding was the assessments paid by each of the Churches, amounting to £461k (2021-22: £468k). The West Hertfordshire and Borders Circuit came into being in 2012, formed from the merger of the Harpenden, Hemel Hempstead & Berkhamsted and Watford Circuits. Initially, the assessments charged to each Church reflected historical circumstances, being increased by small percentages, primarily to reflect pay increases. During 2015-16 the Circuit and Church Treasurers continued to work on an assessment formula which would reflect more closely the current position of each Church. Proposals were brought to the June 2016 Circuit Meeting reflecting ministerial input, Church membership and the ability of the Church to pay (measured in terms of their income over the previous three years). These were agreed, and have formed the basis of assessments for years from 2016-17, subject to a series of caps on the increases arising from the move to the new amounts.

The Circuit is part of the Bedfordshire, Essex and Hertfordshire Methodist District, which in turn is part of the Methodist Connexion in Great Britain. The District takes a levy on Circuit reserves (above set limits) held with TMCP and credits these to the District Advance Fund, from which grants can be made. In 2022-23, this levy amounted to £7.5k (2021-22: £8k). The levy in September 2023 was £71k, reflecting the significant amounts received on the sale of the Southdown Church Halls.

In addition, the District collects an assessment from the Circuits, on behalf of the Connexion, based on staffing and membership numbers. The Circuit's contribution in 2022-23 was £102.7k (2021-22: £99.9k).

As reported last year, the managing trusteeship of the Cloisters Hall in Rickmansworth was transferred to the Circuit with effect from 1<sup>st</sup> April 2021, following the dissolution of the Local Ecumenical Partnership (LEP) between Rickmansworth Methodist Church and St Mary's Church of England. The Trustees have concluded that it is uneconomic to continue to operate the hall and decided to close the hall on 31 December 2022, with a view to its disposal. The accounts of the Cloisters Hall have been consolidated into these accounts but shown separately.

The members of Markyate Methodist Church decided that the number of members was too small to continue to function as a church. The decision was therefore taken to formally close the church at 31<sup>st</sup> August 2022. The Circuit became the managing trustees of the land and buildings on 30<sup>th</sup> June 2022. The land and buildings were transferred into these accounts on that date. Part of the monetary assets were transferred to the Circuit on 31<sup>st</sup> August 2022, and the trust funds held at TMCP on 1<sup>st</sup> September 2022.

### **4 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).

For each financial year (ending the 31<sup>st</sup> August), the Trustees are required to prepare financial statements that give a true and fair view of the Circuit's financial activities during the year, and of its financial position at the end of the year. In preparing these statements, the Trustees must -:

- select suitable accounting policies and apply them consistently;
- observe the methods and principles in the Charities' SORP;
- make judgements and estimates that are reasonable and prudent;
- follow applicable accounting standards, subject to any material departures being both disclosed and explained;
- prepare the financial statements on the going concern basis, unless it is inappropriate to assume that the Circuit will continue in operation.

The Trustees are responsible for keeping proper accounting records which disclose with reasonable accuracy, at any time, the financial position of the Circuit, and enables them to ensure that the financial statements comply with the law. They are also responsible for safeguarding the assets of the Circuit, and ensuring their proper application under charity law, and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

#### **4.1 Risk Management, Safeguarding & Property**

As well as ensuring that the Circuit follows policies which minimise financial risk, the Trustees undertake to promote good practice in financial practices within the individual Churches, compatible with their size and resources available.

Every person has a value and dignity which arise directly from our creation in God's own image and likeness. This implies a duty to protect them from harm. The Trustees, on behalf of the West Hertfordshire and Borders Methodist Circuit, commit themselves to ensuring the implementation of Connexional Safeguarding Policy; government legislation, guidance and safe practice in the Circuit and in the Churches. They are committed to the provision of support, advice and training for lay and ordained people that will ensure people are clear and confident about their roles and responsibilities in safeguarding and promoting the welfare of children and adults who may be vulnerable.

The Trustees have recently appointed a paid Circuit Safeguarding Officer to give these issues appropriate oversight.

The Trustees' aim is to care practically and appropriately for the Circuit's staff by providing and maintaining suitable and good quality housing which, as far as possible, will -:

- be in an appropriate location;
- enable the Circuit's staff to live in dignity and comfort and to carry out their Circuit responsibilities whilst respecting their independence and privacy;
- be adaptable to meet their needs.

The Circuit is committed to keeping all its property in a good standard of repair and will continue to strive to meet the *Decent Homes Standard*. It does this by having a planned maintenance programme and by the provision of a responsive repair and maintenance service. Both the planned maintenance programme and the responsive repair and maintenance service are carried out so as to ensure that good value for money is obtained at all times.

The Trustees will promote within their property, and within individual Churches, due attention to health and safety legislation and procedures. Physical safety is important. Information and advice will be shared with regard to, for example, *Lone Working* and *Working at Height*. Churches should have appropriate risk assessments in place.

## **5 Structure, Governance and Management**

The West Hertfordshire and Borders Methodist Circuit is an unincorporated charitable association governed by the Methodist Church Act 1976, the Deed of Union (1932), and the Model Trust Deeds of the Methodist Church. Detailed governance arrangements are outlined within the Constitutional Practice and Discipline of the Methodist Church by order of the annual conference (CPD).

It was registered with the Charity Commission on its formation in 2012, adopting the charity number of the preceding Watford Circuit.

### **5.1 Structure**

Circuits are the co-ordinating charities for local groups of Churches, in this case covering Dacorum, Harpenden, Watford, Three Rivers and parts of Bedfordshire (Studham) and Buckinghamshire (Ley Hill). Circuits pay the stipends of the Ministers and employ lay staff to serve the Churches in the Circuit.

The Circuit is part of the Bedfordshire, Essex & Hertfordshire District. Districts are the co-ordinating charities for a group of circuits and make their decisions at half yearly synods.

The Methodist Conference meets once each year as the supreme denominational body for all the Methodist Churches. Overall regulatory authority rests with the Methodist Conference.

### **5.2 Purpose of the Circuit**

The Circuit is an expression, over a wider geographical area than any individual Church, of the connexional character of the Methodist Church.

The purposes of the Methodist Church are and shall be deemed to have been since the date of the union the advancement of -:

- the Christian faith in accordance with the doctrinal standards and the discipline of the Methodist Church, and
- any charitable purposes for the time being of any Connexional, District, Circuit, local or other organisation of the Methodist Church, and
- any charitable purpose for the time being of any society or institution subsidiary or ancillary to the Methodist Church, and
- any purpose for the time being of any charity being a charity subsidiary or ancillary of the Methodist Church.

The primary purpose of this Circuit is to advance the mission of the Church as we, 'encourage, enable and equip the churches, congregations and individuals of the Circuit to draw nearer to God, to proclaim the good news of Christ, and to share the love of God' by placing at their disposal resources of finance, personnel and expertise.

## **5.3 Governance**

The Circuit operates within a statutory framework of regulation and seeks to ensure that it follows Methodist Standing Orders. It relies on the Connexional Office at 25 Tavistock Place, London WC1H 9SF, and on District staff to provide guidance on changes that could affect the Circuit.

The Trustees comprise the Circuit Staff (with the exception of the Circuit Administrator), other Methodist Ministers resident in the area, Circuit Officers, and representatives of each of the Churches, elected by their Church Councils. The number of representatives is relative to the size of the Churches' membership.

The Circuit Leadership Team meets on a bi-monthly basis, but major decisions, including those of expenditure are subject to agreement or ratification by the Circuit meeting, which meets three times a year (and at other times if necessary for urgent decisions). In turn, the Circuit Meeting appoints representatives to the District Synod, the District's decision-making body.

## **6 Reference and Administrative Details**

### **6.1 Name of the Charity**

The West Hertfordshire and Borders Methodist Circuit

### **6.2 Charity Registration Number**

1135094, registered in England and Wales

### **6.3 Circuit Office**

Circuit Office  
Harpenden Methodist Church  
High Street  
Harpenden  
Hertfordshire  
AL5 2RU

01582 713056  
[westhertsandborderscircuit@gmail.com](mailto:westhertsandborderscircuit@gmail.com)

### **6.4 Superintendent Minister**

Rev. Rachael Hawkins

### **6.5 Secretary of the Circuit Meeting**

Lyndsay Campbell

## **6.6 Circuit Treasurer**

David Edney

## **6.7 Circuit Administrator**

Jennifer Frith (*non-Trustee*)

## **6.8 Circuit Staff**

Rev Quophie Anochie Ababio

Rev Andrew Brazier

Rev Dr Donna Fowler-Marchant

Rev Mark Hammond

Rev Rachael Hawkins (Superintendent)

Rev Joyce Mayisiri (appointed to the Circuit 1<sup>st</sup> September 2022)

Rev Helen Roberts (appointed to the Circuit 1<sup>st</sup> September 2023)

Deacon Sarah Wickett

Jennifer Frith (*Administrator*)

Pauline Jackson (*Safeguarding Officer*)

Robin McEwen (*Lay Outreach Worker*) – to 31 December 2023

Peter Wickett (*Bursar*) – to 30<sup>th</sup> November 2022

## **6.9 Circuit Officers**

Linda Black (*Circuit Steward*)

David Edney (*Circuit Steward and Circuit Treasurer*)

Janet Gilfoyle (*Circuit Steward*)

Mike Lees (*Circuit Steward*)

Lorraine Pearce (*Circuit Steward*)

David Noble (*Circuit Property Secretary*)

Lyndsay Campbell (*Circuit Meeting Secretary*)

Linda Hillier (*Secretary of the Local Preachers' Meeting*)

## **6.10 Names of Trustees**

Circuit Staff and Officers are automatically members of the Circuit Meeting (unless noted otherwise). Supernumerary Ministers, or other Methodist Ministers resident in the area, also have a right to be part of the Circuit Meeting. Other Trustees are appointed by the Circuit's Church Councils, the number being dependent on the size of the individual Church.

In addition to those named above, the following served as Trustees at some point during the year 2022-23, or are Trustees as of the date of the approval of this report. One Minister who is resident in the area, but not active in Trustee decision making, has requested that their details do not appear in any publications.

Richard Atkins  
Jeni Bowman  
Phillip Breedyk (to June 2023)  
Susan Dyce  
Margaret Faulkner  
Celia Green  
Michael Hill  
Miranda Kowalczyk (from May 2023)  
David McGuire  
Ann Matthews  
David North  
David Pain  
Pauline Rogers  
Ann Shepherd  
Kathryn Spall  
Rev Brian Tebbutt (*Supernumerary*)  
Rev Caroline Weaver (*Supernumerary*)  
Clive Wickham  
Shireen Wickham  
Margaret Woods

Rosemary Berdinner  
Alison Brain  
Paul Creasey (from Feb 2023)  
Sara Ellis (to Jan 2023)  
Rev John Fellows (*Supernumerary*)  
Jenny Harris  
Paul Johnston  
Janice Lewis  
Lesley Markham-Jones (from Aug 2023)  
Linda Morgan (from May 2024)  
Penny O'Neill (to Feb 2024)  
Rosemary Rhodes  
Alex Schlich (Sept 2022 to Aug 2023)  
Chrystyna Smith  
Debra Sutherland  
Carole Warby (to May 2023)  
Michael Whitehead (died Mar 2023)  
Esther Wane (from September 2023)  
Suzanne Wood

### **6.11 Bankers**

Unity Trust Bank PLC  
Nine Brindleyplace  
Birmingham.  
B1 2HB

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

### **6.12 Investment Managers and Custodian Trustees**

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

### **6.13 Auditors**

Hicks and Company  
Chartered Accountants & Statutory Auditors  
Vaughan Chambers  
Vaughan Road  
Harpenden  
Hertfordshire  
AL5 4EE

## 6.14 Churches making up the Circuit

Abbots Langley Methodist Church  
All Saints', Berkhamsted (Anglican/Methodist Local Ecumenical Partnership)  
Batford Methodist Church  
Berry Lane Methodist Church  
Bushey & Oxhey Methodist Church  
Carpenders Park and South Oxhey Methodist Church  
Croxley Green Methodist Church  
Gaddesden Row Methodist Church  
Harpenden (High Street) Methodist Church  
Hemel Hempstead Methodist Church (HHMC)  
Kings Langley Methodist Church  
Ley Hill Methodist Church  
Markyate Methodist Church \*\*  
The Scroll Church (Methodist/URC LEP)  
Redbourn Methodist Church  
St Andrew's (Bushey Heath) Methodist Church  
St Martha's (Tring) Methodist Church  
Southdown Methodist Church (ceased to meet for worship October 2023)  
Studham Methodist Church  
Trinity (Watford) Methodist Church  
Trowley Hill (Flamstead) Methodist Church

\*\* Markyate Methodist Church formally closed on 31<sup>st</sup> August 2022. The land and buildings were transferred to the managing trusteeship of the Circuit on 30<sup>th</sup> June 2022. The balances at the Central Finance Board were transferred to the Circuit on 31<sup>st</sup> August 2022; and two trusts held by the Trustees For Methodist Church Purposes for the benefit of the church were transferred to the Circuit on 1<sup>st</sup> September 2022

### Statement of disclosures to the Auditor

- (a) So far as the Trustees are aware, there is no relevant audit information of which the Auditors are unaware, and;
- (b) We have taken all the steps we ought to have taken as Trustees in order to make ourselves aware of any relevant audit information and to establish that the Auditors are aware of that information;

Approved by the Trustees on the 22 May 2024



Rev Rachael Hawkins (Superintendent Minister)

**WEST HERTFORDSHIRE AND BORDERS METHODIST CIRCUIT  
INDEPENDENT AUDITORS' REPORT TO THE TRUSTEES  
FOR THE YEAR ENDED 31<sup>st</sup> AUGUST 2023**

**Opinion**

We have audited the financial statements of The West Hertfordshire and Borders Methodist Circuit ('the charity') for the year ended 31 August 2023 which comprise the Statement of Financial Activities, the Statement of Financial Position and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (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 2023 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 Auditors' 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 trustees are responsible for the other information. The other information comprises the information included in the Annual Report, other than the financial statements and our Report of the Independent Auditors thereon.

Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether this gives rise to a material misstatement in the financial statements themselves. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

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

We have nothing to report in respect of the following matters where the Charities (Accounts and Reports) Regulations 2008 requires us to report to you if, in our opinion:

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

### **Responsibilities of trustees**

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

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

### **Our responsibilities for the audit of the financial statements**

We have been appointed as auditors 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 a Report of the Independent Auditors 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.

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below:

Based on our understanding of the entity and sector in which it operates, we identified the principal risks of non-compliance with laws and regulations relating to the charity. We also considered those laws and regulations that have a direct impact on the preparation of the financial statements. We communicated identified laws and regulations throughout our team and remained alert to any indications of non-compliance throughout the audit.

We assessed the susceptibility of the charity's financial statements to material misstatement, including obtaining an understanding of how fraud may occur, by making enquiries of the trustees and management as to where they considered there was susceptibility to fraud and considering the internal controls in place to mitigate fraud risks and non-compliance with laws and regulations.

In response to the risk of fraud through management bias (including the risk of override of controls) and the risk of irregularities and non-compliance with laws and regulations, we designed procedures which included, but were not limited to:

- performing analytical procedures to identify unusual or unexpected transactions
- assessing whether judgements and assumptions made in determining accounting estimates were indicative of potential bias
- reviewed a sample of transactions from the charity's records
- performing completeness of income tests
- test checking the appropriateness of journal entries
- agreeing financial statement disclosures to the underlying supporting documentation
- checking for correspondence with the Charity Commission
- reading the minutes of board of trustees' meetings
- checking for any actual and potential litigation and claims

There are inherent limitations in our audit procedures outlined above. The more removed that laws and regulations are from financial transactions, the less likely it is that we would become aware of non-compliance. Auditing standards also limit the audit procedures to identify non-compliance with laws and regulations to enquiry of the trustees and other management and the inspection of regulatory and legal correspondence, if any. Material misstatements that arise due to fraud can be harder to detect than those that arise from error as they may involve deliberate concealment or collusion. We are not responsible for preventing non-compliance and cannot be expected to detect non-compliance with all laws and regulations.

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

**Use of our report**

This report is made solely to the charity's trustees, as a body, in accordance with Part 4 of the Charities (Accounts and Reports) Regulations 2008. 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.



Philip Dean BA, FCA (Senior Statutory Auditor)  
Hicks and Company  
Chartered Accountants and Statutory Auditors  
Vaughan Chambers  
Vaughan Road  
Harpenden  
Hertfordshire  
AL5 4EE

Date: 22-MAY-24

**THE METHODIST CHURCH  
TRUSTEES ANNUAL REPORT AND ACCOUNTS  
(ACCRUALS BASIS)**

**For the year ended 31<sup>st</sup> August 2023**

**West Hertfordshire and Borders Methodist Circuit**

Registered Charity – Registration number 1135094

District/Circuit No: 34/14

**Ministers:**

Rev Rachael Hawkins (Superintendent)  
Rev Quophie Anochie Ababio  
Rev Andrew Brazier  
Rev Dr Donna Fowler-Marchant  
Rev Mark Hammond  
Rev Joyce Mayisiri (from 1<sup>st</sup> September 2022)  
Rev Helen Roberts (from 1<sup>st</sup> September 2023)  
Deacon Sarah Wickett

**Circuit Stewards:**

Linda Black  
David Edney  
Janet Gilfoyle  
Mike Lees  
Lorraine Pearce

**Circuit Treasurer:**

David Edney

## Statement of Financial Activities (SOFA) for the year ended 31 August 2023

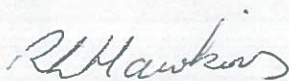
	Notes to the accounts	General Fund (Unrestricted)	Circuit Model Trust (Unrestricted)	Cloisters Hall	Total 2022-23	Total 2021-22
		£	£	£	£	£
<b>Income and Endowments from:</b>						
1 Donations and legacies		-	-		-	215
2 Income from monetary investments		5,715	28,393		34,108	2,612
3 Income from investment properties			-	1,075	1,075	9,280
4 Assessments on Churches		458,551	2,713		461,264	468,062
5 Capital Receipts		-	941,553		941,553	-
6 Grants received		17,000	-		17,000	17,000
7 Other charitable income		36,415	5,897	550	42,862	20,990
<b>8 Total income</b>		<b>517,681</b>	<b>978,556</b>	<b>1,625</b>	<b>1,497,862</b>	<b>518,159</b>
<b>Expenditure on:</b>						
9 Grants and donations		56,131	-		56,131	450
10 Salaries and associated costs	6	305,232	-		305,232	333,497
11 Property maintenance		48,441	-	708	49,149	35,109
12 Connexional assessment & model trust levy		-	-		-	-
13 District Assessment & Levy		102,676	7,507		110,183	107,988
14 Depreciation		-	-		-	-
15 Office expenses		1,246	-		1,246	3,837
16 Other outgoings	5	75,743	4,612	8,796	89,151	91,535
16b Sale of land		-	-		-	-
<b>17 Total charitable expenditure</b>		<b>589,469</b>	<b>12,119</b>	<b>9,504</b>	<b>611,092</b>	<b>572,416</b>
18 Gains/(losses) on monetary investments		-	-2,739		-2,739	-5,466
19 Gains/(losses) on investment properties		-	-		-	-
<b>20 Net income/(expenditure)</b>		<b>-71,788</b>	<b>963,698</b>	<b>-7,879</b>	<b>884,031</b>	<b>-59,723</b>
21 Transfers between funds		130,664	-94,586	-36,078	0	0
22 Other gains/(losses)		113,000	-		113,000	930,500
<b>23 Net movement in funds</b>		<b>171,876</b>	<b>869,112</b>	<b>-43,957</b>	<b>997,031</b>	<b>870,777</b>
24 Total funds brought forward		7,592,576	232,628	926,310	8,751,514	7,880,738
<b>25 Total funds carried forward</b>		<b>7,764,452</b>	<b>1,101,740</b>	<b>882,353</b>	<b>9,748,545</b>	<b>8,751,514</b>

West Hertfordshire and Borders Methodist Circuit  
Statement of Financial Position as at 31 August 2023

34/14

	Notes	General Fund (Unrestricted) £	Circuit Model Trust Fund (Unrestricted) £	Cloisters Hall £	Totals 2023 £	Totals 2022 £
<b>Fixed Assets</b>						
Circuit Manses, Buildings & Equipment	7	7,575,000			7,575,000	7,462,000
Investment properties		-		882,353	882,353	882,353
Investments	8	-	48,541		48,541	51,280
<b>Total fixed assets</b>		<b>7,575,000</b>	<b>48,541</b>	<b>882,353</b>	<b>8,505,894</b>	<b>8,395,633</b>
<b>Current Assets</b>						
Debtors and Prepayments	9	26,508	-		26,508	28,492
Investments with TMCP		-	1,053,199		1,053,199	181,348
Central Finance Board Deposits		205,153	-		205,153	178,932
Cash at Bank and in hand		8,247	-		8,247	14,446
<b>Total current assets</b>		<b>239,908</b>	<b>1,053,199</b>		<b>1,293,107</b>	<b>403,218</b>
<b>Current liabilities</b>						
Creditors (due in under 1 year)	10	50,456	-		50,456	47,337
Grants payable within 2023-24		-	-		-	-
<b>Total current liabilities</b>		<b>50,456</b>	<b>-</b>		<b>50,456</b>	<b>47,337</b>
<b>Net current assets/liabilities</b>		<b>189,452</b>	<b>1,053,199</b>		<b>1,243,451</b>	<b>355,881</b>
<b>Total assets less current liabilities</b>		<b>7,764,452</b>	<b>1,101,740</b>	<b>882,353</b>	<b>9,748,545</b>	<b>8,751,514</b>
Loans and creditors due after 1 year	11	-	-		-	-
<b>Net assets</b>		<b>7,764,452</b>	<b>1,101,740</b>	<b>882,353</b>	<b>9,748,545</b>	<b>8,751,514</b>
<b>Funds of the Circuit</b>						
General Fund (Unrestricted)		5,078,938	-	882,353	5,961,291	4,787,710
Circuit Model Trust Fund (Unrestricted)		-	1,101,740		1,101,740	232,628
Revaluation Reserve (Unrestricted)		2,685,514	-		2,685,514	2,804,867
Cloisters Hall					-	926,309
<b>Total Unrestricted Funds</b>	13	<b>7,764,452</b>	<b>1,101,740</b>	<b>882,353</b>	<b>9,748,545</b>	<b>8,751,514</b>
Circuit Model Trust Fund (Unrestricted Designated)		-	-		-	-
Endowment Funds		-	-		-	-
<b>Total Funds</b>		<b>7,764,452</b>	<b>1,101,740</b>	<b>882,353</b>	<b>9,748,545</b>	<b>8,751,514</b>

The financial statements were approved by the Board of Trustees on 22 May 2024 and signed on their behalf by:



Rev Rachael Hawkins

Superintendent Minister

West Hertfordshire and Borders Methodist Circuit

Cash Flow Statement for the year ended 31 August 2023

		2023	2022
	Note	£	£
<b>Cash from operating activities</b>			
Net cash used in operating activities		848,118	(88,501)
<b>Cash flows from investing activities</b>			
Dividends, interest and rents from investments		43,755	23,602
Proceeds from the sale of property, plant and equipment			
Purchase of property, plant and equipment			
Purchase of intangible assets			
Proceeds from the sale of investments			
Purchase of investments			
Other			
<b>Net cash provided by investing activities</b>		<b>43,755</b>	<b>23,602</b>
<b>Cash flows from financing activities</b>			
New borrowing - loan made to North Watford			
Repayments of borrowing			
<b>Net cash used in financing activities</b>			
<b>Other Cash Flows</b>			
Cash and Cash Equivalents – Cloisters Hall transferred to the Circuit on 1 April 2021		-	-
<b>Change in cash and cash equivalents in the reporting period</b>		<b>891,873</b>	<b>(64,899)</b>
Cash and cash equivalents at the beginning of the reporting period		374,726	439,625
<b>Cash and cash equivalents at the end of the reporting period</b>		<b>1,266,599</b>	<b>374,726</b>
<b>Reconciliation of net income to net cash flow from operating activities</b>			
Net income for the reporting period (as per statement of financial activities)		884,031	(59,723)
<b>Adjustments for:</b>			
Depreciation and amortisation charges			
Profit on the sale of fixed assets			
Loss on the sale of fixed assets			
(Gains)/Losses on investments		2,739	5,466
Dividends, interest and rents from investments		(43,755)	(23,602)
Decrease/(increase) in stocks			
(increase)/decrease in debtors		1,984	(3,810)
increase/(decrease) in creditors		3,119	(6,833)
<b>Net cash used in operating activities</b>		<b>848,118</b>	<b>(88,502)</b>
<b>Analysis of cash and cash equivalent</b>			
Cash in hand		8,247	14,446
Short term deposit (less than 3 months)		1,258,352	360,280
<b>Total cash and cash equivalents</b>		<b>1,266,599</b>	<b>374,726</b>

# **West Hertfordshire and Borders Methodist Circuit**

## **Notes to the Accounts**

### **1 Basis of accounting**

The financial statements of the charity, which is a public benefit entity under FRS 102, have been prepared in accordance with the Charities SORP (FRS102) 'Accounting and Reporting by Charities: Statement of Recommended Practice applicable to Charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (effective 1 January 2015)', and the Charities Act 2011. The financial statements have been prepared under the historical cost convention, with the exception of investments which are included at market value, as modified by the revaluation of certain assets.

### **2 Funds**

The funds held constitute: General Funds held for any purpose of the Circuit which are unrestricted. The Circuit Model Trust Funds have wide purposes defined in Standing Orders and are categorised as unrestricted. The Revaluation Reserve (Unrestricted) relates to the revaluation of the freehold properties (manses). Restricted funds are those held for a narrower purpose and endowment funds which represent gifts, the capital normally being unavailable for spending, and the income from which is either restricted or unrestricted. Any funds may be represented by more than just cash.

### **3 Accounting policies**

#### **Incoming resources**

These are included in the Statement of Financial Activities (SOFA) when the Circuit becomes entitled to the resources, the trustees are virtually certain that they will receive the resources; and the monetary value can be measured with sufficient reliability.

#### **Resources expended**

Expenditure is recognised when a liability is incurred, or a constructive obligation arises, that results in the payment being unavoidable. Whilst some grants may be agreed in principle for a number of years, they are confirmed on an annual basis. Governance costs amounted to £4,306.55 comprising audit fees of £4,080 and bank charges and fees of £226.55. All other expenditure relates to the costs of the charitable activities.

#### **Liability recognition**

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

## Tangible fixed assets for use by the Circuit

Tangible fixed assets are capitalised if they can be used for more than one year, and cost at least £1,000. They are valued at cost or a reasonable value on receipt. Where cost is not available, the Circuit Meeting may provide a reasonable estimate of cost or of the buildings' current value to the circuit.

The manses have been revalued to market value, and further details relating to this revaluation can be found in note 7 below.

Provision is made for depreciation where appropriate.

From September 2016, the staffing was reduced by one Minister, leaving a vacant manse. A decision was made to rent this out for an initial period of two years, giving the Circuit the opportunity to assess whether the staffing reduction was permanent or whether there were other Circuit (charitable) purposes to which the property can be put. The rent received is being used to support some of the Churches who are most financially stretched and to fund specific projects. The manse has been let for a further three-year period from September 2021.

## Investments

Investments are stated in the statement of financial position at the bid price at the year-end. Investment income is included in the accounts when receivable and any gains or losses on revaluation at the year-end are also shown in the SOFA.

## Taxation

The Circuit is exempt from tax on its charitable activities.

## Pension costs

The ministers are members of the Methodist Church Ministers' Pension Scheme, operated centrally. The Circuit also participates in a defined contribution pension scheme operated by the Pensions Trust. Contributions payable to these pension schemes are charged to the Statement of Financial Activities in the period to which they relate.

## 4 Payments to Trustees

	2023	2022
Payments made to Trustees for additional services provided to the Circuit	Nil	Nil
Number of Trustees who were paid expenses These expenses include travel costs, preaching fees paid to Supernumerary Ministers, and reimbursement of payments made on behalf of the Circuit	7	6
Total amount paid	£ 2,633	£ 2,545

<b>5 Fees for examination or audit of the accounts</b>	<b>2023</b>	<b>2022</b>
Auditor's fees for reporting on the accounts	£4,500	£4,200
Other fees (e.g. advice, accountancy services) paid to the auditor	Nil	Nil

<b>6 Paid employees</b>	<b>2023</b>	<b>2022</b>
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**Staff costs paid during the year were:**

Gross wages, salaries and benefits in kind	£230,687	£252,542
Employer's National Insurance costs	£ 20,274	£ 21,611
Pension costs	£ 52,541	£ 57,608
Payroll Bureau Fee	£ 480	£ 480
Apprenticeship Levy	£ 1,250	£ 1,256
<b>Total staff costs</b>	<b>£305,232</b>	<b>£333,497</b>

<b>Average number of staff in the year:</b> (comprising six full time and five part-time staff)	11	12
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The use of the word 'staff' should be taken to include both lay staff employed directly by the Circuit, and Presbyters and Deacons who are legally not employees, but 'office-holders'. Whilst their relationship is technically with God and the Connexion, their stipends are funded from Circuit funds.

## **7 Tangible Fixed Assets**

### **Cost or Valuation**

	Manses & Buildings £	Equipment £	Total (Restated) £
Balance brought forward	8,344,353	2,919	8,347,272
Additions		-	
Revaluations	113,000	-	113,000
Disposals		-	-
Transfers		-	-
Balance carried forward	8,457,353	2,919	8,460,272

Maintenance work is taken from revenue expenditure. For internal accounting purposes the trustees have established a reserve policy to even out the annual costs of maintaining manses, which tend to be highest in years when ministers change appointments.

### Accumulated depreciation

Depreciation is provided for in order to write off each asset, e.g. computer equipment, over its estimated useful life.

Basis: Straight line

Rate: Equipment - over 3 years; Manses – over 50 years

Balance brought forward	-	2,919	-	2,919
Depreciation charge for the year	-	-	-	-
Revaluations	-	-	-	-
Disposals	-	-	-	-
Transfers	-	-	-	-
Balance carried forward	-	2,919	-	2,919

### Net book value

Brought forward	8,344,353	-	-	8,344,353
Carried forward	8,457,353	-	-	8,457,353

The Circuit holds nine properties (manses) on the statement of financial position, which were previously held by the three former Circuits prior to the merger on the 1<sup>st</sup> September 2012. Methodist guidelines allowed for these to be stated at their cost price, market valuation or insurance value, and all three forms of valuation had been used by the former Circuits. Following the merger, it was decided to include the manses at their inherited value in the Circuit's accounts.

When preparing the accounts for the year ended 31 August 2016, the Trustees reviewed this policy in the context of the new accounting statements (SORPs), coming into effect, and decided to account for the manses at their market value. Accordingly, the Trustees have valued the manses and buildings at the 31<sup>st</sup> August 2023.

The overall effect of the revaluation during the year has been an increase in reserves at the 31<sup>st</sup> August 2023 by £113,000 (2022: increase of £330,500).

The value of the buildings as at 31<sup>st</sup> August 2023 of £8,457,353 is comprised of the total inherited amount of £5,771,839 plus the revaluation reserve of £2,685,514.

## 8 Investment assets

### Analysis of investments

	<b>Bid Price at year end £</b>
Investments listed on a recognised Stock Exchange or held in common investment funds, open ended investment companies, unit trusts or other collective investment schemes	Nil
Securities not listed on a recognised Stock Exchange	Nil
Cash held as part of the investment portfolio	Nil
Other investments	48,540
Total	48,540

### Change in investment values

Carrying (market) value at the beginning of the year	51,280
Add: additions to investments at cost	Nil
Less: disposals at carrying value	Nil
Add/(deduct): net gain/(loss) on revaluation	(2,739)
Carrying (market) value at the end of the year	48,540

## 9 Debtors

	<b>2023 £</b>	<b>2022 £</b>
Sundry debtors & prepayments	26,508	28,492
Principally reflecting ministerial stipends paid in advance.		

## 10 Creditors due within one year

	<b>2023 £</b>	<b>2022 £</b>
Sundry creditors & deferred income	50,456	47,336
Principally reflecting assessments paid in August for the following year.		

## 11 Creditors due after one year

	2023 £	2022 £
Sundry creditors & accrued income	Nil	Nil

## 12 Capital Commitments & Contingent Liabilities

	2023 £	2022 £
At the 31 <sup>st</sup> August, capital commitments amounted to:	Nil	Nil

## 13 Circuit Reserves

The Circuit's policy is to allocate its reserves as follows:

General reserve equal to 50% of annual expenditure: £ 268,482

Manse repair and maintenance reserve: £ 21,597

Reserve from the income from the surplus manse, allocated to support churches with their assessments and to fund specific projects and appointments: £ 5,752

Balance of reserve available to make grants to Circuit churches to support mission projects, necessary work to address health & safety or accessibility, energy efficiency improvements, and energy bills: £ 995,361

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Total Reserves (excluding the value of buildings) £ 1,291,192

Name of Circuit

Circuit No

West Hertfordshire and Borders

34/14

**Statement of Financial Activities (SOFA) for the year ended  
31 August 2022**

	Notes to the accounts	General Fund (Unrestricted)	Circuit Model Trust (Unrestricted)	Cloisters Hall	Total 2021-22
		£	£		£
<b>Income</b>					
1	Donations and legacies	215			215
2	Income from monetary investments	561	1,878	173	2,612
3	Income from investment properties	-		9,280	9,280
4	Assessments on Churches	468,062			468,062
5	Capital Receipts	-			-
6	Grants received	17,000			17,000
7	Rents receivable	20,990			20,990
<b>8</b>	<b>Total income</b>	<b>506,828</b>	<b>1,878</b>	<b>9,453</b>	<b>518,159</b>
<b>Expenditure</b>					
9	Grants and donations	450	-		450
10	Salaries and associated costs	333,497	-		333,497
11	Property maintenance	34,968	-	141	35,109
12	Connexional assessment & model trust levy	-	-		-
13	District Assessment & Levy	99,936	8,052		107,988
14	Sale of Land	-	-		-
15	Office expenses	3,837	-		3,837
16	Other outgoings	81,024	700	9,811	91,535
<b>17</b>	<b>Total charitable expenditure</b>	<b>553,715</b>	<b>8,752</b>	<b>9,952</b>	<b>572,416</b>
18	Gains/(losses) on monetary investments		-5,466		-5,466
19	Gains/(losses) on investment properties				
<b>20</b>	<b>Net income/(expenditure)</b>	<b>-46,884</b>	<b>-12,340</b>	<b>-499</b>	<b>-59,723</b>
21	Transfers between funds	-82	-743	825	0
22	Other gains/(losses)	930,500			930,500
<b>23</b>	<b>Net movement in funds</b>	<b>883,534</b>	<b>-13,083</b>	<b>326</b>	<b>870,777</b>
24	Total funds brought forward	6,709,043	245,711	925,984	7,880,738
<b>25</b>	<b>Total funds carried forward</b>	<b>7,592,577</b>	<b>232,628</b>	<b>926,310</b>	<b>8,751,514</b>

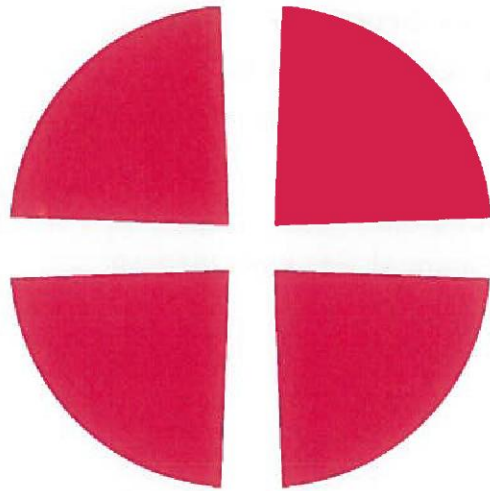
**WEST HERTFORDSHIRE AND BORDERS METHODIST CIRCUIT**

England & Wales - Charity number 1135094

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# Accounts

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**West Hertfordshire and Borders Methodist Circuit  
(Registered Charity 1135094)**

**Trustees Annual Report and Accounts  
For the Year Ended  
31<sup>st</sup> August 2022**

**West Hertfordshire and Borders Methodist Circuit  
Trustees Annual Report and Accounts  
For the Year Ended 31<sup>st</sup> August 2022**

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## **Trustees Annual Report for the year ended 31<sup>st</sup> August 2022**

The Trustees of the West Hertfordshire and Borders Methodist Circuit present their report, with the financial statements of the charity, for the year ended 31<sup>st</sup> August 2022. The Trustees have adopted the provisions of '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<sup>st</sup> January 2015)'.

### **1. Objectives and Activities**

In setting our objectives and planning our activities, the Circuit Trustees (who meet in September, February and June each year) have given careful consideration to the Charity Commissioners' published guidance on public benefit, and we believe that we conform with the Charities Act 2011, and the Charities (Accounts and Reports) Regulations 2008.

Our stated mission is to, 'encourage, enable and equip the churches, congregations and individuals of the Circuit to draw nearer to God, to proclaim the good news of Christ, and to share the love of God.'

We aim to achieve this through the provision of ministerial staff, financial and other support to the nineteen Methodist Churches, one Anglican / Methodist Local Ecumenical Project (LEP) and one Methodist/United Reformed Church LEP in our local area (which covers Dacorum, Three Rivers, Watford, Harpenden and parts of Buckinghamshire and Bedfordshire).

### **2. Achievements and Performance**

Under the heading '*Collaborative arrangements with connected charities*' (3.3 below), there is further information on how we obtain our funds. In this paragraph we provide an overview of how they were spent. For more detail, please see the Churches' own Trustees Annual Reports (where these are required to be prepared).

During the year, the principal input into the Circuit was through the work of the Ministers, seven Presbyters, one Anglican Priest who is authorised to serve, and one Deacon, aided by a part-time Lay Outreach Worker. Around 67% of the revenue budget was spent on stipends and accommodation for the ministerial staff (£368k in 2021-22, £386k in 2020-21).

The Circuit appointed a paid Safeguarding Officer with effect from December 2018, with the role of supporting the churches in their safeguarding policies, practices, compliance and training; and a bursar from October 2021, with their work focussed mainly on property matters at the manses.

The Circuit has a sum of money available for grants, principally for mission projects or to support Churches needing to make modifications to their premises to meet health and safety legislation, and/or to enable inclusivity. Funding is usually matched with what has been raised by the individual, Church or other organisation, and is often split three ways with the District. Where funds are required for other purposes, the Circuit may give short-term or longer-term loans. Requests are

invited, to be discussed first by the Circuit Leadership Team, with final decisions being made by the full Circuit Meeting.

The only grant paid during the year was £450 to Trowley Hill (Flamstead) Methodist Church to support urgent roof repairs to address a health and safety issue.

Grant support is committed to All Saints LEP Berkhamsted for outreach work, but no payments were made during the year.

### **3. Financial Review**

During the year, the Circuit received total income of £518k (2020-21: £520k), and spent £572k (2020-21: £559k). The Statement of Financial Activities (SOFA) on page 18 shows that in terms of revenue expenditure there was a deficit in 2021-22 of £59,723 (2020-21: £33,704).

The Trustees have every reason to believe that the Circuit is a going concern, in that they hold free reserves of around £138k, over and above those required to cover six months of revenue expenditure and other specific commitments, even if every Church defaulted on its assessment.

The title to the nine properties (manses) in which the Ministers live (including two currently let out) the Cloisters Hall and Markyate Methodist Church are held by the Trustees for Methodist Church Purposes, in Manchester. The Circuit acts as Managing Trustee, and is responsible for the day to day management of these properties, having the right and obligations of exercising power or discretion over them. The church buildings of the active churches in the Circuit are the responsibility of their Church Councils, some of which have registered charity status in their own right, and some of which do not.

In response to the new accounting standards, the manses have been revalued for these accounts (*see note 7 for details*).

The principal source of funds for the Circuit is the assessment levied on the Churches. In addition, the Circuit receives grants to support the work of one minister who is also the chaplain to the Ghanaian Methodist Fellowship in the UK and rental income from a manse.

The churches' income is derived from freewill donations by church members and others attending worship, and payments for the use of church halls and rooms by clubs, activity groups and other organisations. Despite significant reductions in these sources of income since March 2020 the majority of the circuit assessment payments by churches have continued to be made. However, some churches have reduced their assessment payments and others have indicated that they will need to do so as their income has not recovered sufficiently since churches were able to reopen for worship and for lettings use by local groups. As reported below the Circuit holds reserves of £84k over and above the baseline of 50% of annual expenditure of annual expenditure and other specific commitments. The Trustees' view is that the Circuit's reserves are sufficient to meet the likely shortfalls at present. A plan is being drawn up to address the future financial position in the light of these developments.

From September 2016, staffing was reduced by one Minister, leaving a vacant manse. A decision was made to rent out this manse for an initial period of two years, giving the Circuit the opportunity

to assess whether the staffing reduction was permanent or whether there were other Circuit (charitable) purposes to which the property can be put. During this period, the rental monies received will not be used for general revenue purposes, but to support transitions in the assessment process, to fund specific projects (currently the Circuit safeguarding Officer) and to add to the funds available for grants. Since this is not deemed to be a long-term use of the property, it has not been categorised as an investment property in the accounts. Future decisions about how we use the property may cause us to review this. The property has been rented out for a further three-year period from September 2021.

The rental income from the surplus manse has been unaffected by the coronavirus restrictions and the Trustees have no indication that there will be any significant impact on this income for the foreseeable future.

A further manse became vacant in August 2022 on the departure of the minister with no replacement, although it is not anticipated that this will continue for an extended period. The manse was therefore let out for a period of 6 months from September 2022 pending further decisions about ministry in that part of the Circuit.

### **3.1 Investment Policy and Performance**

To comply with Methodist Standing Orders, monies for long term investment are lodged with the Trustees for Methodist Church Purposes (TMCP). As stated above, TMCP acts as custodian trustee for all real estate held by the Circuit, for all large (over £20k) requests, and for the proceeds of the sale of properties. These sums are invested in unitised investments or held on deposit. The investment returns are close to tracking the movements of the FTSE100 index. The deposit income reflects rates available elsewhere, but additionally the Circuit can be assured that the underlying investments take account of the social, environmental and ethical concerns of the Methodist Church.

Short term deposits are lodged directly with the Central Finance Board (CFB) and attract a rate of interest in line with other market rates. Again, the CFB aim to utilise the monies held with them, alongside other denominations, to engage with companies in which they hold investments, to bring about change in line with our ethical concerns regarding poverty and unsafe working practices, etc.

There are no other benchmarks for the expected returns on investments with the TMCP and CFB. The objective is a rate of return reflecting the market rate, but which fits with the Trustees' low appetite for risk. The Central Finance Board now have a number of accounts for funds not immediately required, and which attract slightly higher rates, which meeting the same ethical aims. These will bear further examination going forwards.

### 3.2 Reserves Level and Policy

The Circuit has a reserves policy covering all of its unrestricted funds which is reviewed annually. The Charity Commission's recommended minimum policy level for free reserves is such as to pay for six months of revenue expenditure, although there continues to be conversation as to whether the Circuit should take Church and District reserves into account to avoid over provision along the chain of payments between the three tiers.

The recommended amount equates to fifty percent of lines 9 – 16 of the Standard Form of Accounts (general fund), net of expenditure met by grants received, which in 2021-22 amounted to £256k (2020-21: £261k).

The Circuit has agreed to set aside a sum each year from the revenue budget to meet maintenance expenditure on the manses, quinquennial inspections, and costs incurred when ministers move into the Circuit. Expenditure is allocated against that reserve for budget and financial planning purposes. The amount allocated in 2021-22 was £30,000. £41,313 was spent from this reserve during the year.

More substantial renovations and improvements to the manses are charged directly to reserves and not to the manse maintenance reserve. There was no expenditure of this kind during the year.

The Circuit has also set aside the rental income from the surplus manse as a special reserve with two purposes – firstly to support churches who wish to develop mission work in their area but who might be constrained if they met their full allocated assessment; and secondly to support specific projects or appointments – the Circuit has appointed a paid safeguarding officer. The costs of this post will be met from this source.

The total reserves held at the end of the year were as follows -:

	£
<i>Unrestricted funds</i>	
General Fund	7,592,577
TMCP Funds	232,628
Cloisters Hall	926,310
	8,751,514
<i>Less: invested in the manses</i>	6,862,000
<i>Cloisters Hall building</i>	882,353
<i>Markyate Church building</i>	600,000
Uncommitted reserves	407,162
<i>Less: Sum set aside under Reserves Policy</i>	256,559
<i>Less: allocated to manses reserve</i>	14,574
<i>Less: reserve derived from surplus manse</i>	7,836
<i>Less: Cloisters Hall reserves</i>	43,957
Available for Grants	84,236

The Trustees consider that the level of reserves is sufficient to meet known risks, in particular the potential loss of assessment income from the churches in the light of the reductions in the churches' income, described above.

### **3.3 Collaborative arrangements with Connected Charities**

The Circuit's main source of funding was the assessments paid by each of the Churches, amounting to £468k (2020-21: £478k). The West Hertfordshire and Borders Circuit came into being in 2012, formed from the merger of the Harpenden, Hemel Hempstead & Berkhamsted and Watford Circuits. Initially, the assessments charged to each Church reflected historical circumstances, being increased by small percentages, primarily to reflect pay increases. During 2015-16 the Circuit and Church Treasurers continued to work on an assessment formula which would reflect more closely the current position of each Church. Proposals were brought to the June 2016 Circuit Meeting reflecting ministerial input, Church membership and the ability of the Church to pay (measured in terms of their income over the previous three years). These were agreed, and have formed the basis of assessments for years from 2016-17, subject to a series of caps on the increases arising from the move to the new amounts.

The Circuit is part of the Bedfordshire, Essex and Hertfordshire Methodist District, which in turn is part of the Methodist Connexion in Great Britain. The District takes a levy on Circuit reserves (above set limits) held with TMCP and credits these to the District Advance Fund, from which grants can be made. In 2021-22, this levy amounted to £8k (2020-21: £8.5k).

In addition, the District collects an assessment from the Circuits, on behalf of the Connexion, based on staffing and membership numbers. The Circuit's contribution in 2021-22 was £99.9k (2020-21: £103.2k).

As reported last year, the managing trusteeship of the Cloisters Hall in Rickmansworth was transferred to the Circuit with effect from 1<sup>st</sup> April 2021, following the dissolution of the Local Ecumenical Partnership (LEP) between Rickmansworth Methodist Church and St Mary's Church of England. The Trustees have concluded that it is uneconomic to continue to operate the hall and has decided to close the hall on 31 December 2022, with a view to its disposal. The accounts of the Cloisters Hall have been consolidated into these accounts, but shown separately.

The members of Markyate Methodist Church decided that the number of members was too small to continue to function as a church. The decision was therefore taken to formally close the church at 31<sup>st</sup> August 2022. The Circuit became the managing trustees of the land and buildings on 30<sup>th</sup> June 2022. The land and buildings were transferred into these accounts on that date. Part of the monetary assets were transferred to the Circuit on 31<sup>st</sup> August 2022, and the trust funds held at TMCP on 1<sup>st</sup> September 2022.

### **4 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).

For each financial year (ending the 31<sup>st</sup> August), the Trustees are required to prepare financial statements that give a true and fair view of the Circuit's financial activities during the year, and of its financial position at the end of the year. In preparing these statements, the Trustees must -:

- select suitable accounting policies and apply them consistently;
- observe the methods and principles in the Charities' SORP;
- make judgements and estimates that are reasonable and prudent;
- follow applicable accounting standards, subject to any material departures being both disclosed and explained;
- prepare the financial statements on the going concern basis, unless it is inappropriate to assume that the Circuit will continue in operation.

The Trustees are responsible for keeping proper accounting records which disclose with reasonable accuracy, at any time, the financial position of the Circuit, and enables them to ensure that the financial statements comply with the law. They are also responsible for safeguarding the assets of the Circuit, and ensuring their proper application under charity law, and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

#### **4.1 Risk Management, Safeguarding & Property**

As well as ensuring that the Circuit follows policies which minimise financial risk, the Trustees undertake to promote good practice in financial practices within the individual Churches, compatible with their size and resources available.

Every person has a value and dignity which arise directly from our creation in God's own image and likeness. This implies a duty to protect them from harm. The Trustees, on behalf of the West Hertfordshire and Borders Methodist Circuit, commit themselves to ensuring the implementation of Connexional Safeguarding Policy; government legislation, guidance and safe practice in the Circuit and in the Churches. They are committed to the provision of support, advice and training for lay and ordained people that will ensure people are clear and confident about their roles and responsibilities in safeguarding and promoting the welfare of children and adults who may be vulnerable.

The Trustees have recently appointed a paid Circuit Safeguarding Officer to give these issues appropriate oversight.

The Trustees' aim is to care practically and appropriately for the Circuit's staff by providing and maintaining suitable and good quality housing which, as far as possible, will -:

- be in an appropriate location;
- enable the Circuit's staff to live in dignity and comfort and to carry out their Circuit responsibilities whilst respecting their independence and privacy;
- be adaptable to meet their needs.

The Circuit is committed to keeping all its property in a good standard of repair and will continue to strive to meet the *Decent Homes Standard*. It does this by having a planned maintenance programme and by the provision of a responsive repair and maintenance service. Both the planned maintenance programme and the responsive repair and maintenance service are carried out so as to ensure that good value for money is obtained at all times.

The Trustees will promote within their property, and within individual Churches, due attention to health and safety legislation and procedures. Physical safety is important. Information and advice will be shared with regard to, for example, *Lone Working* and *Working at Height*. Churches should have appropriate risk assessments in place.

## **5 Structure, Governance and Management**

The West Hertfordshire and Borders Methodist Circuit is an unincorporated charitable association governed by the Methodist Church Act 1976, the Deed of Union (1932), and the Model Trust Deeds of the Methodist Church. Detailed governance arrangements are outlined within the Constitutional Practice and Discipline of the Methodist Church by order of the annual conference (CPD).

It was registered with the Charity Commission on its formation in 2012, adopting the charity number of the preceding Watford Circuit.

### **5.1 Structure**

Circuits are the co-ordinating charities for local groups of Churches, in this case covering Dacorum, Harpenden, Watford, Three Rivers and parts of Bedfordshire (Studham) and Buckinghamshire (Ley Hill). Circuits pay the stipends of the Ministers and employ lay staff to serve the Churches in the Circuit.

The Circuit is part of the Bedfordshire, Essex & Hertfordshire District. Districts are the co-ordinating charities for a group of circuits and make their decisions at half yearly synods.

The Methodist Conference meets once each year as the supreme denominational body for all the Methodist Churches. Overall regulatory authority rests with the Methodist Conference.

### **5.2 Purpose of the Circuit**

The Circuit is an expression, over a wider geographical area than any individual Church, of the connexional character of the Methodist Church.

The purposes of the Methodist Church are and shall be deemed to have been since the date of the union the advancement of -:

- the Christian faith in accordance with the doctrinal standards and the discipline of the Methodist Church, and
- any charitable purposes for the time being of any Connexional, District, Circuit, local or other organisation of the Methodist Church, and
- any charitable purpose for the time being of any society or institution subsidiary or ancillary to the Methodist Church, and
- any purpose for the time being of any charity being a charity subsidiary or ancillary of the Methodist Church.

The primary purpose of this Circuit is to advance the mission of the Church as we, 'encourage, enable and equip the churches, congregations and individuals of the Circuit to draw nearer to God, to proclaim the good news of Christ, and to share the love of God' by placing at their disposal resources of finance, personnel and expertise.

## **5.3 Governance**

The Circuit operates within a statutory framework of regulation and seeks to ensure that it follows Methodist Standing Orders. It relies on the Connexional Office at 25 Marylebone Road, London NW1 5JR, and on District staff to provide guidance on changes that could affect the Circuit.

The Trustees comprise the Circuit Staff (with the exception of the Circuit Administrator), other Methodist Ministers resident in the area, Circuit Officers, and representatives of each of the Churches, elected by their Church Councils. The number of representatives is relative to the size of the Churches' membership.

The Circuit Leadership Team meets on a bi-monthly basis, but major decisions, including those of expenditure are subject to agreement or ratification by the Circuit meeting, which meets three times a year. In turn, the Circuit Meeting appoints representatives to the District Synod, the District's decision-making body.

## **6 Reference and Administrative Details**

### **6.1 Name of the Charity**

The West Hertfordshire and Borders Methodist Circuit

### **6.2 Charity Registration Number**

1135094, registered in England and Wales

### **6.3 Circuit Office**

Circuit Office  
Southdown Methodist Church Halls  
130A Southdown Road  
Harpenden  
Hertfordshire  
AL5 1PU

01582 769871  
[westhertsandborderscircuit@gmail.com](mailto:westhertsandborderscircuit@gmail.com)

### **6.4 Joint Superintendent Ministers**

Rev. Rachael Hawkins & Rev. Richard Lawson (*left the Circuit August 2022*)

### **6.5 Secretary of the Circuit Meeting**

Lyndsay Campbell

## **6.6 Circuit Treasurer**

David Edney

## **6.7 Circuit Administrator**

Jennifer Frith (*non-Trustee*)

## **6.8 Circuit Staff**

Rev Quophie Anochie Ababio

Rev Andrew Brazier

Rev Stuart Dyer (to 31st August 2022)

Rev Dr Donna Fowler-Marchant

Rev Mark Hammond

Rev Rachael Hawkins (co-superintendent)

Rev Richard Lawson (co-superintendent – to 31st August 2022)

Rev Joyce Mayisiri (appointed to the Circuit 1<sup>st</sup> September 2022)

Rev Christine Taylor (to 31st January 2022)

Deacon Sarah Wickett

Jennifer Frith (*Administrator*)

Pauline Jackson (*Safeguarding Officer*)

Robin McEwen (*Lay Outreach Worker*)

Peter Wickett (*Bursar*)

## **6.9 Circuit Officers**

Linda Black (*Circuit Steward*)

David Edney (*Circuit Steward and Circuit Treasurer*)

Janet Gilfoyle (*Circuit Steward*)

Mike Lees (*Circuit Steward*)

Lorraine Pearce (*Circuit Steward*)

David Noble (*Circuit Property Secretary*)

Lyndsay Campbell (*Circuit Meeting Secretary*)

Linda Hillier (*Secretary of the Local Preachers' Meeting*)

## **6.10 Names of Trustees**

Circuit Staff and Officers are automatically members of the Circuit Meeting (unless noted otherwise). Supernumerary Ministers, or other Methodist Ministers resident in the area, also have a right to be part of the Circuit Meeting. Other Trustees are appointed by the Circuit's Church Councils, the number being dependent on the size of the individual Church.

In addition to those named above, the following served as Trustees at some point during the year 2021-22, or are Trustees as of the date of the approval of this report. One Minister who is resident in the area, but not active in Trustee decision making, has requested that their details do not appear in any publications.

Richard Atkins  
Jeni Bowman  
Phillip Breedyk (to June 2023)  
Susan Dyce  
Margaret Faulkner  
Frances Gardner (to Aug 2022)  
Celia Green  
Michael Hill (from Oct 2021)  
Miranda Kowalczyk (from May 2023)  
Michael Livett (to Aug 2022)  
Ann Matthews  
David North  
David Pain  
Rosemary Rhodes  
Pauline Rogers  
Ann Shepherd  
Kathryn Spall (from Jan 2022)  
Rev Brian Tebbutt (*Supernumerary*)  
Rev Caroline Weaver (*Supernumerary* – from Sep 2021)  
Clive Wickham  
Suzanne Wood

Rosemary Berdinner  
Alison Brain  
Paul Creasey (from Feb 2023)  
Sara Ellis (to Jan 2023)  
Rev John Fellows (*Supernumerary*)  
Ireen Goulding (to Mar 2022)  
Jenny Harris  
Paul Johnston  
Janice Lewis  
David McGuire  
Elizabeth Murphy (to Feb 2022)  
Penny O'Neill  
Clare Rayment (to Feb 2022)  
Tracy Robinson (to Jan 2022)  
Alex Schlich (from Sept 2022)  
Chrystyna Smith  
Debra Sutherland  
Carole Warby (to May 2023)  
Michael Whitehead (died Mar 2023)  
Shireen Wickham (from Sept 2021)  
Margaret Woods

### **6.11 Bankers**

Unity Trust Bank PLC  
Nine Brindleyplace  
Birmingham.  
B1 2HB

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

### **6.12 Investment Managers and Custodian Trustees**

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

### **6.13 Auditors**

Hicks and Company  
Chartered Accountants & Statutory Auditors  
Vaughan Chambers  
Vaughan Road  
Harpenden  
Hertfordshire  
AL5 4EE

## 6.14 Churches making up the Circuit

Abbots Langley Methodist Church  
All Saints', Berkhamsted (Anglican/Methodist Local Ecumenical Partnership)  
Batford Methodist Church  
Berry Lane Methodist Church  
Bushey & Oxhey Methodist Church  
Carpenders Park and South Oxhey Methodist Church  
Croxley Green Methodist Church  
Gaddesden Row Methodist Church  
Harpenden (High Street) Methodist Church  
Hemel Hempstead Methodist Church (HHMC)  
Kings Langley Methodist Church  
Ley Hill Methodist Church  
Markyate Methodist Church \*\*  
The Scroll Church (Methodist/URC LEP)  
Redbourn Methodist Church  
St Andrew's (Bushey Heath) Methodist Church  
St Martha's (Tring) Methodist Church  
Southdown Methodist Church  
Studham Methodist Church  
Trinity (Watford) Methodist Church  
Trowley Hill (Flamstead) Methodist Church

\*\* Markyate Methodist Church formally closed on 31<sup>st</sup> August 2022. The land and buildings were transferred to the managing trusteeship of the Circuit on 30<sup>th</sup> June 2022. The balances at the Central Finance Board were transferred to the Circuit on 31<sup>st</sup> August 2022; and two trusts held by the Trustees For Methodist Church Purposes for the benefit of the church were transferred to the Circuit on 1<sup>st</sup> September 2022

### Statement of disclosures to the Auditor

- (a) So far as the Trustees are aware, there is no relevant audit information of which the Auditors are unaware, and;
- (b) We have taken all the steps we ought to have taken as Trustees in order to make ourselves aware of any relevant audit information and to establish that the Auditors are aware of that information;

Approved by the Trustees on the 13<sup>th</sup> June 2023



Rev Rachael Hawkins (Superintendent Minister)

**WEST HERTFORDSHIRE AND BORDERS METHODIST CIRCUIT  
INDEPENDENT AUDITORS' REPORT TO THE TRUSTEES  
FOR THE YEAR ENDED 31<sup>st</sup> AUGUST 2022**

**Opinion**

We have audited the financial statements of The West Hertfordshire and Borders Methodist Circuit ('the charity') for the year ended 31 August 2022 which comprise the Statement of Financial Activities, the Statement of Financial Position and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (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 Auditors' 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 trustees are responsible for the other information. The other information comprises the information included in the Annual Report, other than the financial statements and our Report of the Independent Auditors thereon.

Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether this gives rise to a material misstatement in the financial statements themselves. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

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

We have nothing to report in respect of the following matters where the Charities (Accounts and Reports) Regulations 2008 requires us to report to you if, in our opinion:

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

### **Responsibilities of trustees**

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

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

### **Our responsibilities for the audit of the financial statements**

We have been appointed as auditors 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 a Report of the Independent Auditors 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.

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below:

Based on our understanding of the entity and sector in which it operates, we identified the principal risks of non-compliance with laws and regulations relating to the charity. We also considered those laws and regulations that have a direct impact on the preparation of the financial statements. We communicated identified laws and regulations throughout our team and remained alert to any indications of non-compliance throughout the audit.

We assessed the susceptibility of the charity's financial statements to material misstatement, including obtaining an understanding of how fraud may occur, by making enquiries of the trustees and management as to where they considered there was susceptibility to fraud and considering the internal controls in place to mitigate fraud risks and non-compliance with laws and regulations.

In response to the risk of fraud through management bias (including the risk of override of controls) and the risk of irregularities and non-compliance with laws and regulations, we designed procedures which included, but were not limited to:

- performing analytical procedures to identify unusual or unexpected transactions
- assessing whether judgements and assumptions made in determining accounting estimates were indicative of potential bias
- reviewed a sample of transactions from the charity's records
- performing completeness of income tests
- test checking the appropriateness of journal entries
- agreeing financial statement disclosures to the underlying supporting documentation
- checking for correspondence with the Charity Commission
- reading the minutes of board of trustees' meetings
- checking for any actual and potential litigation and claims

There are inherent limitations in our audit procedures outlined above. The more removed that laws and regulations are from financial transactions, the less likely it is that we would become aware of non-compliance. Auditing standards also limit the audit procedures to identify non-compliance with laws and regulations to enquiry of the trustees and other management and the inspection of regulatory and legal correspondence, if any. Material misstatements that arise due to fraud can be harder to detect than those that arise from error as they may involve deliberate concealment or collusion. We are not responsible for preventing non-compliance and cannot be expected to detect non-compliance with all laws and regulations.

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

### Use of our report

This report is made solely to the charity's trustees, as a body, in accordance with Part 4 of the Charities (Accounts and Reports) Regulations 2008. 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.



Philip Dean BA, FCA (Senior Statutory Auditor)  
Hicks and Company  
Chartered Accountants and Statutory Auditor  
Vaughan Chambers  
Vaughan Road  
Harpenden  
Hertfordshire  
AL5 4EE

Date: 15-JUN-23

**THE METHODIST CHURCH  
TRUSTEES ANNUAL REPORT AND ACCOUNTS  
(ACCRUALS BASIS)**

**For the year ended 31<sup>st</sup> August 2022**

**West Hertfordshire and Borders Methodist Circuit**

Registered Charity – Registration number 1135094

District/Circuit No: 34/14

**Ministers:**

Rev Rachael Hawkins (co-superintendent)  
Rev Richard Lowson (co-superintendent – to 31<sup>st</sup> August 2022)  
Rev Quophie Anochie Ababio  
Rev Andrew Brazier  
Rev Stuart Dyer (to 31<sup>st</sup> August 2022)  
Rev Dr Donna Fowler-Marchant  
Rev Mark Hammond  
Rev Joyce Mayisiri (from 1<sup>st</sup> September 2022)  
Rev Christine Taylor (to 31<sup>st</sup> January 2022)  
Deacon Sarah Wickett

**Circuit Stewards:**

Linda Black  
David Edney  
Janet Gilfoyle  
Mike Lees  
Lorraine Pearce

**Circuit Treasurer:**

David Edney

## Statement of Financial Activities (SOFA) for the year ended 31 August 2022

	Notes to the accounts	General Fund (Unrestricted)	Circuit Model Trust (Unrestricted)	Cloisters Hall	Total 2021-22	Total 2020-21
		£	£	£	£	£
<b>Income and Endowments from:</b>						
1 Donations and legacies		215	-	-	215	-
2 Income from monetary investments		561	1,878	173	2,612	1,599
3 Income from investment properties		-	-	9,280	9,280	-
4 Assessments on Churches		468,062	-		468,062	477,959
5 Capital Receipts		-	-		-	-
6 Grants received		17,000	-		17,000	17,000
7 Rents receivable		20,990	-	-	20,990	23,766
<b>8 Total income</b>		<b>506,828</b>	<b>1,878</b>	<b>9,453</b>	<b>518,159</b>	<b>520,325</b>
<b>Expenditure on:</b>						
9 Grants and donations		450	-		450	4,110
10 Salaries and associated costs	6	333,497	-		333,497	329,073
11 Property maintenance		34,968	-	141	35,109	57,758
12 Connexional assessment & model trust levy		-	-		-	-
13 District Assessment & Levy		99,936	8,052		107,988	111,700
14 Depreciation		-	-		-	-
15 Office expenses		3,837	-		3,837	3,595
16 Other outgoings	5	81,024	700	9,811	91,535	52,745
16b Sale of land		-	-		-	-
<b>17 Total charitable expenditure</b>		<b>553,715</b>	<b>8,752</b>	<b>9,952</b>	<b>572,416</b>	<b>558,981</b>
18 Gains/(losses) on monetary investments		-	-5,466		-5,466	4,952
19 Gains/(losses) on investment properties		-	-		-	-
<b>20 Net income/(expenditure)</b>		<b>-46,884</b>	<b>-12,340</b>	<b>-499</b>	<b>-59,723</b>	<b>-33,704</b>
21 Transfers between funds		-82	-743	825	0	0
22 Other gains/(losses)		930,500	-		930,500	1,380,887
<b>23 Net movement in funds</b>		<b>883,534</b>	<b>-13,083</b>	<b>326</b>	<b>870,777</b>	<b>1,347,183</b>
24 Total funds brought forward		6,709,043	245,711	925,984	7,880,738	6,553,555
<b>25 Total funds carried forward</b>		<b>7,592,577</b>	<b>232,628</b>	<b>926,310</b>	<b>8,751,514</b>	<b>7,880,738</b>

West Hertfordshire and Borders Methodist Circuit  
Statement of Financial Position as at 31 August 2022

34/14

	Notes	General Fund (Unrestricted) £	Circuit Model Trust Fund (Unrestricted) £	Cloisters Hall	Totals 2022 £	Totals 2021 £
<b>Fixed Assets</b>						
Circuit Manses, Buildings & Equipment	7	7,462,000			7,462,000	6,531,500
Investment properties		-		882,353	882,353	882,353
Investments	8	-	51,280		51,280	56,746
<b>Total fixed assets</b>		<b>7,462,000</b>	<b>51,280</b>	<b>882,353</b>	<b>8,395,633</b>	<b>7,470,599</b>
<b>Current Assets</b>						
Debtors and Prepayments	9	28,492	-	-	28,492	24,682
Investments with TMCP		-	181,348	-	181,348	188,965
Central Finance Board Deposits		137,265	-	41,667	178,932	228,954
Cash at Bank and in hand		12,157	-	2,289	14,446	21,706
<b>Total current assets</b>		<b>177,914</b>	<b>181,348</b>	<b>43,956</b>	<b>403,218</b>	<b>464,307</b>
<b>Current liabilities</b>						
Creditors (due in under 1 year)	10	47,336	-	-	47,336	54,168
Grants payable within 2018-19		-	-	-	-	-
<b>Total current liabilities</b>		<b>47,336</b>	<b>-</b>	<b>-</b>	<b>47,336</b>	<b>54,168</b>
<b>Net current assets/liabilities</b>		<b>130,578</b>	<b>181,348</b>	<b>43,957</b>	<b>355,882</b>	<b>410,139</b>
<b>Total assets less current liabilities</b>		<b>7,592,577</b>	<b>232,628</b>	<b>926,309</b>	<b>8,751,514</b>	<b>7,880,738</b>
Loans and creditors due after 1 year	11	-	-	-	-	-
<b>Net assets</b>		<b>7,592,577</b>	<b>232,628</b>	<b>926,309</b>	<b>8,751,514</b>	<b>7,880,738</b>
<b>Funds of the Circuit</b>						
General Fund (Unrestricted)		4,787,710	-		4,787,710	4,234,676
Circuit Model Trust Fund (Unrestricted)		-	232,628		232,628	245,711
Revaluation Reserve (Unrestricted)		2,804,867	-		2,804,867	2,474,367
Cloisters Hall				926,309	926,310	925,984
<b>Total Unrestricted Funds</b>	<b>13</b>	<b>7,592,777</b>	<b>232,628</b>	<b>926,309</b>	<b>8,751,514</b>	<b>7,880,738</b>
Circuit Model Trust Fund (Unrestricted Designated)		-	-		-	-
Endowment Funds		-	-		-	-
<b>Total Funds</b>		<b>7,592,577</b>	<b>232,628</b>	<b>926,309</b>	<b>8,751,514</b>	<b>7,880,738</b>

The financial statements were approved by the Board of Trustees on 13<sup>th</sup> June 2023 and signed on their behalf by:



Rev Rachael Hawkins

Cash Flow Statement for the year ended 31 August 2022

	Note	2022 £	2021 £
<b>Cash from operating activities</b>			
Net cash used in operating activities		(88,501)	(62,205)
<b>Cash flows from investing activities</b>			
Dividends, interest and rents from investments		23,602	25,365
Proceeds from the sale of property, plant and equipment			
Purchase of property, plant and equipment			
Purchase of intangible assets			
Proceeds from the sale of investments			
Purchase of investments			
Other			
<b>Net cash provided by investing activities</b>		<b>23,602</b>	<b>25,365</b>
<b>Cash flows from financing activities</b>			
New borrowing - loan made to North Watford			
Repayments of borrowing			
<b>Net cash used in financing activities</b>			
<b>Other Cash Flows</b>			
Cash and Cash Equivalents – Cloisters Hall transferred to the Circuit on 1 April 2021		-	40,034
<b>Change in cash and cash equivalents in the reporting period</b>		<b>(64,899)</b>	<b>3,194</b>
Cash and cash equivalents at the beginning of the reporting period		439,625	436,431
<b>Cash and cash equivalents at the end of the reporting period</b>		<b>374,726</b>	<b>439,625</b>
<b>Reconciliation of net income to net cash flow from operating activities</b>			
Net income for the reporting period (as per statement of financial activities)		(59,723)	(33,704)
<b>Adjustments for:</b>			
Depreciation and amortisation charges			
Profit on the sale of fixed assets			
Loss on the sale of fixed assets			
(Gains)/Losses on investments		5,466	(4,952)
Dividends, interest and rents from investments		(23,602)	(25,365)
Decrease/(increase) in stocks			
(increase)/decrease in debtors		(3,810)	15,627
increase/(decrease) in creditors		(6,833)	(13,811)
<b>Net cash used in operating activities</b>		<b>(88,501)</b>	<b>(62,205)</b>
<b>Analysis of cash and cash equivalent</b>			
Cash in hand		14,446	21,706
Short term deposit (less than 3 months)		360,280	417,919
<b>Total cash and cash equivalents</b>		<b>374,726</b>	<b>439,625</b>

# **West Hertfordshire and Borders Methodist Circuit**

## **Notes to the Accounts**

### **1 Basis of accounting**

The financial statements of the charity, which is a public benefit entity under FRS 102, have been prepared in accordance with the Charities SORP (FRS102) 'Accounting and Reporting by Charities: Statement of Recommended Practice applicable to Charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (effective 1 January 2015)', and the Charities Act 2011. The financial statements have been prepared under the historical cost convention, with the exception of investments which are included at market value, as modified by the revaluation of certain assets.

### **2 Funds**

The funds held constitute: General Funds held for any purpose of the Circuit which are unrestricted. The Circuit Model Trust Funds have wide purposes defined in Standing Orders and are categorised as unrestricted. The Revaluation Reserve (Unrestricted) relates to the revaluation of the freehold properties (manses). Restricted funds are those held for a narrower purpose and endowment funds which represent gifts, the capital normally being unavailable for spending, and the income from which is either restricted or unrestricted. Any funds may be represented by more than just cash.

### **3 Accounting policies**

#### **Incoming resources**

These are included in the Statement of Financial Activities (SOFA) when the Circuit becomes entitled to the resources, the trustees are virtually certain that they will receive the resources; and the monetary value can be measured with sufficient reliability.

#### **Resources expended**

Expenditure is recognised when a liability is incurred, or a constructive obligation arises, that results in the payment being unavoidable. Whilst some grants may be agreed in principle for a number of years, they are confirmed on an annual basis. Governance costs amounted to £3,994.90, comprising audit fees of £3,800, and bank charges and fees of £194.90. All other expenditure relates to the costs of the charitable activities.

#### **Liability recognition**

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

## Tangible fixed assets for use by the Circuit

Tangible fixed assets are capitalised if they can be used for more than one year, and cost at least £1,000. They are valued at cost or a reasonable value on receipt. Where cost is not available, the Circuit Meeting may provide a reasonable estimate of cost or of the buildings' current value to the circuit.

The manses have been revalued to market value, and further details relating to this revaluation can be found in note 7 below.

Provision is made for depreciation where appropriate.

From September 2016, the staffing was reduced by one Minister, leaving a vacant manse. A decision was made to rent this out for an initial period of two years, giving the Circuit the opportunity to assess whether the staffing reduction was permanent or whether there were other Circuit (charitable) purposes to which the property can be put. The rent received is being used to support some of the Churches who are most financially stretched and to fund specific projects. The manse has been let for a further three-year period from September 2021.

## Investments

Investments are stated in the statement of financial position at the bid price at the year-end. Investment income is included in the accounts when receivable and any gains or losses on revaluation at the year-end are also shown in the SOFA.

## Taxation

The Circuit is exempt from tax on its charitable activities.

## Pension costs

The Circuit operates a defined contribution pension scheme. Contributions payable to the pension scheme are charged to the Statement of Financial Activities in the period to which they relate.

## 4 Payments to Trustees

	2022	2021
Payments made to Trustees for additional services provided to the Circuit	Nil	Nil
Number of Trustees who were paid expenses These expenses include travel costs, preaching fees paid to Supernumerary Ministers, and reimbursement of payments made on behalf of the Circuit	6	9
Total amount paid	£ 2,545	£ 4,931

<b>5 Fees for examination or audit of the accounts</b>	<b>2022</b>	<b>2021</b>
Auditor's fees for reporting on the accounts	£4,200	£3,800
Other fees (e.g. advice, accountancy services) paid to the auditor	Nil	Nil

<b>6 Paid employees</b>	<b>2022</b>	<b>2021</b>
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**Staff costs paid during the year were:**

Gross wages, salaries and benefits in kind	£252,542	£249,655
Employer's National Insurance costs	£ 21,611	£ 20,704
Pension costs	£ 57,608	£ 57,795
Payroll Bureau Fee	£ 480	£ 480
Apprenticeship Levy	£ 1,256	£ 1,416
<b>Total staff costs</b>	<b>£333,497</b>	<b>£330,050</b>

<b>Average number of staff in the year:</b> (comprising seven full time and five part-time staff)	12	12
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The use of the word 'staff' should be taken to include both lay staff employed directly by the Circuit, and Presbyters and Deacons who are legally not employees, but 'office-holders'. Whilst their relationship is technically with God and the Connexion, their stipends are funded from Circuit funds.

## 7 Tangible Fixed Assets

### Cost or Valuation

	Manses & Buildings £	Equipment £	Investment Property - Cloisters Hall	Total (Restated) £
Balance brought forward	6,531,500	2,919	882,353	7,416,772
Additions (Markyate Church)	600,000	-	-	600,000
Revaluations	330,500	-	-	330,500
Disposals		-	-	-
Transfers		-	-	-
Balance carried forward	7,462,000	2,919	882,353	8,347,272

Maintenance work is taken from revenue expenditure. For internal accounting purposes the trustees have established a reserve policy to even out the annual costs of maintaining manses, which tend to be highest in years when ministers change appointments.

### Accumulated depreciation

Depreciation is provided for in order to write off each asset, e.g. computer equipment, over its estimated useful life.

Basis: Straight line

Rate: Equipment - over 3 years; Manses – over 50 years

Balance brought forward	-	2,919	-	2,919
Depreciation charge for the year	-	-	-	-
Revaluations	-	-	-	-
Disposals	-	-	-	-
Transfers	-	-	-	-
Balance carried forward	-	2,919	-	2,919

### Net book value

Brought forward	6,531,500	-	882,353	7,413,853
Carried forward	7,462,000	-	882,353	8,344,353

The Circuit holds nine properties (manses) on the statement of financial position, which were previously held by the three former Circuits prior to the merger on the 1<sup>st</sup> September 2012. Methodist guidelines allowed for these to be stated at their cost price, market valuation or insurance value, and all three forms of valuation had been used by the former Circuits. Following the merger, it was decided to include the manses at their inherited value in the Circuit's accounts.

When preparing the accounts for the year ended 31 August 2016, the Trustees reviewed this policy in the context of the new accounting statements (SORPs), coming into effect, and decided to account for the manses at their market value. Accordingly, the Trustees have valued the manses at the 31<sup>st</sup> August 2022.

The overall effect of the revaluation during the year has been to increase the reserves at the 31<sup>st</sup> August 2022 by £330,500 (2021: £458,500).

The value of the manses as at 31<sup>st</sup> August 2022 £7,462,000 is comprised of the total inherited amount of £4,657,133 plus the revaluation reserve of £2,804,867.

## 8 Investment assets

### Analysis of investments

#### Bid Price at year end £

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

Nil

Securities not listed on a recognised Stock Exchange

Nil

Cash held as part of the investment portfolio

Nil

Other investments

51,280

Total

51,280

### Change in investment values

Carrying (market) value at the beginning of the year

56,749

Add: additions to investments at cost

Nil

Less: disposals at carrying value

Nil

Add/(deduct): net gain/(loss) on revaluation

(5,466)

Carrying (market) value at the end of the year

51,280

## 9 Debtors

**2022**  
£

**2021**  
£

Sundry debtors & prepayments

28,492

24,682

Principally reflecting ministerial stipends paid in advance.

## 10 Creditors due within one year

**2022**  
£

**2021**  
£

Sundry creditors & deferred income

47,336

54,169

Principally reflecting assessments paid in August for the following year. This figure is reducing as churches move from paying quarterly to paying monthly.

### 11 Creditors due after one year

	<b>2022</b>	<b>2021</b>
	<b>£</b>	<b>£</b>
Sundry creditors & accrued income	Nil	Nil

### 12 Capital Commitments & Contingent Liabilities

	<b>2022</b>	<b>2021</b>
	<b>£</b>	<b>£</b>
At the 31 <sup>st</sup> August, capital commitments amounted to:	Nil	Nil

### 13 Circuit Reserves

The Circuit's policy is to allocate its reserves as follows:

General reserve equal to 50% of annual expenditure:	£ 256,559
Manse repair and maintenance reserve:	£ 14,574
Reserve from the income from the surplus manse, allocated to support churches with their assessments and to fund specific projects and appointments:	£ 7,836
Cloisters Hall Reserves	£ 43,957
Balance of reserve available to make grants to Circuit churches to support mission projects and necessary work to address health & safety or accessibility:	£ 84,233
<b>Total Reserves (excluding the value of buildings)</b>	<b>£ 407,159</b>

Name of Circuit

Circuit No

West Hertfordshire and Borders

34/14

**Statement of Financial Activities (SOFA) for the year ended  
31 August 2021**

	Notes to the accounts	General Fund (Unrestricted)	Circuit Model Trust (Unrestricted)	Cloisters Hall	Total 2020-21
		£	£		£
<b>Income</b>					
1 Donations and legacies		-			-
2 Income from monetary investments		268	1,329	2	1,599
3 Income from investment properties		-			-
4 Assessments on Churches		477,959			477,959
5 Capital Receipts		-			-
6 Grants received		17,000			17,000
7 Rents receivable		18,387		5,379	23,766
<b>8 Total income</b>		<b>513,614</b>	<b>1,329</b>	<b>5,381</b>	<b>520,325</b>
<b>Expenditure</b>					
9 Grants and donations		4,110	-		4,110
10 Salaries and associated costs		329,073	-		329,073
11 Property maintenance		57,620	-	138	57,758
12 Connexional assessment & model trust levy		-	-		-
13 District Assessment & Levy		103,220	8,480		111,700
14 Sale of Land		-	-		-
15 Office expenses		3,595	-		3,595
16 Other outgoings		47,425	498	4,822	52,745
<b>17 Total charitable expenditure</b>		<b>545,044</b>	<b>8,977</b>	<b>4,960</b>	<b>558,981</b>
18 Gains/(losses) on monetary investments			4,952		4,952
19 Gains/(losses) on investment properties					
<b>20 Net income/(expenditure)</b>		<b>-31,430</b>	<b>-2,696</b>	<b>421</b>	<b>-33,704</b>
21 Transfers between funds		-2,694	-482	3,176	0
22 Other gains/(losses)		458,500		922,387	1,380,887
<b>23 Net movement in funds</b>		<b>424,376</b>	<b>-3,177</b>	<b>925,984</b>	<b>1,347,182</b>
24 Total funds brought forward		6,284,666	248,888		6,533,554
<b>25 Total funds carried forward</b>		<b>6,709,043</b>	<b>245,711</b>	<b>925,984</b>	<b>7,880,737</b>

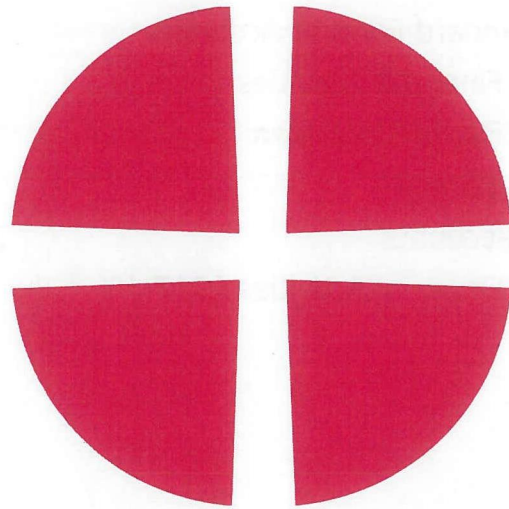
**WEST HERTFORDSHIRE AND BORDERS METHODIST CIRCUIT**

England & Wales - Charity number 1135094

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# Accounts

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**West Hertfordshire and Borders Methodist Circuit  
(Registered Charity 1135094)**

**Trustees Annual Report and Accounts  
For the Year Ended  
31<sup>st</sup> August 2021**

**West Hertfordshire and Borders Methodist Circuit  
Trustees Annual Report and Accounts  
For the Year Ended 31<sup>st</sup> August 2021**

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## **Trustees Annual Report for the year ended 31<sup>st</sup> August 2021**

The Trustees of the West Hertfordshire and Borders Methodist Circuit present their report, with the financial statements of the charity, for the year ended 31<sup>st</sup> August 2021. The Trustees have adopted the provisions of '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<sup>st</sup> January 2015)'.

### **1. Objectives and Activities**

In setting our objectives and planning our activities, the Circuit Trustees (who meet in September, February and June each year) have given careful consideration to the Charity Commissioners' published guidance on public benefit, and we believe that we conform with the Charities Act 2011, and the Charities (Accounts and Reports) Regulations 2008.

Our stated mission is to, 'encourage, enable and equip the churches, congregations and individuals of the Circuit to draw nearer to God, to proclaim the good news of Christ, and to share the love of God.'

We aim to achieve this through the provision of ministerial staff, financial and other support to the nineteen Methodist Churches, one Anglican / Methodist Local Ecumenical Projects (LEPs) and one Methodist/United Reformed Church LEP in our local area (which covers Dacorum, Three Rivers, Watford, Harpenden and parts of Buckinghamshire and Bedfordshire).

### **2. Achievements and Performance**

Under the heading '*Collaborative arrangements with connected charities*' (3.3 below), there is further information on how we obtain our funds. In this paragraph we provide an overview of how they were spent. For more detail, please see the Churches' own Trustees Annual Reports (where these are required to be prepared).

During the year, the principal input into the Circuit was through the work of the Ministers, seven Presbyters, one Anglican Priest who is authorised to serve, and one Deacon, aided by a part-time Lay Outreach Worker. Around 67% of the revenue budget was spent on stipends and accommodation for the ministerial staff (£386k in 2020-21, £370k in 2019-20).

The Circuit appointed a paid Safeguarding Officer with effect from December 2018, with the role of supporting the churches in their safeguarding policies, practices, compliance and training.

The Circuit has a sum of money available for grants, principally for mission projects or to support Churches needing to make modifications to their premises to meet health and safety legislation, and/or to enable inclusivity. Funding is usually matched with what has been raised by the individual, Church or other organisation, and is often split three ways with the District. Where funds are required for other purposes, the Circuit may give short-term or longer-term loans. Requests are invited, to be discussed first by the Circuit Leadership Team, with final decisions being made by the full Circuit Meeting.

Grants paid during the year amounted to £4,110, comprising £2,510 to Berry Lane Methodist Church to address a health and safety issue; £1,600 to Hemel Hempstead Methodist Church to improve their audio-visual equipment to address the need to broadcast worship. A repayment of £1,735 was received from Bushey & Oxhey Methodist Church (accrued at 31/8/2020) in respect of the funding for their outreach worker following the end of the appointment.

Grant support is committed to All Saints LEP Berkhamsted for outreach work, but no payments were made during the year.

### **3. Financial Review**

During the year, the Circuit received total income of £520k (2019-20: £504k), and spent £559k (2019-20: £575k). The Statement of Financial Activities (SOFA) on page 18 shows that in terms of revenue expenditure there was a deficit in 2020-21 of £37,704 (2019-20: £71,696).

The Trustees have every reason to believe that the Circuit is a going concern, in that they hold free reserves of around £125k, over and above those required to cover six months of revenue expenditure and other specific commitments, even if every Church defaulted on its assessment.

The title to the nine properties (manses) in which the Ministers live (including one currently let out) and the Cloisters Hall are held by the Trustees for Methodist Church Purposes, in Manchester. The Circuit acts as Managing Trustee, and is responsible for the day to day management of the properties, having the right and obligations of exercising power or discretion over them. The individual church buildings are the responsibility of their Church Councils, some of which have registered charity status in their own right, and some of which do not.

In response to the new accounting standards, the manses have been revalued for these accounts (*see note 7 for details*).

The principal source of funds for the Circuit is the assessment levied on the Churches. There was also a payment received from one of the Churches against the hours worked for them by the shared Administrator, although that arrangement ceased at 31 December 2020.

The churches' income is derived from freewill donations by church members and others attending worship, and payments for the use of church halls and rooms by clubs, activity groups and other organisations. Despite significant reductions in these sources of income since March 2020 the majority of the circuit assessment payments by churches have continued to be made. However, some churches have reduced their assessment payments and others have indicated that they will need to do so as their income has not recovered sufficiently since churches were able to reopen for worship and for lettings use by local groups. As reported below the Circuit holds reserves of £125 over and above the baseline of 50% of annual expenditure of annual expenditure and other specific commitments. The Trustees' view is that the Circuit's reserves are sufficient to meet the likely shortfalls at present. A plan is being drawn up to address the future financial position in the light of these developments.

From September 2016, staffing was reduced by one Minister, leaving a vacant manse. A decision was made to rent out this manse for an initial period of two years, giving the Circuit the opportunity

to assess whether the staffing reduction was permanent or whether there were other Circuit (charitable) purposes to which the property can be put. During this period, the rental monies received will not be used for general revenue purposes, but to support transitions in the assessment process, to fund specific projects (currently the Circuit safeguarding Officer) and to add to the funds available for grants. Since this is not deemed to be a long-term use of the property, it has not been categorised as an investment property in the accounts. Future decisions about how we use the property may cause us to review this. The property has been rented out for a further three-year period from September 2021.

The rental income from the surplus manse has been unaffected by the coronavirus restrictions and the Trustees have no indication that there will be any significant impact on this income for the foreseeable future.

### **3.1 Investment Policy and Performance**

To comply with Methodist Standing Orders, monies for long term investment are lodged with the Trustees for Methodist Church Purposes (TMCP). As stated above, TMCP acts as custodian trustee for all real estate held by the Circuit, for all large (over £20k) requests, and for the proceeds of the sale of properties. These sums are invested in unitised investments or held on deposit. The investment returns are close to tracking the movements of the FTSE100 index. The deposit income reflects rates available elsewhere, but additionally the Circuit can be assured that the underlying investments take account of the social, environmental and ethical concerns of the Methodist Church.

Short term deposits are lodged directly with the Central Finance Board (CFB) and attract a rate of interest in line with other market rates. Again, the CFB aim to utilise the monies held with them, alongside other denominations, to engage with companies in which they hold investments, to bring about change in line with our ethical concerns regarding poverty and unsafe working practices, etc.

There are no other benchmarks for the expected returns on investments with the TMCP and CFB. The objective is a rate of return reflecting the market rate, but which fits with the Trustees' low appetite for risk. The Central Finance Board now have a number of accounts for funds not immediately required, and which attract slightly higher rates, which meeting the same ethical aims. These will bear further examination going forwards.

### 3.2 Reserves Level and Policy

The Circuit has a reserves policy covering all of its unrestricted funds which is reviewed annually. The Charity Commission's recommended minimum policy level for free reserves is such as to pay for six months of revenue expenditure, although there continues to be conversation as to whether the Circuit should take Church and District reserves into account to avoid over provision along the chain of payments between the three tiers.

The recommended amount equates to fifty percent of lines 9 – 16 of the Standard Form of Accounts (general fund), net of expenditure met by grants received, which in 2020-21 amounted to £261k (2019-20: £239k).

The Circuit has agreed to set aside a sum each year from the revenue budget to meet maintenance expenditure on the manses, quinquennial inspections, and costs incurred when ministers move into the Circuit. Expenditure is allocated against that reserve for budget and financial planning purposes. The amount originally allocated in 2020-21 was £28,000. £53,665 was spent from this reserve during the year. The Trustees made a supplementary allocation of £20,000 to this fund in order to rebuild the fund following a year of unusually high expenditure.

More substantial renovations and improvements to the manses are charged directly to reserves and not to the manse maintenance reserve. There was no expenditure of this kind during the year.

The Circuit has also set aside the rental income from the surplus manse as a special reserve with two purposes – firstly to support churches who wish to develop mission work in their area but who might be constrained if they met their full allocated assessment; and secondly to support specific projects or appointments – the Circuit has appointed a paid safeguarding officer. The costs of this post will be met from this source.

The total reserves held at the end of the year were as follows -:

	£
<i>Unrestricted funds</i>	
General Fund	6,709,043
TMCP Funds	245,711
Cloisters Hall	925,984
	7,880,737
<i>Less: invested in the manses</i>	6,531,500
<i>Cloisters Hall building</i>	882,353
Uncommitted reserves	466,884
<i>Less: Sum set aside under Reserves Policy</i>	260,996
<i>Less: allocated to manses reserve</i>	25,887
<i>Less: reserve derived from surplus manse</i>	10,873
<i>Less: Cloisters Hall reserves</i>	43,631
Available for Grants	125,497

The Trustees consider that the level of reserves is sufficient to meet known risks, in particular the potential loss of assessment income from the churches in the light of the reductions in the churches' income, described above.

### **3.3 Collaborative arrangements with Connected Charities**

The Circuit's main source of funding was the assessments paid by each of the Churches, amounting to £478k (2019-20: £465k). The West Hertfordshire and Borders Circuit came into being in 2012, formed from the merger of the Harpenden, Hemel Hempstead & Berkhamsted and Watford Circuits. Initially, the assessments charged to each Church reflected historical circumstances, being increased by small percentages, primarily to reflect pay increases. During 2015-16 the Circuit and Church Treasurers continued to work on an assessment formula which would reflect more closely the current position of each Church. Proposals were brought to the June 2016 Circuit Meeting reflecting ministerial input, Church membership and the ability of the Church to pay (measured in terms of their income over the previous three years). These were agreed, and have formed the basis of assessments for years from 2016-17, subject to a series of caps on the increases arising from the move to the new amounts.

The Circuit is part of the Bedfordshire, Essex and Hertfordshire Methodist District, which in turn is part of the Methodist Connexion in Great Britain. The District takes a levy on Circuit reserves (above set limits) held with TMCP and credits these to the District Advance Fund, from which grants can be made. In 2020-21, this levy amounted to £8.5k (2019-20: £12.6k).

In addition, the District collects an assessment from the Circuits, on behalf of the Connexion, based on staffing and membership numbers. The Circuit's contribution in 2020-21 was £103.2k (2019-20: £104.9k).

The Local Ecumenical Partnership (LEP) between Rickmansworth Methodist Church and St Mary's Church of England was dissolved on 4<sup>th</sup> April 2021 due to the very low numbers of Methodist members. As a result, St Mary's LEP ceased to be a part of the Circuit from that date. The Cloisters Hall in Rickmansworth, formerly the church hall of Rickmansworth Methodist Church, had continued to be held separately from the LEP as Methodist Trust property under the managing trusteeship of the Rickmansworth Methodist Church Council. It has been used for some meetings and other purposes of the LEP and has also been used by local community groups and organisations. The managing trusteeship of the Cloisters Hall was transferred to the Circuit with effect from 1<sup>st</sup> April 2021. No decisions about its future use have yet been made. The accounts of the Cloisters Hall from 1<sup>st</sup> April 2021 have been consolidated into these accounts, but shown separately. The buildings have been introduced at their insured value.

### **4 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).

For each financial year (ending the 31<sup>st</sup> August), the Trustees are required to prepare financial statements that give a true and fair view of the Circuit's financial activities during the year, and of its financial position at the end of the year. In preparing these statements, the Trustees must -:

- select suitable accounting policies and apply them consistently;
- observe the methods and principles in the Charities' SORP;
- make judgements and estimates that are reasonable and prudent;
- follow applicable accounting standards, subject to any material departures being both disclosed and explained;
- prepare the financial statements on the going concern basis, unless it is inappropriate to assume that the Circuit will continue in operation.

The Trustees are responsible for keeping proper accounting records which disclose with reasonable accuracy, at any time, the financial position of the Circuit, and enables them to ensure that the financial statements comply with the law. They are also responsible for safeguarding the assets of the Circuit, and ensuring their proper application under charity law, and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

#### **4.1 Risk Management, Safeguarding & Property**

As well as ensuring that the Circuit follows policies which minimise financial risk, the Trustees undertake to promote good practice in financial practices within the individual Churches, compatible with their size and resources available.

Every person has a value and dignity which arise directly from our creation in God's own image and likeness. This implies a duty to protect them from harm. The Trustees, on behalf of the West Hertfordshire and Borders Methodist Circuit, commit themselves to ensuring the implementation of Connexional Safeguarding Policy; government legislation, guidance and safe practice in the Circuit and in the Churches. They are committed to the provision of support, advice and training for lay and ordained people that will ensure people are clear and confident about their roles and responsibilities in safeguarding and promoting the welfare of children and adults who may be vulnerable.

The Trustees have recently appointed a paid Circuit Safeguarding Officer to give these issues appropriate oversight.

The Trustees' aim is to care practically and appropriately for the Circuit's staff by providing and maintaining suitable and good quality housing which, as far as possible, will -:

- be in an appropriate location;
- enable the Circuit's staff to live in dignity and comfort and to carry out their Circuit responsibilities whilst respecting their independence and privacy;
- be adaptable to meet their needs.

The Circuit is committed to keeping all its property in a good standard of repair and will continue to strive to meet the *Decent Homes Standard*. It does this by having a planned maintenance programme and by the provision of a responsive repair and maintenance service. Both the planned maintenance programme and the responsive repair and maintenance service are carried out so as to ensure that good value for money is obtained at all times.

The Trustees will promote within their property, and within individual Churches, due attention to health and safety legislation and procedures. Physical safety is important. Information and advice will be shared with regard to, for example, *Lone Working* and *Working at Height*. Churches should have appropriate risk assessments in place.

## **5 Structure, Governance and Management**

The West Hertfordshire and Borders Methodist Circuit is an unincorporated charitable association governed by the Methodist Church Act 1976, the Deed of Union (1932), and the Model Trust Deeds of the Methodist Church. Detailed governance arrangements are outlined within the Constitutional Practice and Discipline of the Methodist Church by order of the annual conference (CPD).

It was registered with the Charity Commission on its formation in 2012, adopting the charity number of the preceding Watford Circuit.

### **5.1 Structure**

Circuits are the co-ordinating charities for local groups of Churches, in this case covering Dacorum, Harpenden, Watford, Three Rivers and parts of Bedfordshire (Studham) and Buckinghamshire (Ley Hill). Circuits pay the stipends of the Ministers and employ lay staff to serve the Churches in the Circuit.

The Circuit is part of the Bedfordshire, Essex & Hertfordshire District. Districts are the co-ordinating charities for a group of circuits and make their decisions at half yearly synods.

The Methodist Conference meets once each year as the supreme denominational body for all the Methodist Churches. Overall regulatory authority rests with the Methodist Conference.

### **5.2 Purpose of the Circuit**

The Circuit is an expression, over a wider geographical area than any individual Church, of the connexional character of the Methodist Church.

The purposes of the Methodist Church are and shall be deemed to have been since the date of the union the advancement of -:

- the Christian faith in accordance with the doctrinal standards and the discipline of the Methodist Church, and
- any charitable purposes for the time being of any Connexional, District, Circuit, local or other organisation of the Methodist Church, and
- any charitable purpose for the time being of any society or institution subsidiary or ancillary to the Methodist Church, and
- any purpose for the time being of any charity being a charity subsidiary or ancillary of the Methodist Church.

The primary purpose of this Circuit is to advance the mission of the Church as we, 'encourage, enable and equip the churches, congregations and individuals of the Circuit to draw nearer to God, to proclaim the good news of Christ, and to share the love of God' by placing at their disposal resources of finance, personnel and expertise.

### **5.3 Governance**

The Circuit operates within a statutory framework of regulation and seeks to ensure that it follows Methodist Standing Orders. It relies on the Connexional Office at 25 Marylebone Road, London NW1 5JR, and on District staff to provide guidance on changes that could affect the Circuit.

The Trustees comprise the Circuit Staff (with the exception of the Circuit Administrator), other Methodist Ministers resident in the area, Circuit Officers, and representatives of each of the Churches, elected by their Church Councils. The number of representatives is relative to the size of the Churches' membership.

The Circuit Leadership Team meets on a bi-monthly basis, but major decisions, including those of expenditure are subject to agreement or ratification by the Circuit meeting, which meets three times a year. In turn, the Circuit Meeting appoints representatives to the District Synod, the District's decision-making body.

## **6 Reference and Administrative Details**

### **6.1 Name of the Charity**

The West Hertfordshire and Borders Methodist Circuit

### **6.2 Charity Registration Number**

1135094, registered in England and Wales

### **6.3 Circuit Office**

Circuit Office  
Southdown Methodist Church Halls  
130A Southdown Road  
Harpenden  
Hertfordshire  
AL5 1PU

01582 769871  
[southdownchurch@btconnect.com](mailto:southdownchurch@btconnect.com)

### **6.4 Joint Superintendent Ministers**

Rev. Rachael Hawkins & Rev. Richard Lowson

### **6.5 Secretary of the Circuit Meeting**

Lyndsay Campbell

### **6.6 Circuit Treasurer**

David Edney

### **6.7 Circuit Administrator**

Jennifer Frith (*non-Trustee*)

## 6.8 Circuit Staff

Rev Quophie Anochie Ababio  
Rev Andrew Brazier  
Rev Stuart Dyer  
Rev Mark Hammond  
Rev Rachael Hawkins (co-superintendent)  
Rev Richard Lawson (co-superintendent)  
Rev Dr Donna Fowler-Marchant (appointed to the Circuit 1<sup>st</sup> September 2020)  
Rev Deborah Snowball (Anglican Minister, St. Mary's LEP – to 4<sup>th</sup> April 2021)  
Rev Christine Taylor  
Deacon Sarah Wickett (appointed to the Circuit 1<sup>st</sup> September 2020)

Jennifer Frith (*Administrator*)  
Pauline Jackson (*Safeguarding Officer*)  
Robin McEwen (*Lay Outreach Worker*)

## 6.9 Circuit Officers

Linda Black (*Circuit Steward*)  
David Edney (*Circuit Steward and Circuit Treasurer*)  
Kathryn Spall (*Circuit Steward – to September 2020*)  
Janet Gilfoyle (*Circuit Steward*)  
Mike Lees (*Circuit Steward – from 22 April 2021*)  
Lorraine Pearce (*Circuit Steward*)  
David Noble (*Circuit Property Secretary*)  
Lyndsay Campbell (*Circuit Meeting Secretary*)  
Linda Hillier (*Secretary of the Local Preachers' Meeting*)

## 6.10 Names of Trustees

Circuit Staff and Officers are automatically members of the Circuit Meeting (unless noted otherwise). Supernumerary Ministers, or other Methodist Ministers resident in the area, also have a right to be part of the Circuit Meeting. Other Trustees are appointed by the Circuit's Church Councils, the number being dependent on the size of the individual Church.

In addition to those named above, the following served as Trustees at some point during the year 2020-21, or are Trustees as of the date of the approval of this report. One Minister who is resident in the area, but not active in Trustee decision making, has requested that their details do not appear in any publications.

Richard Atkins  
Rosemary Berdinner  
Alison Brain  
Pamela Conquest (to August 2021)  
Derek Day (to April 2021)  
Sara Ellis  
Rev John Fellows (*Supernumerary*)

Jeni Bowman  
Phillip Breedyk  
Yvonne Coward (to Dec 2020)  
Susan Dyce  
Margaret Faulkner  
Frances Gardner (from August 2021)

Ireen Goulding  
Jenny Harris  
Paul Johnston  
Michael Livett  
Ann Matthews (from Dec 2020)  
David North  
David Pain  
Rev Gareth Powell (to Feb 2021)  
Rosemary Rhodes  
Pauline Rogers  
John Simpson (to Nov 2020)  
Kathryn Spall (from Jan 2022)  
Debra Sutherland  
Rev Brian Tebbutt (*Supernumerary*)  
Rev Caroline Weaver (*Supernumerary* – from Sep 2021)  
Michael Whitehead  
Shireen Wickham (from Sept 2021)  
Lynda Woods

Celia Green  
Tom Hodgson (to June 2021)  
Janice Lewis  
David McGuire  
Elizabeth Murphy (to Feb 2022)  
Penny O'Neill  
Jennifer Polley (to August 2021)  
Clare Rayment  
Tracy Robinson (to Jan 2022)  
Ann Shepherd  
Chrystyna Smith  
Paul Spencer (to August 2021)  
Claire Tatham (to August 2021)  
Carole Warby  
  
Clive Wickham (from August 2021)  
Suzanne Wood  
Margaret Woods

### **6.11 Bankers**

Unity Trust Bank PLC  
Nine Brindleyplace  
Birmingham.  
B1 2HB

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

### **6.12 Investment Managers and Custodian Trustees**

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

### **6.13 Auditors**

Hicks and Company  
Chartered Accountants & Statutory Auditors  
Vaughan Chambers  
Vaughan Road  
Harpenden  
Hertfordshire  
AL5 4EE

## 6.14 Churches making up the Circuit

Abbots Langley Methodist Church  
All Saints', Berkhamsted (Anglican/Methodist Local Ecumenical Partnership)  
Batford Methodist Church  
Berry Lane Methodist Church  
Bushey & Oxhey Methodist Church  
Carpenders Park and South Oxhey Methodist Church  
Croxley Green Methodist Church  
Gaddesden Row Methodist Church  
Harpenden (High Street) Methodist Church  
Hemel Hempstead Methodist Church (HHMC)  
Kings Langley Methodist Church  
Ley Hill Methodist Church  
Markyate Methodist Church  
The Scroll Church (Methodist/URC LEP)  
Redbourn Methodist Church  
St Andrew's (Bushey Heath) Methodist Church  
St Martha's (Tring) Methodist Church  
St Mary's (Rickmansworth) (Anglican/Methodist LEP) \*  
Southdown Methodist Church  
Studham Methodist Church  
Trinity (Watford) Methodist Church  
Trowley Hill (Flamstead) Methodist Church

\*The Local Ecumenical Partnership with St Mary's Rickmansworth was dissolved on 4<sup>th</sup> April 2021 and as a result the church is no longer part of the Circuit from that date.

### Statement of disclosures to the Auditor

- (a) So far as the Trustees are aware, there is no relevant audit information of which the Auditors are unaware, and;
- (b) We have taken all the steps we ought to have taken as Trustees in order to make ourselves aware of any relevant audit information and to establish that the Auditors are aware of that information;

Approved by the Trustees on the 14<sup>th</sup> June 2022



Rev Rachael Hawkins (Co-Superintendent Minister)

**WEST HERTFORDSHIRE AND BORDERS METHODIST CIRCUIT  
INDEPENDENT AUDITORS' REPORT TO THE TRUSTEES  
FOR THE YEAR ENDED 31<sup>st</sup> AUGUST 2021**

**Opinion**

We have audited the financial statements of Harpenden Methodist Church (the 'charity') for the year ended 31 August 2021 which comprise the Statement of Financial Activities, the Statement of Financial Position and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (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 Auditors' 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 trustees are responsible for the other information. The other information comprises the information included in the Annual Report, other than the financial statements and our Report of the Independent Auditors thereon.

Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether this gives rise to a material misstatement in the financial statements themselves. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

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

We have nothing to report in respect of the following matters where the Charities (Accounts and Reports) Regulations 2008 requires us to report to you if, in our opinion:

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

### **Responsibilities of trustees**

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

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

### **Our responsibilities for the audit of the financial statements**

We have been appointed as auditors 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 a Report of the Independent Auditors 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.

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below:

Based on our understanding of the entity and sector in which it operates, we identified the principal risks of non-compliance with laws and regulations relating to the charity. We also considered those laws and regulations that have a direct impact on the preparation of the financial statements. We communicated identified laws and regulations throughout our team and remained alert to any indications of non-compliance throughout the audit.

We assessed the susceptibility of the charity's financial statements to material misstatement, including obtaining an understanding of how fraud may occur, by making enquiries of the trustees and management as to where they considered there was susceptibility to fraud and considering the internal controls in place to mitigate fraud risks and non-compliance with laws and regulations.

In response to the risk of fraud through management bias (including the risk of override of controls) and the risk of irregularities and non-compliance with laws and regulations, we designed procedures which included, but were not limited to:

- performing analytical procedures to identify unusual or unexpected transactions
- assessing whether judgements and assumptions made in determining accounting estimates were indicative of potential bias
- reviewed a sample of transactions from the charity's records
- performing completeness of income tests
- test checking the appropriateness of journal entries
- agreeing financial statement disclosures to the underlying supporting documentation
- checking for correspondence with the Charity Commission
- reading the minutes of board of trustees' meetings
- checking for any actual and potential litigation and claims

There are inherent limitations in our audit procedures outlined above. The more removed that laws and regulations are from financial transactions, the less likely it is that we would become aware of non-compliance. Auditing standards also limit the audit procedures to identify non-compliance with laws and regulations to enquiry of the trustees and other management and the inspection of regulatory and legal correspondence, if any. Material misstatements that arise due to fraud can be harder to detect than those that arise from error as they may involve deliberate concealment or collusion. We are not responsible for preventing non-compliance and cannot be expected to detect non-compliance with all laws and regulations.

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

### Use of our report

This report is made solely to the charity's trustees, as a body, in accordance with Part 4 of the Charities (Accounts and Reports) Regulations 2008. 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.



Philip Dean BA, FCA (Senior Statutory Auditor)  
Hicks and Company  
Chartered Accountants and Statutory Auditor  
Vaughan Chambers  
Vaughan Road  
Harpenden  
Hertfordshire  
AL5 4EE

Date: 14-JUN-22

**THE METHODIST CHURCH**  
**TRUSTEES ANNUAL REPORT AND ACCOUNTS**  
**(ACCRUALS BASIS)**

**For the year ended 31<sup>st</sup> August 2021**

**West Hertfordshire and Borders Methodist Circuit**

Registered Charity – Registration number 1135094

District/Circuit No: 34/14

**Ministers:**

Rev Rachael Hawkins (co-superintendent)  
Rev Richard Lowson (co-superintendent)  
Rev Quophie Anochie Ababio  
Rev Andrew Brazier  
Rev Stuart Dyer  
Rev Dr Donna Fowler-Marchant (appointed 1<sup>st</sup> September 2020)  
Rev Mark Hammond  
Rev Deborah Snowball (Anglican minister, St Mary's LEP – to 4<sup>th</sup> April 2021)  
Rev Christine Taylor  
Deacon Sarah Wickett (appointed 1<sup>st</sup> September 2020)

**Circuit Stewards:**

Linda Black  
David Edney  
Janet Gilfoyle  
Mike Lees (from April 2021)  
Lorraine Pearce  
Kathryn Spall (resigned September 2020)

**Circuit Treasurer:**

David Edney

## Statement of Financial Activities (SOFA) for the year ended 31 August 2021

	Notes to the accounts	General Fund (Unrestricted)	Circuit Model Trust (Unrestricted)	Cloisters Hall (Unrestricted)	Total 2020-21	Total 2019-20
		£	£	£	£	£
<b>Income and Endowments from:</b>						
1 Donations and legacies		-	-		-	-
2 Income from monetary investments		268	1,329	2	1,599	4,154
3 Income from investment properties		-	-		-	-
4 Assessments on Churches		477,959	-		477,959	465,092
5 Capital Receipts		-	-		-	-
6 Grants received		17,000	-		17,000	17,000
7 Rents receivable		18,387	-	5,379	23,766	17,828
<b>8 Total income</b>		<b>513,614</b>	<b>1,329</b>	<b>5,381</b>	<b>520,325</b>	<b>504,074</b>
<b>Expenditure on:</b>						
9 Grants and donations		4,110	-		4,110	25,133
10 Salaries and associated costs	6	329,073	-		329,073	300,351
11 Property maintenance		57,620	-	138	57,758	70,123
12 Connexional assessment & model trust levy		-	-		-	-
13 District Assessment & Levy		103,220	8,480		111,700	117,568
14 Depreciation		-	-		-	-
15 Office expenses		3,595	-		3,595	4,547
16 Other outgoings	5	47,425	498	4,822	52,745	57,730
16b Sale of land		-	-		-	-
<b>17 Total charitable expenditure</b>		<b>545,044</b>	<b>8,977</b>	<b>4,960</b>	<b>558,981</b>	<b>575,452</b>
18 Gains/(losses) on monetary investments		-	4,952		4,952	-318
19 Gains/(losses) on investment properties		-	-		-	-
<b>20 Net income/(expenditure)</b>		<b>-31,430</b>	<b>-2,696</b>	<b>421</b>	<b>-33,704</b>	<b>-71,696</b>
21 Transfers between funds		-2,694	-482	3,176	0	0
22 Other gains/(losses)		458,500	-	922,387	1,380,887	-289,000
<b>23 Net movement in funds</b>		<b>424,376</b>	<b>-3,177</b>	<b>925,984</b>	<b>1,347,182</b>	<b>-360,696</b>
24 Total funds brought forward		6,284,666	248,888		6,553,554	6,894,250
<b>25 Total funds carried forward</b>		<b>6,709,043</b>	<b>245,711</b>	<b>925,984</b>	<b>7,880,737</b>	<b>6,533,554</b>

West Hertfordshire and Borders Methodist Circuit  
Statement of Financial Position as at 31 August 2021

34/14

	Notes	General Fund (Unrestricted) £	Circuit Model Trust Fund (Unrestricted) £	Cloisters Hall (Unrestricted)	Totals 2021 £	Totals 2020 £
<b>Fixed Assets</b>						
Circuit Manses & Equipment	7	6,531,500			6,531,500	6,073,000
Investment properties	7	-		882,353	882,353	-
Investments	8	-	56,746		56,746	51,794
<b>Total fixed assets</b>		<b>6,531,500</b>	<b>56,746</b>	<b>882,353</b>	<b>7,470,599</b>	<b>6,124,794</b>
<b>Current Assets</b>						
Debtors and Prepayments	9	24,682	-	-	24,682	40,309
Investments with TMCP		-	188,965	-	188,965	197,094
Central Finance Board Deposits		191,460	-	37,494	228,954	217,657
Cash at Bank and in hand		15,570	-	6,137	21,706	21,680
<b>Total current assets</b>		<b>231,712</b>	<b>188,965</b>	<b>43,631</b>	<b>464,307</b>	<b>476,740</b>
<b>Current liabilities</b>						
Creditors (due in under 1 year)	10	54,169	-	-	54,169	67,980
Grants payable within 2018-19		-	-	-	-	-
<b>Total current liabilities</b>		<b>54,169</b>	<b>-</b>	<b>-</b>	<b>54,169</b>	<b>67,980</b>
<b>Net current assets/liabilities</b>		<b>177,543</b>	<b>188,965</b>	<b>43,631</b>	<b>410,138</b>	<b>408,760</b>
<b>Total assets less current liabilities</b>		<b>6,709,043</b>	<b>245,711</b>	<b>925,984</b>	<b>7,880,737</b>	<b>6,533,554</b>
Loans and creditors due after 1 year	11	-	-	-	-	-
<b>Net assets</b>		<b>6,709,043</b>	<b>245,711</b>	<b>925,984</b>	<b>7,880,737</b>	<b>6,533,554</b>
<b>Funds of the Circuit</b>						
General Fund (Unrestricted)		4,234,676	-		4,234,676	4,268,799
Circuit Model Trust Fund (Unrestricted)		-	245,711		245,711	248,888
Revaluation Reserve (Unrestricted)		2,474,367	-		2,474,367	2,015,867
Cloisters Hall (Unrestricted)				925,984	925,984	
<b>Total Unrestricted Funds</b>	<b>13</b>	<b>6,709,043</b>	<b>245,711</b>	<b>925,984</b>	<b>7,880,737</b>	<b>6,533,554</b>
Circuit Model Trust Fund (Unrestricted Designated)		-	-		-	-
Endowment Funds		-	-		-	-
<b>Total Funds</b>		<b>6,709,043</b>	<b>245,711</b>	<b>925,984</b>	<b>7,880,737</b>	<b>6,533,554</b>

The financial statements were approved by the Board of Trustees on 14 June 2022 and signed on their behalf by:

*R Hawkins*

Rev Rachael Hawkins  
Co-Superintendent Minister

## West Hertfordshire and Borders Methodist Circuit

## Cash Flow Statement for the year ended 31 August 2021

	Note	2021 £	2020 £
<b>Cash from operating activities</b>			
Net cash used in operating activities		(62,205)	(110,988)
<b>Cash flows from investing activities</b>			
Dividends, interest and rents from investments		25,365	21,982
Proceeds from the sale of property, plant and equipment			-
Purchase of property, plant and equipment			-
Purchase of intangible assets			-
Proceeds from the sale of investments			-
Purchase of investments			-
Other			-
<b>Net cash provided by investing activities</b>		<b>25,365</b>	<b>21,982</b>
<b>Cash flows from financing activities</b>			
New borrowing - loan made to North Watford			-
Repayments of borrowing			-
<b>Net cash used in financing activities</b>			
<b>Other Cash Flows</b>			
Cash and Cash Equivalents – Cloisters Hall transferred to the Circuit on 1 April 2021	7	40,034	
<b>Change in cash and cash equivalents in the reporting period</b>		<b>3,194</b>	<b>(89,006)</b>
Cash and cash equivalents at the beginning of the reporting period		436,431	525,437
<b>Cash and cash equivalents at the end of the reporting period</b>		<b>439,625</b>	<b>436,431</b>
<b>Reconciliation of net income to net cash flow from operating activities</b>			<b>£</b>
Net income for the reporting period (as per statement of financial activities)		(33,704)	(71,696)
<b>Adjustments for:</b>			
Depreciation and amortisation charges			-
Profit on the sale of fixed assets			-
Loss on the sale of fixed assets			-
(Gains)/Losses on investments		(4,952)	318
Dividends, interest and rents from investments		(25,365)	(21,982)
Decrease/(increase) in stocks			-
(increase)/decrease in debtors		15,627	4,174
increase/(decrease) in creditors		(13,811)	(21,802)
<b>Net cash used in operating activities</b>		<b>(62,205)</b>	<b>(110,988)</b>
<b>Analysis of cash and cash equivalent</b>			<b>£</b>
Cash in hand		21,706	21,680
Short term deposit (less than 3 months)		417,919	414,751
<b>Total cash and cash equivalents</b>		<b>439,625</b>	<b>436,431</b>

# **West Hertfordshire and Borders Methodist Circuit**

## **Notes to the Accounts**

### **1 Basis of accounting**

The financial statements of the charity, which is a public benefit entity under FRS 102, have been prepared in accordance with the Charities SORP (FRS102) 'Accounting and Reporting by Charities: Statement of Recommended Practice applicable to Charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (effective 1 January 2015)', and the Charities Act 2011. The financial statements have been prepared under the historical cost convention, with the exception of investments which are included at market value, as modified by the revaluation of certain assets.

### **2 Funds**

The funds held constitute: General Funds held for any purpose of the Circuit which are unrestricted. The Circuit Model Trust Funds have wide purposes defined in Standing Orders and are categorised as unrestricted. The Revaluation Reserve (Unrestricted) relates to the revaluation of the freehold properties (manses). Restricted funds are those held for a narrower purpose and endowment funds which represent gifts, the capital normally being unavailable for spending, and the income from which is either restricted or unrestricted. Any funds may be represented by more than just cash.

### **3 Accounting policies**

#### **Incoming resources**

These are included in the Statement of Financial Activities (SOFA) when the Circuit becomes entitled to the resources, the trustees are virtually certain that they will receive the resources; and the monetary value can be measured with sufficient reliability.

#### **Resources expended**

Expenditure is recognised when a liability is incurred, or a constructive obligation arises, that results in the payment being unavoidable. Whilst some grants may be agreed in principle for a number of years, they are confirmed on an annual basis. Governance costs amounted to £3,994.90, comprising audit fees of £3,800, and bank charges and fees of £194.90. All other expenditure relates to the costs of the charitable activities.

#### **Liability recognition**

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

## Tangible fixed assets for use by the Circuit

Tangible fixed assets are capitalised if they can be used for more than one year, and cost at least £1,000. They are valued at cost or a reasonable value on receipt. Where cost is not available, the Circuit Meeting may provide a reasonable estimate of cost or of the buildings' current value to the circuit.

The manses have been revalued to market value, and further details relating to this revaluation can be found in note 7 below.

Provision is made for depreciation where appropriate.

From September 2016, the staffing was reduced by one Minister, leaving a vacant manse. A decision was made to rent this out for an initial period of two years, giving the Circuit the opportunity to assess whether the staffing reduction was permanent or whether there were other Circuit (charitable) purposes to which the property can be put. The rent received is being used to support some of the Churches who are most financially stretched and to fund specific projects. The manse has been let for a further three-year period from September 2021.

## Investments

Investments are stated in the statement of financial position at the bid price at the year-end. Investment income is included in the accounts when receivable and any gains or losses on revaluation at the year-end are also shown in the SOFA.

## Taxation

The Circuit is exempt from tax on its charitable activities.

## Pension costs

The Circuit operates a defined contribution pension scheme. Contributions payable to the pension scheme are charged to the Statement of Financial Activities in the period to which they relate.

## 4 Payments to Trustees

	2021	2020
Payments made to Trustees for additional services provided to the Circuit	Nil	Nil
Number of Trustees who were paid expenses	9	9
These expenses include travel costs, preaching fees paid to Supernumerary Ministers, and reimbursement of payments made on behalf of the Circuit		
Total amount paid	£ 4,931	£ 5,161

<b>5 Fees for examination or audit of the accounts</b>	<b>2021</b>	<b>2020</b>
Auditor's fees for reporting on the accounts	£3,800	£3,480
Other fees (e.g. advice, accountancy services) paid to the auditor	Nil	Nil

<b>6 Paid employees</b>	<b>2021</b>	<b>2020</b>
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**Staff costs paid during the year were:**

Gross wages, salaries and benefits in kind	£249,655	£230,275
Employer's National Insurance costs	£ 20,704	£ 18,617
Pension costs	£ 57,795	£ 49,863
Payroll Bureau Fee	£ 480	£ 480
Apprenticeship Levy	£ 1,416	£ 1,116
<b>Total staff costs</b>	<b>£330,050</b>	<b>£300,351</b>

<b>Average number of staff in the year:</b> (comprising seven full time and five part-time staff)	12	12
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The use of the word 'staff' should be taken to include both lay staff employed directly by the Circuit, and Presbyters and Deacons who are legally not employees, but 'office-holders'. Whilst their relationship is technically with God and the Connexion, their stipends are funded from Circuit funds.

## 7 Tangible Fixed Assets

### Cost or Valuation

	Manses £	Equipment £	Investment Property - Cloisters Hall	Total (Restated) £
Balance brought forward	6,073,000	2,919	-	6,075,919
Additions		-	882,353	-
Revaluations	458,500	-	-	458,500
Disposals	-	-	-	-
Transfers	-	-	-	-
Balance carried forward	6,531,500	2,919	882,353	6,534,419

Maintenance work is taken from revenue expenditure. For internal accounting purposes the trustees have established a reserve policy to even out the annual costs of maintaining manses, which tend to be highest in years when ministers change appointments.

### Accumulated depreciation

Depreciation is provided for in order to write off each asset, e.g. computer equipment, over its estimated useful life.

Basis: Straight line

Rate: Equipment - over 3 years; Manses – over 50 years

Balance brought forward	-	2,919	-	2,919
Depreciation charge for the year	-	-	-	-
Revaluations	-	-	-	-
Disposals	-	-	-	-
Transfers	-	-	-	-
Balance carried forward	-	2,919	-	2,919

### Net book value

Brought forward	6,073,000	-	-	6,073,000
Carried forward	6,531,500	-	882,353	6,531,500

The Circuit holds nine properties (manses) on the statement of financial position, which were previously held by the three former Circuits prior to the merger on the 1<sup>st</sup> September 2012. Methodist guidelines allowed for these to be stated at their cost price, market valuation or insurance value, and all three forms of valuation had been used by the former Circuits. Following the merger, it was decided to include the manses at their inherited value in the Circuit's accounts.

When preparing the accounts for the year ended 31 August 2016, the Trustees reviewed this policy in the context of the new accounting statements (SORPs), coming into effect, and decided to account for the manses at their market value. Accordingly, the Trustees have valued the manses at the 31<sup>st</sup> August 2020.

The overall effect of the revaluation during the year has been to increase the reserves at the 31<sup>st</sup> August 2021 by £458,500 (2020: reduction of £289,000).

The value of the manses as at 31<sup>st</sup> August 2021 £6,531,500 is comprised of the total inherited amount of £4,057,133 plus the revaluation reserve of £2,474,367.

The Cloisters Hall in Rickmansworth, formerly the church hall of Rickmansworth Methodist Church, was held under the managing trusteeship of the Rickmansworth Methodist Church Council after the closure of the Church. The managing trusteeship of the Cloisters Hall was transferred to the Circuit with effect from 1<sup>st</sup> April 2021. The accounts of the Cloisters Hall from 1<sup>st</sup> April 2021 have been included in these accounts but are shown separately. The buildings have been introduced at their insured value of £882,353 together with a cash balance of £40,034.

## 8 Investment assets

### Analysis of investments

	<b>Bid Price at year end £</b>
Investments listed on a recognised Stock Exchange or held in common investment funds, open ended investment companies, unit trusts or other collective investment schemes	Nil
Securities not listed on a recognised Stock Exchange	Nil
Cash held as part of the investment portfolio	Nil
Other investments	56,746
Total	56,746

### Change in investment values

Carrying (market) value at the beginning of the year	51,794
Add: additions to investments at cost	Nil
Less: disposals at carrying value	Nil
Add/(deduct): net gain/(loss) on revaluation	4,952
Carrying (market) value at the end of the year	56,746

## 9 Debtors

	<b>2021 £</b>	<b>2020 £</b>
Sundry debtors & prepayments	24,682	40,309

Principally reflecting ministerial stipends paid in advance, and advance payment of the expenses for the manses.

## 10 Creditors due within one year

	2021 £	2020 £
Sundry creditors & deferred income	54,169	67,980

Principally reflecting assessments paid in August for the following year. This figure is reducing as churches move from paying quarterly to paying monthly.

## 11 Creditors due after one year

	2021 £	2020 £
Sundry creditors & accrued income	Nil	Nil

## 12 Capital Commitments & Contingent Liabilities

	2021 £	2020 £
At the 31 <sup>st</sup> August, capital commitments amounted to:	Nil	Nil

## 13 Circuit Reserves

The Circuit's policy is to allocate its reserves as follows:

General reserve equal to 50% of annual expenditure:	£ 260,996
Manse repair and maintenance reserve:	£ 25,887
Reserve from the income from the surplus manse, allocated to support churches with their assessments and to fund specific projects and appointments:	£ 10,873
Cloisters Hall Reserves	£ 43,631
Balance of reserve available to make grants to Circuit churches to support mission projects and necessary work to address health & safety or accessibility:	£ 125,497
Total Reserves (excluding the value of buildings)	£ 466,884

Name of Circuit

Circuit No

West Hertfordshire and Borders

34/14

**Statement of Financial Activities (SOFA) for the year ended 31 August 2020**

	Notes to the accounts	General Fund (Unrestricted)	Circuit Model Trust (Unrestricted)	Total 2019-20
		£	£	£
<b>Income</b>				
1 Donations and legacies				
2 Income from monetary investments		1,409	2,744	4,154
3 Income from investment properties				
4 Assessments on Churches		465,092		<b>465,092</b>
5 Capital Receipts				
6 Grants received		17,000		<b>17,000</b>
7 Rents receivable		17,828		<b>17,828</b>
<b>8 Total income</b>		<b>501,329</b>	<b>2,744</b>	<b>504,074</b>
<b>Expenditure</b>				
9 Grants and donations		25,133		<b>25,133</b>
10 Salaries and associated costs		300,351		<b>300,351</b>
11 Property maintenance		70,123		<b>70,123</b>
12 Connexional assessment & model trust levy				
13 District Assessment & Levy		104,952	12,616	<b>117,568</b>
14 Sale of Land				
15 Office expenses		4,547		<b>4,547</b>
16 Other outgoings		57,100	629	<b>57,730</b>
<b>17 Total charitable expenditure</b>		<b>562,206</b>	<b>13,245</b>	<b>575,452</b>
18 Gains/(losses) on monetary investments			-318	-318
19 Gains/(losses) on investment properties				
<b>20 Net income/(expenditure)</b>		<b>-60,877</b>	<b>-10,819</b>	<b>-71,696</b>
21 Transfers between funds		66,795	-66,795	0
22 Other gains/(losses)		-289,000		-289,000
<b>23 Net movement in funds</b>		<b>-283,082</b>	<b>-77,614</b>	<b>-360,696</b>
24 Total funds brought forward		6,567,748	326,502	6,894,250
<b>25 Total funds carried forward</b>		<b>6,284,666</b>	<b>248,888</b>	<b>6,533,554</b>

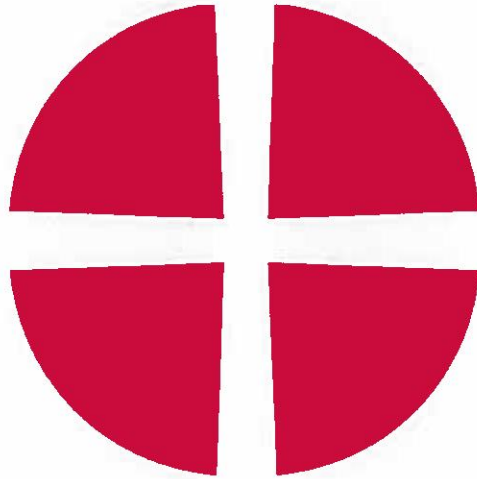
**WEST HERTFORDSHIRE AND BORDERS METHODIST CIRCUIT**

England & Wales - Charity number 1135094

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# Accounts

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**West Hertfordshire and Borders Methodist Circuit  
(Registered Charity 1135094)**

**Trustees Annual Report and Accounts  
For the Year Ended  
31<sup>st</sup> August 2020**

**West Hertfordshire and Borders Methodist Circuit  
Trustees Annual Report and Accounts  
For the Year Ended 31<sup>st</sup> August 2020**

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## **Trustees Annual Report for the year ended 31<sup>st</sup> August 2020**

The Trustees of the West Hertfordshire and Borders Methodist Circuit present their report, with the financial statements of the charity, for the year ended 31<sup>st</sup> August 2020. The Trustees have adopted the provisions of '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<sup>st</sup> January 2015)'.

### **1. Objectives and Activities**

In setting our objectives and planning our activities, the Circuit Trustees (who meet in September, February and June each year) have given careful consideration to the Charity Commissioners' published guidance on public benefit, and we believe that we conform with the Charities Act 2011, and the Charities (Accounts and Reports) Regulations 2008.

Our stated mission is to, 'encourage, enable and equip the churches, congregations and individuals of the Circuit to draw nearer to God, to proclaim the good news of Christ, and to share the love of God.'

We aim to achieve this through the provision of ministerial staff, financial and other support to the twenty Methodist Churches, two Anglican / Methodist Local Ecumenical Projects (LEPs) and one Methodist/United Reformed Church LEP in our local area (which covers Dacorum, Three Rivers, Watford, Harpenden and parts of Buckinghamshire and Bedfordshire).

### **2. Achievements and Performance**

Under the heading '*Collaborative arrangements with connected charities*' (3.3 below), there is further information on how we obtain our funds. In this paragraph we provide an overview of how they were spent. For more detail, please see the Churches' own Trustees Annual Reports (where these are required to be prepared).

During the year, the principal input into the Circuit was through the work of the Ministers, seven Presbyters, one Anglican Priest who is authorised to serve, and one Deacon, aided by two Lay Outreach Workers. Around 61% of the revenue budget is spent on stipends and accommodation for the ministerial staff (£370k in 2019-20, £345k in 2018-19).

The Circuit appointed a paid Safeguarding Officer with effect from December 2018, with the role of supporting the churches in their safeguarding policies, practices, compliance and training.

The Circuit has a sum of money available for grants, principally for mission projects or to support Churches needing to make modifications to their premises to meet health and safety legislation, and/or to enable inclusivity. Funding is usually matched with what has been raised by the individual, Church or other organisation, and is often split three ways with the District. Where funds are required for other purposes, the Circuit may give short-term or longer-term loans. Requests are invited, to be discussed first by the Circuit Leadership Team, with final decisions being made by the full Circuit Meeting.

Grants paid during the year amounted to £25,133, comprising £6,265 to Bushey & Oxhey Methodist Church in partnership with St Andrew's Methodist Church to support the employment of an outreach worker; £10,000 to Harpenden (High St) Methodist Church, to support the employment of an outreach worker; £8,868 to St Andrews Methodist Church for work to improve accessibility of the church premises and to address health and safety issues.

The outreach project supported by Circuit grants at Bushey & Oxhey Methodist Church in partnership with St Andrew's Methodist Church came to an end. There was a small surplus remaining. A repayment of £1,735 was made to the Circuit shortly after the year end.

Grant support is committed to All Saints LEP Berkhamsted for outreach work, but no payments were made during the year. Grant support has been approved for Berry Lane Methodist Church to address a health and safety issue. The estimated grant is expected to be between £2500 and £3000.

### **3. Financial Review**

During the year, the Circuit received total income of £504k (2018-19: £515k), and spent £575k (2018-19: £538k). The Statement of Financial Activities (SOFA) on page 18 shows that in terms of revenue expenditure there was a deficit in 2019-20 of £71,696 (2018-19: £21,137).

The Trustees have every reason to believe that the Circuit is a going concern, in that they hold free reserves of around £162k, over and above those required to cover six months of revenue expenditure, even if every Church defaulted on its assessment.

The title to the nine properties (manses) in which the Ministers live are held by the Trustees for Methodist Church Purposes, in Manchester. The Circuit acts as Managing Trustee, and is responsible for the day to day management of the properties, having the right and obligations of exercising power or discretion over them. The individual church buildings are the responsibility of their Church Councils, some of which have registered charity status in their own right, and some of which do not.

In response to the new accounting standards, the manses have been revalued for these accounts (*see note 7 for details*).

The principal source of funds for the Circuit is the assessment levied on the Churches. There was also a payment received from one of the Churches against the hours worked for them by the shared Administrator.

To date, the Circuit's income has not been affected significantly by the effects of the coronavirus pandemic. The churches' income is derived from freewill donations by church members and others attending worship, and payments for the use of church halls and rooms by clubs, activity groups and other organisations. Despite significant reductions in these sources of income since March 2020 the majority of the circuit assessment payments by churches have continued to be made. However, some churches have reduced their assessment payments slightly and others may need to do so if the restrictions continue for a significant period. As reported below the Circuit holds reserves of £161,623 over and above the baseline of 50% of annual expenditure of annual expenditure. The Trustees' view is that the Circuit's reserves are sufficient to meet the likely shortfalls.

From September 2016, the staffing was reduced by one Minister, leaving a vacant manse. A decision was made to rent out this manse for an initial period of two years, giving the Circuit the opportunity to assess whether the staffing reduction was permanent or whether there were other Circuit (charitable) purposes to which the property can be put. During this period, the rental monies received will not be used for general revenue purposes, but to support transitions in the assessment process and to add to the funds available for grants. Since this is not deemed to be a long-term use of the property, it will not be categorised as an investment property in the accounts. Future decisions about how we use the property may cause us to review this. The property has been rented out for a further three-year period from September 2018.

The rental income from the surplus manse has been unaffected by the coronavirus restrictions and the Trustees have no indication that there will be any significant impact on this income for the foreseeable future.

### **3.1 Investment Policy and Performance**

To comply with Methodist Standing Orders, monies for long term investment are lodged with the Trustees for Methodist Church Purposes (TMCP). As stated above, TMCP acts as custodian trustee for all real estate held by the Circuit, for all large (over £20k) requests, and for the proceeds of the sale of properties. These sums are invested in unitised investments or held on deposit. The investment returns are close to tracking the movements of the FTSE100 index. The deposit income reflects rates available elsewhere, but additionally the Circuit can be assured that the underlying investments take account of the social, environmental and ethical concerns of the Methodist Church.

Short term deposits are lodged directly with the Central Finance Board (CFB) and attract a rate of interest in line with other market rates. Again, the CFB aim to utilise the monies held with them, alongside other denominations, to engage with companies in which they hold investments, to bring about change in line with our ethical concerns regarding poverty and unsafe working practices, etc.

There are no other benchmarks for the expected returns on investments with the TMCP and CFB. The objective is a rate of return reflecting the market rate, but which fits with the Trustees' low appetite for risk. The Central Finance Board now have a number of accounts for funds not immediately required, and which attract slightly higher rates, which meeting the same ethical aims. These will bear further examination going forwards.

### 3.2 Reserves Level and Policy

The Circuit has a reserves policy covering all of its unrestricted funds which is reviewed annually. The Charity Commission's recommended minimum policy level for free reserves is such as to pay for six months of revenue expenditure, although there continues to be conversation as to whether the Circuit should take Church and District reserves into account to avoid over provision along the chain of payments between the three tiers.

The recommended amount equates to fifty percent of lines 9 – 16 of the SOFA (general fund), net of expenditure met by grants received, which in 2019-20 amounted to £239k (2018-19: £251k).

The Circuit has agreed to set aside a sum each year from the revenue budget to meet maintenance expenditure on the manses, quinquennial inspections, and costs incurred when ministers move into the Circuit. Expenditure will be allocated against that reserve for budget and financial planning purposes. The amount allocated in 2019/20 was £27,000. £24,139 was spent from this reserve during the year.

More substantial renovations and improvements to the manses are charged directly to reserves and not to the manse maintenance reserve. £51,590 was spent on improvements to one of the manses during the year.

The Circuit has also set aside the rental income from the surplus manse as a special reserve with two purposes – firstly to support churches who wish to develop mission work in their area but who might be constrained if they met their full allocated assessment; and secondly to support specific projects or appointments – the Circuit has appointed a paid safeguarding officer. The costs of this post will be met from this source.

The total reserves held at the end of the year were as follows -:

	£
<i>Unrestricted funds</i>	
General Fund	6,284,666
TMCP Funds	248,888
	6,533,554
<i>Less: invested in the manses</i>	6,073,000
Uncommitted reserves	460,554
<i>Less: Sum set aside under Reserves Policy</i>	239,452
<i>Less: allocated to manses reserve</i>	25,542
<i>Less: reserve derived from surplus manse</i>	33,937
Available for Grants	161,623

The Trustees consider that the level of reserves is sufficient to meet known risks, in particular the potential loss of assessment income from the churches in the light of the reductions in the churches' income, described above.

### **3.3 Collaborative arrangements with Connected Charities**

The Circuit's main source of funding was the assessments paid by each of the Churches, amounting to £465k (2018-19: £493k). The West Hertfordshire and Borders Circuit came into being in 2012, formed from the merger of the Harpenden, Hemel Hempstead & Berkhamsted and Watford Circuits. Initially, the assessments charged to each Church reflected historical circumstances, being increased by small percentages, primarily to reflect pay increases. During 2015-16 the Circuit and Church Treasurers continued to work on an assessment formula which would reflect more closely the current position of each Church. Proposals were brought to the June 2016 Circuit Meeting reflecting ministerial input, Church membership and the ability of the Church to pay (measured in terms of their income over the previous three years). These were agreed, and have formed the basis of assessments for years from 2016-17, subject to a series of caps on the increases arising from the move to the new amounts.

The West Hertfordshire and Borders Circuit is the largest Circuit in the Bedfordshire, Essex and Hertfordshire Methodist District, which in turn is part of the Methodist Connexion in Great Britain. The District takes a levy on Circuit reserves (above set limits) held with TMCP and credits these to the District Advance Fund, from which grants can be made. In 2019-20, this levy amounted to £12.6k (2018-19: £14.2k).

In addition, the District collects an assessment from the Circuits, on behalf of the Connexion, based on staffing and membership numbers. The Circuit's contribution in 2019-20 was £104.9k (2018-19: £111.7k).

The Local Ecumenical Partnership (LEP) between Rickmansworth Methodist Church and St Mary's Church of England was dissolved on 4<sup>th</sup> April 2021 due to the very low numbers of Methodist members. As a result, St Mary's LEP ceased to be a part of the Circuit from that date. The Cloisters Hall in Rickmansworth, formerly the church hall of Rickmansworth Methodist Church, had continued to be held separately from the LEP as Methodist Trust property under the managing trusteeship of the Rickmansworth Methodist Church Council. It has been used for some meetings and other purposes of the LEP and has also been used by local community groups and organisations. The managing trusteeship of the Cloisters Hall was transferred to the Circuit with effect from 1<sup>st</sup> April 2021. No decisions about its future use have yet been made.

## **4 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).

For each financial year (ending the 31<sup>st</sup> August), the Trustees are required to prepare financial statements that give a true and fair view of the Circuit's financial activities during the year, and of its financial position at the end of the year. In preparing these statements, the Trustees must -:

- select suitable accounting policies and apply them consistently;
- observe the methods and principles in the Charities' SORP;

- make judgements and estimates that are reasonable and prudent;
- follow applicable accounting standards, subject to any material departures being both disclosed and explained;
- prepare the financial statements on the going concern basis, unless it is inappropriate to assume that the Circuit will continue in operation.

The Trustees are responsible for keeping proper accounting records which disclose with reasonable accuracy, at any time, the financial position of the Circuit, and enables them to ensure that the financial statements comply with the law. They are also responsible for safeguarding the assets of the Circuit, and ensuring their proper application under charity law, and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

#### **4.1 Risk Management, Safeguarding & Property**

As well as ensuring that the Circuit follows policies which minimise financial risk, the Trustees undertake to promote good practice in financial practices within the individual Churches, compatible with their size and resources available.

Every person has a value and dignity which arise directly from our creation in God's own image and likeness. This implies a duty to protect them from harm. The Trustees, on behalf of the West Hertfordshire and Borders Methodist Circuit, commit themselves to ensuring the implementation of Connexional Safeguarding Policy; government legislation, guidance and safe practice in the Circuit and in the Churches. They are committed to the provision of support, advice and training for lay and ordained people that will ensure people are clear and confident about their roles and responsibilities in safeguarding and promoting the welfare of children and adults who may be vulnerable.

The Trustees have recently appointed a paid Circuit Safeguarding Officer to give these issues appropriate oversight.

The Trustees' aim is to care practically and appropriately for the Circuit's staff by providing and maintaining suitable and good quality housing which, as far as possible, will -:

- be in an appropriate location;
- enable the Circuit's staff to live in dignity and comfort and to carry out their Circuit responsibilities whilst respecting their independence and privacy;
- be adaptable to meet their needs.

The Circuit is committed to keeping all its property in a good standard of repair and will continue to strive to meet the *Decent Homes Standard*. It does this by having a planned maintenance programme and by the provision of a responsive repair and maintenance service. Both the planned maintenance programme and the responsive repair and maintenance service are carried out so as to ensure that good value for money is obtained at all times.

The Trustees will promote within their property, and within individual Churches, due attention to health and safety legislation and procedures. Physical safety is important. Information and advice will be shared with regard to, for example, *Lone Working* and *Working at Height*. Churches should have appropriate risk assessments in place.

## **5 Structure, Governance and Management**

The West Hertfordshire and Borders Methodist Circuit is an unincorporated charitable association governed by the Methodist Church Act 1976, the Deed of Union (1932), and the Model Trust Deeds of the Methodist Church. Detailed governance arrangements are outlined within the Constitutional Practice and Discipline of the Methodist Church by order of the annual conference (CPD).

It was registered with the Charity Commission on its formation in 2012, adopting the charity number of the preceding Watford Circuit.

### **5.1 Structure**

Circuits are the co-ordinating charities for local groups of Churches, in this case covering Dacorum, Harpenden, Watford, Three Rivers and parts of Bedfordshire (Studham) and Buckinghamshire (Ley Hill). Circuits pay the stipends of the Ministers and employ lay staff to serve the Churches in the Circuit.

The Circuit is part of the Bedfordshire, Essex & Hertfordshire District. Districts are the co-ordinating charities for a group of circuits and make their decisions at half yearly synods.

The Methodist Conference meets once each year as the supreme denominational body for all the Methodist Churches. Overall regulatory authority rests with the Methodist Conference.

### **5.2 Purpose of the Circuit**

The Circuit is an expression, over a wider geographical area than any individual Church, of the connexional character of the Methodist Church.

The purposes of the Methodist Church are and shall be deemed to have been since the date of the union the advancement of -:

- the Christian faith in accordance with the doctrinal standards and the discipline of the Methodist Church, and
- any charitable purposes for the time being of any Connexional, District, Circuit, local or other organisation of the Methodist Church, and
- any charitable purpose for the time being of any society or institution subsidiary or ancillary to the Methodist Church, and
- any purpose for the time being of any charity being a charity subsidiary or ancillary of the Methodist Church.

The primary purpose of this Circuit is to advance the mission of the Church as we, 'encourage, enable and equip the churches, congregations and individuals of the Circuit to draw nearer to God, to proclaim the good news of Christ, and to share the love of God' by placing at their disposal resources of finance, personnel and expertise.

### **5.3 Governance**

The Circuit operates within a statutory framework of regulation and seeks to ensure that it follows Methodist Standing Orders. It relies on the Connexional Office at 25 Marylebone Road, London NW1 5JR, and on District staff to provide guidance on changes that could affect the Circuit.

The Trustees comprise the Circuit Staff (with the exception of the Circuit Administrator), other Methodist Ministers resident in the area, Circuit Officers, and representatives of each of the Churches, elected by their Church Councils. The number of representatives is relative to the size of the Churches' membership.

The Circuit Leadership Team meets on a bi-monthly basis, but major decisions, including those of expenditure are subject to agreement or ratification by the Circuit meeting, which meets three times a year. In turn, the Circuit Meeting appoints representatives to the District Synod, the District's decision-making body.

## **6 Reference and Administrative Details**

### **6.1 Name of the Charity**

The West Hertfordshire and Borders Methodist Circuit

### **6.2 Charity Registration Number**

1135094, registered in England and Wales

### **6.3 Circuit Office**

Circuit Office  
Southdown Methodist Church Halls  
130A Southdown Road  
Harpenden  
Hertfordshire  
AL5 1PU

01582 769871  
[southdownchurch@btconnect.com](mailto:southdownchurch@btconnect.com)

### **6.4 Joint Superintendent Ministers**

Rev. Rachael Hawkins & Rev. Richard Lawson

### **6.5 Secretary of the Circuit Meeting**

Lyndsay Campbell

### **6.6 Circuit Treasurer**

David Edney

### **6.7 Circuit Administrator**

Jenny Frith (*non-Trustee*)

## 6.8 Circuit Staff

Rev Quophie Anochie Ababio  
Rev Andrew Brazier (appointed to the Circuit 1<sup>st</sup> September 2019)  
Rev Stuart Dyer (appointed to the Circuit 1<sup>st</sup> September 2019)  
Rev Mark Hammond  
Rev Rachael Hawkins (co-superintendent)  
Rev Richard Lowson (co-superintendent)  
Rev Ruth Eldridge (left the Circuit 31 August 2020)  
Rev Dr Donna Fowler-Marchant (appointed to the Circuit 1<sup>st</sup> September 2020)  
Rev Deborah Snowball (Anglican Minister, St. Mary's LEP – to 4<sup>th</sup> April 2021)  
Rev Christine Taylor  
Deacon Sarah Wickett (appointed to the Circuit 1<sup>st</sup> September 2020)

Jennifer Cope (*Lay Outreach Worker – to 31<sup>st</sup> July 2020*)  
Jennifer Frith (*Administrator*)  
Pauline Jackson (*Safeguarding Officer*)  
Robin McEwen (*Lay Outreach Worker*)

## 6.9 Circuit Officers

Linda Black (*Circuit Steward*)  
David Edney (*Circuit Steward and Circuit Treasurer*)  
Kathryn Spall (*Circuit Steward – to September 2020*)  
Janet Gilfoyle (*Circuit Steward*)  
Lorraine Pearce (*Circuit Steward*)  
David Noble (*Circuit Property Secretary*)  
Lyndsay Campbell (*Circuit Meeting Secretary*)  
Linda Hillier (*Secretary of the Local Preachers' Meeting*)

## 6.10 Names of Trustees

Circuit Staff and Officers are automatically members of the Circuit Meeting (unless noted otherwise). Supernumerary Ministers, or other Methodist Ministers resident in the area, also have a right to be part of the Circuit Meeting. Other Trustees are appointed by the Circuit's Church Councils, the number being dependent on the size of the individual Church.

In addition to those named above, the following served as Trustees at some point during the year 2019-20, or are Trustees as of the date of the approval of this report. One Minister who is resident in the area, but not active in Trustee decision making, has requested that their details do not appear in any publications.

Rev Barrie Allcott ( <i>Supernumerary – died April 2020</i> )	Richard Atkins
Rosemary Berdinner	Jeni Bowman
Alison Brain	Phillip Breedyk
Pamela Conquest	Yvonne Coward (to Dec 2020)
Derek Day (to April 2021)	Susan Dyce
Sara Ellis	David Faires (to Jan 2020)
Margaret Faulkner	Rev John Fellows ( <i>Supernumerary</i> )

Ireen Goulding (from Jan 2020)  
Margaret Griffin (to Feb 2020)  
Tom Hodgson  
Janice Lewis  
David McGuire  
Ann Matthews (from Dec 2020)  
David North  
David Pain  
June Poppleton (*died Oct 2019*)  
Clare Rayment  
Tracy Robinson  
Ann Shepherd  
Chrystyna Smith  
Debra Sutherland  
Rev Brian Tebbutt (*Supernumerary*)  
Michael Whitehead  
Suzanne Wood  
Margaret Woods

Celia Green  
Jenny Harris  
Paul Johnston  
Michael Livett  
Andrew Marere-Chiwara (from Nov 2020)  
Elizabeth Murphy  
Penny O'Neill  
Jennifer Polley  
Rev Gareth Powell (to Feb 2021)  
Rosemary Rhodes (from Feb 2020)  
Pauline Rogers  
John Simpson (to Nov 2020)  
Paul Spencer  
Claire Tatham  
Carole Warby  
Clive Wickham  
Lynda Woods (to Feb 2020)

### **6.11 Bankers**

Unity Trust Bank PLC  
Nine Brindleyplace  
Birmingham.  
B1 2HB

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

### **6.12 Investment Managers and Custodian Trustees**

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

### **6.13 Auditors**

Hicks and Company  
Chartered Accountants & Statutory Auditors  
Vaughan Chambers  
Vaughan Road  
Harpenden  
Hertfordshire  
AL5 4EE

## **6.14 Churches making up the Circuit**

Abbots Langley Methodist Church  
All Saints', Berkhamsted (Anglican/Methodist Local Ecumenical Partnership)  
Batford Methodist Church  
Berry Lane Methodist Church  
Bushey & Oxhey Methodist Church  
Carpenders Park and South Oxhey Methodist Church  
Croxley Green Methodist Church  
Gaddesden Row Methodist Church  
Harpenden (High Street) Methodist Church  
Hemel Hempstead Methodist Church (HHMC)  
Kings Langley Methodist Church  
Ley Hill Methodist Church  
Markyate Methodist Church  
The Scroll Church (Methodist/URC LEP)  
Redbourn Methodist Church  
St Andrew's (Bushey Heath) Methodist Church  
St Martha's (Tring) Methodist Church  
St Mary's (Rickmansworth) (Anglican/Methodist LEP) \*  
Southdown Methodist Church  
Studham Methodist Church  
Trinity (Watford) Methodist Church  
Trowley Hill (Flamstead) Methodist Church

\*The Local Ecumenical Partnership with St Mary's Rickmansworth was dissolved on 4<sup>th</sup> April 2021 and as a result the church is no longer part of the Circuit from that date.

### **Statement of disclosures to the Auditor**

- (a) So far as the Trustees are aware, there is no relevant audit information of which the Auditors are unaware, and;
- (b) We have taken all the steps we ought to have taken as Trustees in order to make ourselves aware of any relevant audit information and to establish that the Auditors are aware of that information;

Approved by the Trustees on the 21<sup>st</sup> April 2021

*Richard Lowson*

Rev Richard Lowson (Co-Superintendent Minister)

Dated: 12<sup>th</sup> May 2021

**WEST HERTFORDSHIRE AND BORDERS METHODIST CIRCUIT  
INDEPENDENT AUDITORS' REPORT TO THE TRUSTEES  
FOR THE YEAR ENDED 31<sup>st</sup> AUGUST 2020**

**Opinion**

We have audited the financial statements of West Hertfordshire and Borders Methodist Circuit (the 'charity') for the year ended 31 August 2020 which comprise the Statement of Financial Activities, the Statement of Financial Position, the Statement of Cash Flows and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

This report is made solely to the charity's trustees, as a body, in accordance with Section 144 of the Charities Act 2011 and regulations made under Section 154 of that Act. Our audit work has been undertaken so that we might state to the charity's trustees those matters we are required to state to them in an 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.

In our opinion the financial statements:

- give a true and fair view of the state of the charity's affairs as at 31 August 2020 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 Auditors 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**

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

- the trustees' use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or

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

### **Other information**

The trustees are responsible for the other information. The other information comprises the information included in the annual report, other than the financial statements and our Report of the Independent Auditors thereon.

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

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

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

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

### **Responsibilities of trustees**

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

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

## **Our responsibilities for the audit of the financial statements**

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

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

A handwritten signature in black ink that reads "Hicks and Company". The signature is written in a cursive, flowing style.

Hicks and Company  
Chartered Accountants and Statutory Auditor  
Eligible to act as an auditor in terms of Section 1212 of the Companies Act 2006  
Vaughan Chambers  
Vaughan Road  
Harpenden  
Hertfordshire  
AL5 4EE

Date: 12 May 2021

**THE METHODIST CHURCH  
TRUSTEES ANNUAL REPORT AND ACCOUNTS  
(ACCRUALS BASIS)**

**For the year ended 31<sup>st</sup> August 2020**

**West Hertfordshire and Borders Methodist Circuit**

Registered Charity – Registration number 1135094

District/Circuit No: 34/14

**Ministers:**

Rev Rachael Hawkins (co-superintendent)  
Rev Richard Lowson (co-superintendent)  
Rev Quophie Anochie Ababio  
Rev Andrew Brazier  
Rev Stuart Dyer  
Rev Dr Donna Fowler-Marchant (appointed 1<sup>st</sup> September 2020)  
Rev Mark Hammond  
Rev Ruth Eldridge (left the Circuit 31<sup>st</sup> August 2020)  
Rev Deborah Snowball (Anglican minister, St Mary's LEP – to 4<sup>th</sup> April 2021)  
Rev Christine Taylor  
Deacon Sarah Wickett (appointed 1<sup>st</sup> September 2020)

**Circuit Stewards:**

Linda Black  
David Edney  
Janet Gilfoyle  
Lorraine Pearce  
Kathryn Spall (resigned September 2020)

**Circuit Treasurer:**

David Edney

## Statement of Financial Activities (SOFA) for the year ended 31 August 2020

	Notes to the accounts	General Fund (Unrestricted)	Circuit Model Trust (Unrestricted)	Total 2019-20	Total 2018-19
		£	£	£	£
<b>Income and Endowments from:</b>					
1 Donations and legacies		-	-	-	-
2 Income from monetary investments		1,409	2,744	4,154	4,882
3 Income from investment properties		-	-	-	-
4 Assessments on Churches		465,092	-	465,092	492,616
5 Capital Receipts		-	-	-	-
6 Grants received		17,000	-	17,000	-
7 Rents receivable		17,828	-	17,828	17,906
<b>8 Total income</b>		<b>501,329</b>	<b>2,744</b>	<b>504,074</b>	<b>515,404</b>
<b>Expenditure on:</b>					
9 Grants and donations		25,133	-	25,133	22,105
10 Salaries and associated costs	6	300,351	-	300,351	280,907
11 Property maintenance		70,123	-	70,123	44,768
12 Connexional assessment & model trust levy		-	-	-	-
13 District Assessment & Levy		104,952	12,616	117,568	125,849
14 Depreciation		-	-	-	-
15 Office expenses		4,547	-	4,547	3,491
16 Other outgoings	5	57,100	629	57,730	61,000
16b Sale of land		-	-	-	-
<b>17 Total charitable expenditure</b>		<b>562,206</b>	<b>13,245</b>	<b>575,452</b>	<b>538,120</b>
18 Gains/(losses) on monetary investments		-	-318	-318	1,579
19 Gains/(losses) on investment properties		-	-	-	-
<b>20 Net income/(expenditure)</b>		<b>-60,877</b>	<b>-10,819</b>	<b>-71,696</b>	<b>-21,137</b>
21 Transfers between funds		66,795	-66,795	0	0
22 Other gains/(losses)		-289,000	-	-289,000	-246,000
<b>23 Net movement in funds</b>		<b>-283,082</b>	<b>-77,614</b>	<b>-360,696</b>	<b>-267,137</b>
24 Total funds brought forward		6,567,748	326,502	6,894,250	7,161,387
<b>25 Total funds carried forward</b>		<b>6,284,666</b>	<b>248,888</b>	<b>6,533,554</b>	<b>6,894,250</b>

West Hertfordshire and Borders Methodist Circuit  
Statement of Financial Position as at 31 August 2020

34/14

	Notes	General Fund (Unrestricted) £	Circuit Model Trust Fund (Unrestricted) £	Totals 2020 £	Totals 2019 £
<b>Fixed Assets</b>					
Circuit Manses & Equipment	7	6,073,000		6,073,000	6,362,000
Investment properties		-		-	-
Investments	8	-	51,794	51,794	52,112
<b>Total fixed assets</b>		<b>6,073,000</b>	<b>51,794</b>	<b>6,124,794</b>	<b>6,414,112</b>
<b>Current Assets</b>					
Debtors and Prepayments	9	40,309	-	40,309	32,675
Loans by the Circuit	13	-	-	-	11,808
Investments with TMCP		-	197,094	197,094	262,582
Central Finance Board Deposits		217,657	-	217,657	244,236
Cash at Bank and in hand		21,680	-	21,680	18,619
<b>Total current assets</b>		<b>279,646</b>	<b>197,094</b>	<b>476,740</b>	<b>569,920</b>
<b>Current liabilities</b>					
Creditors (due in under 1 year)	10	67,980	-	67,980	89,782
Grants payable within 2018-19		-	-	-	-
<b>Total current liabilities</b>		<b>67,980</b>	<b>-</b>	<b>67,980</b>	<b>89,782</b>
<b>Net current assets/liabilities</b>		<b>211,666</b>	<b>197,094</b>	<b>408,760</b>	<b>480,138</b>
<b>Total assets less current liabilities</b>		<b>6,284,666</b>	<b>248,888</b>	<b>6,533,554</b>	<b>6,894,250</b>
Loans and creditors due after 1 year	11	-	-	-	-
<b>Net assets</b>		<b>6,284,666</b>	<b>248,888</b>	<b>6,533,554</b>	<b>6,894,250</b>
<b>Funds of the Circuit</b>					
General Fund (Unrestricted)		4,268,799	-	4,268,799	4,262,881
Circuit Model Trust Fund (Unrestricted)		-	248,888	248,888	326,502
Revaluation Reserve (Unrestricted)		2,015,867	-	2,015,867	2,304,867
<b>Total Unrestricted Funds</b>	<b>14</b>	<b>6,284,666</b>	<b>248,888</b>	<b>6,533,554</b>	<b>6,894,250</b>
Circuit Model Trust Fund (Unrestricted Designated)		-	-	-	-
Endowment Funds		-	-	-	-
<b>Total Funds</b>		<b>6,284,666</b>	<b>248,888</b>	<b>6,533,554</b>	<b>6,894,250</b>

The financial statements were approved by the Board of Trustees on 21<sup>st</sup> April 2021 and signed on their behalf by:

*Richard Lowson*

Rev Richard Lowson  
Co-Superintendent Minister

West Hertfordshire and Borders Methodist Circuit

Cash Flow Statement for the year ended 31 August 2020

		2020	2019
	Note	£	£
<b>Cash from operating activities</b>			
Net cash used in operating activities		(110,988)	(36,256)
<b>Cash flows from investing activities</b>			
Dividends, interest and rents from investments		21,982	22,783
Proceeds from the sale of property, plant and equipment		-	-
Purchase of property, plant and equipment		-	-
Purchase of intangible assets		-	-
Proceeds from the sale of investments		-	-
Purchase of investments		-	-
Other		-	-
<b>Net cash provided by investing activities</b>		<b>21,982</b>	<b>22,783</b>
<b>Cash flows from financing activities</b>			
New borrowing - loan made to North Watford		-	-
Repayments of borrowing		-	-
<b>Net cash used in financing activities</b>			
<b>Change in cash and cash equivalents in the reporting period</b>		<b>89,006</b>	<b>(13,737)</b>
Cash and cash equivalents at the beginning of the reporting period		525,437	539,175
<b>Cash and cash equivalents at the end of the reporting period</b>		<b>436,431</b>	<b>525,437</b>
<b>Reconciliation of net income to net cash flow from operating activities</b>		<b>£</b>	<b>£</b>
Net income for the reporting period (as per statement of financial activities)		(71,696)	(21,137)
<b>Adjustments for:</b>			
Depreciation and amortisation charges		-	-
Profit on the sale of fixed assets		-	-
Loss on the sale of fixed assets		-	-
(Gains)/Losses on investments		318	(1,579)
Dividends, interest and rents from investments		(21,982)	(22,783)
Decrease/(increase) in stocks		-	-
(Increase)/decrease in debtors		4,174	(5,899)
Increase/(decrease) in creditors		(21,802)	14,877
<b>Net cash used in operating activities</b>		<b>(110,988)</b>	<b>(36,256)</b>
<b>Analysis of cash and cash equivalent</b>		<b>£</b>	<b>£</b>
Cash in hand		21,680	18,619
Short term deposit (less than 3 months)		414,751	506,818
<b>Total cash and cash equivalents</b>		<b>436,431</b>	<b>525,437</b>

# **West Hertfordshire and Borders Methodist Circuit**

## **Notes to the Accounts**

### **1 Basis of accounting**

The financial statements of the charity, which is a public benefit entity under FRS 102, have been prepared in accordance with the Charities SORP (FRS102) 'Accounting and Reporting by Charities: Statement of Recommended Practice applicable to Charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (effective 1 January 2015)', and the Charities Act 2011. The financial statements have been prepared under the historical cost convention, with the exception of investments which are included at market value, as modified by the revaluation of certain assets.

### **2 Funds**

The funds held constitute: General Funds held for any purpose of the Circuit which are unrestricted. The Circuit Model Trust Funds have wide purposes defined in Standing Orders and are categorised as unrestricted. The Revaluation Reserve (Unrestricted) relates to the revaluation of the freehold properties (manse). Restricted funds are those held for a narrower purpose and endowment funds which represent gifts, the capital normally being unavailable for spending, and the income from which is either restricted or unrestricted. Any funds may be represented by more than just cash.

### **3 Accounting policies**

#### **Incoming resources**

These are included in the Statement of Financial Activities (SOFA) when the Circuit becomes entitled to the resources, the trustees are virtually certain that they will receive the resources; and the monetary value can be measured with sufficient reliability.

#### **Resources expended**

Expenditure is recognised when a liability is incurred, or a constructive obligation arises, that results in the payment being unavoidable. Whilst some grants may be agreed in principle for a number of years, they are confirmed on an annual basis. Governance costs amounted to £3,579.55, comprising audit fees of £3,500, and bank charges and fees of £79.55. All other expenditure relates to the costs of the charitable activities.

#### **Liability recognition**

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

## **Tangible fixed assets for use by the Circuit**

Tangible fixed assets are capitalised if they can be used for more than one year, and cost at least £1,000. They are valued at cost or a reasonable value on receipt. Where cost is not available, the Circuit Meeting may provide a reasonable estimate of cost or of the buildings' current value to the circuit.

The manses have been revalued to market value, and further details relating to this revaluation can be found in note 7 below.

Provision is made for depreciation where appropriate.

From September 2016, the staffing was reduced by one Minister, leaving a vacant manse. A decision was made to rent this out for an initial period of two years, giving the Circuit the opportunity to assess whether the staffing reduction was permanent or whether there were other Circuit (charitable) purposes to which the property can be put. The rent received is being used to support some of the Churches who are most financially stretched and to fund specific projects. The manse has been let for a further three-year period from September 2018.

## **Investments**

Investments are stated in the statement of financial position at the bid price at the year-end. Investment income is included in the accounts when receivable and any gains or losses on revaluation at the year-end are also shown in the SOFA.

## **Taxation**

The Circuit is exempt from tax on its charitable activities.

## **Pension costs**

The Circuit operates a defined contribution pension scheme. Contributions payable to the pension scheme are charged to the Statement of Financial Activities in the period to which they relate.

## **4 Payments to Trustees**

	<b>2020</b>	<b>2019</b>
Payments made to Trustees for additional services provided to the Circuit	Nil	Nil
Number of Trustees who were paid expenses These expenses include travel costs, preaching fees paid to Supernumerary Ministers, and reimbursement of payments made on behalf of the Circuit	9	7
Total amount paid	£ 5,161	£ 10,056

<b>5 Fees for examination or audit of the accounts</b>	<b>2020</b>	<b>2019</b>
Auditor's fees for reporting on the accounts	£3,480	£3,120
Other fees (e.g. advice, accountancy services) paid to the auditor	Nil	Nil

<b>6 Paid employees</b>	<b>2020</b>	<b>2019</b>
-------------------------	-------------	-------------

**Staff costs paid during the year were:**

Gross wages, salaries and benefits in kind	£230,275	£214,927
Employer's National Insurance costs	£ 18,617	£ 17,590
Pension costs	£ 49,863	£ 46,605
Payroll Bureau Fee	£ 480	£ 480
Apprenticeship Levy	£ 1,116	£ 1,305
<b>Total staff costs</b>	<b>£300,351</b>	<b>£280,907</b>

<b>Average number of staff in the year:</b> (comprising seven full time and five part-time staff)	12	12
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The use of the word 'staff' should be taken to include both lay staff employed directly by the Circuit, and Presbyters and Deacons who are legally not employees, but 'office-holders'. Whilst their relationship is technically with God and the Connexion, their stipends are funded from Circuit funds.

## 7 Tangible Fixed Assets

### Cost or Valuation

	Manses £	Equipment £	Total (Restated) £
Balance brought forward	6,362,000	2,919	6,364,919
Additions		-	-
Revaluations	-289,000	-	-289,000
Disposals	-	-	-
Transfers	-	-	-
Balance carried forward	6,073,000	2,919	6,075,919

Maintenance work is taken from revenue expenditure. For internal accounting purposes the trustees have established a reserve policy to even out the annual costs of maintaining manses, which tend to be highest in years when ministers change appointments.

## Accumulated depreciation

Depreciation is provided for in order to write off each asset, e.g. computer equipment, over its estimated useful life.

Basis: Straight line

Rate: Equipment - over 3 years; Manses – over 50 years

Balance brought forward	-	2,919	2,919
Depreciation charge for the year	-	-	-
Revaluations	-	-	-
Disposals	-	-	-
Transfers	-	-	-
Balance carried forward	-	2,919	2,919

## Net book value

Brought forward	6,362,000	-	6,362,000
Carried forward	6,073,000	-	6,073,000

The Circuit holds nine properties (manses) on the statement of financial position, which were previously held by the three former Circuits prior to the merger on the 1<sup>st</sup> September 2012. Methodist guidelines allowed for these to be stated at their cost price, market valuation or insurance value, and all three forms of valuation had been used by the former Circuits. Following the merger, it was decided to include the manses at their inherited value in the Circuit's accounts.

When preparing the accounts for the year ended 31 August 2016, the Trustees reviewed this policy in the context of the new accounting statements (SORPs), coming into effect, and decided to account for the manses at their market value. Accordingly, the Trustees have valued the manses at the 31<sup>st</sup> August 2020.

The overall effect of the revaluation during the year has been to reduce the reserves at the 31<sup>st</sup> August 2020 by £289,000 (2019: reduction of £246,000).

The value of the manses as at 31<sup>st</sup> August 2020 £6,073,000 is comprised of the total inherited amount of £4,057,133 plus the revaluation reserve of £2,015,867.

## 8 Investment assets

### Analysis of investments

**Bid Price  
at year end  
£**

Investments listed on a recognised Stock Exchange or held in common investment funds, open ended investment companies, unit trusts or other collective investment schemes	Nil
Securities not listed on a recognised Stock Exchange	Nil
Cash held as part of the investment portfolio	Nil
Other investments	51,794
<b>Total</b>	<b>51,794</b>

### Change in investment values

Carrying (market) value at the beginning of the year	52,112
Add: additions to investments at cost	Nil
Less: disposals at carrying value	Nil
Add/(deduct): net gain/(loss) on revaluation	(318)
Carrying (market) value at the end of the year	51,794

## 9 Debtors

**2020  
£**                      **2019  
£**

Sundry debtors & prepayments	40,309	32,675
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Principally reflecting ministerial stipends paid in advance, and advance payment of the expenses for the manses.

## 10 Creditors due within one year

**2020  
£**                      **2019  
£**

Sundry creditors & deferred income	67,980	89,782
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Principally reflecting assessments paid in August for the following year. This figure is reducing as churches move from paying quarterly to paying monthly.

### 11 Creditors due after one year

	2020 £	2019 £
Sundry creditors & accrued income	Nil	Nil

### 12 Capital Commitments & Contingent Liabilities

	2020 £	2019 £
At the 31 <sup>st</sup> August, capital commitments amounted to:	Nil	Nil

### 13 Loans

The Circuit made a loan to the North Watford Methodist Church to enable it to replace its boiler. The church has since merged with St Thomas URC under the name of The Scroll Church. The combined congregation continues to worship in the North Watford premises until such time as the redevelopment of the St Thomas site is completed. At that time the intention is that the Scroll Church will worship at the St Thomas site and the North Watford Methodist Church site will be closed and sold. The loan was repayable out of the sale proceeds, but the Trustees of the Scroll Church decided to repay it in November 2019.

### 14 Circuit Reserves

The Circuit's policy is to allocate its reserves as follows:

General reserve equal to 50% of annual expenditure:	£ 239,452
Manse repair and maintenance reserve:	£ 25,542
Reserve from the income from the surplus manse, allocated to support churches with their assessments and to fund specific projects and appointments:	£ 33,937
Balance of reserve available to make grants to Circuit churches to support mission projects and necessary work to address health & safety or accessibility:	£ 161,623
Total Reserves (excluding the value of the manses)	£ 460,554

Name of Circuit

Circuit No

West Hertfordshire and Borders

34/14

**Statement of Financial Activities (SOFA) for the year ended 31 August 2019**

	Notes to the accounts	General Fund (Unrestricted)	Circuit Model Trust (Unrestricted)	Total 2018-19
		£	£	£
<b>Income</b>				
1	Donations and legacies			
2	Income from monetary investments	1,489	3,393	4,882
3	Income from investment properties	17,906		17,906
4	Assessments on Churches	492,616		492,616
5	Capital Receipts			
6	Grants received			
7	Other charitable income			
8	<b>Total income</b>	<b>512,011</b>	<b>3,393</b>	<b>515,404</b>
<b>Expenditure</b>				
9	Grants and donations	22,105		22,105
10	Salaries and associated costs	280,907		280,907
11	Property maintenance	44,768		44,768
12	Connexional assessment & model trust levy			
13	District Assessment & Levy	111,652	14,197	125,849
14	Sale of Land			
15	Office expenses	3,491		3,491
16	Other outgoings	60,328	672	61,000
17	<b>Total charitable expenditure</b>	<b>523,251</b>	<b>14,869</b>	<b>538,120</b>
18	Gains/(losses) on monetary investments		1,579	1,579
19	Gains/(losses) on investment properties			
20	<b>Net income/(expenditure)</b>	<b>-11,240</b>	<b>-9,897</b>	<b>-21,137</b>
21	Transfers between funds	10,828	-10,828	0
22	Other gains/(losses)	-246,000		-246,000
23	<b>Net movement in funds</b>	<b>-246,412</b>	<b>-20,725</b>	<b>-267,137</b>
24	Total funds brought forward	6,814,160	347,227	7,161,387
25	<b>Total funds carried forward</b>	<b>6,567,748</b>	<b>326,502</b>	<b>6,894,250</b>