

**The Countess Of Huntingdon's Connexion**  
**Annual Report And Financial Statements**  
**For The Year Ended 30 June 2021**

# THE COUNTESS OF HUNTINGDON'S CONNEXION

## LEGAL AND ADMINISTRATIVE INFORMATION

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<b>Trustees</b>	Mr G Squibbs Rev B D Quant Mr D Lockett Rev S A K Allaby Rev B B Green
<b>Charity number</b>	232674
<b>Treasurer</b>	Mr G Squibbs
<b>Principal address</b>	15 Springfield Road Middleton Manchester M24 5DL
<b>Auditor</b>	Azets Audit Services Limited Triune Court Monks Cross Drive York YO32 9GZ
<b>Secretary to the Trustees</b>	Mr D Lockett

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# THE COUNTESS OF HUNTINGDON'S CONNEXION

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# THE COUNTESS OF HUNTINGDON'S CONNEXION

## TRUSTEES' REPORT FOR THE YEAR ENDED 30 JUNE 2021

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The Trustees present their annual report and financial statements for the year ended 30 June 2021.

The financial statements have been prepared in accordance with the accounting policies set out in note 1 to the financial statements and comply with the charity's Scheme, the Charities Act 2011 and "Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102)" (effective from 1 January 2019).

### Reference and Administrative Information

The Legal and Administrative Information page forms part of this report.

### Objectives and activities

The Connexion's objects are to maintain the Christian doctrine in accordance with the 15 Articles of Faith (as set out in the Scheme) and to administer the Connexion in conformity with the provisions of the Scheme. The policies adopted in furtherance of these objects are as set out in the scheme.

The Trustees are aware of the Charity Commission's guidance on public benefit in "The Advancement of Religion for the Public Benefit" and has regard to it in the administration of the Connexion and individual churches.

The Trustees believe that, the Connexion provides benefit to the public by:

- Providing resources and facilities for public worship, pastoral care and spiritual, moral and intellectual development, both for the congregation and for anyone else who wishes to benefit from what the Connexion offers;
- Promoting Christian values and service by members of the congregation to the community, for the benefit of individuals and society as a whole, both in England and Sierra Leone.

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

### Achievements and performance

The number of churches operating in the UK on 1 July 2020 and 30 June 2021 was 22, of which 12 were separately registered charities at the year end.

The Trustees have a policy to encourage member churches to become separately registered charities, and in accordance with this policy The Countess Free Church, Ely became a separately registered CIO in May 2016, Bells Yew Green Chapel became a separately registered charitable incorporated organisation (CIO) in July 2016, Rosedale Community Church became a separate CIO in October 2016, St. Stephen's, Middleton church became a separate CIO in February 2017, Goring Free Church was separately registered in June 2017, New Connexions Free Church in April 2018, Turners Hill Free Church in June 2018, Mortimer West End Chapel also in June 2018, South Street Free Church Eastbourne in June 2019, Sheppey Evangelical Church in June 2019, Slough Community Church in February 2020 and Wormley Free Church in June 2021.

The premises at Rayleigh have been retained in the hope that they will be used in the Lord's work again in the future. At present we rent them to a Pre-School Group which ran as a charity until 25th April 2005, and has continued as Rascals Child Care Ltd.

During the year Significant Capital work was carried out to the church at Shoreham, and work has commenced on improvements to the manse at Ely.

There were no changes in the Trustees of the Connexion during the year.



# THE COUNTESS OF HUNTINGDON'S CONNEXION

## TRUSTEES' REPORT (CONTINUED) *FOR THE YEAR ENDED 30 JUNE 2021*

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The Trustees are actively seeking suitable additions to our Trustee numbers.

The Trustees, ably assisted by the Ministry group again during the year, continued to exercise with care and attention their responsibilities as laid down in the scheme regarding the appointment of Ministers to Connexion churches.

We are pleased to report that Rev. Peter Earle was appointed as part-time minister of the church in Shoreham from 1st July 2020. An offer was made to a potential minister at the church at Mortimer West End, but this was not accepted and the church is still actively seeking. Rev. G. Chapman resigned his position as minister of the church at Turners Hill in April 2020. In March Rev. K. Waters gave notice of his resignation as minister at the church at High Barns, Ely, subsequently leaving at the end of September 2020.

The Ministry group continued under the leadership of Rev. Ben Quant and Rev. Simon Allaby. A number of on-line Connexion Ministers' meetings were held during the year.

We are grateful that Dr Paul Woodbridge has continued to provide pastoral support to our ministers and wives on behalf of the Connexion.

We have continued to support Ministerial training in the UK and Sierra Leone through the funds received from The Cheshunt Foundation. In the UK this has been used to provide training support of five individuals.

The Covid-19 pandemic has had an impact on the Connexion this year, providing some opportunities as well as adverse impacts.

At the start of the financial year, along with all other faith communities in the UK, all our church premises were closed for public worship. A number of our churches had started taking services online, some live streamed and others recorded. Other church mid-week meetings had also moved on-line.

For churches without the ability to produce on-line services themselves, the Connexion website was found to be an invaluable means of keeping visitors and congregations up to date with all the virtual church activity taking place around the Connexion. A number of churches re-opened for Sunday worship in July 2020, having been able to make their premises Covid secure, but not all premises could be made safe due to the size of worship centres and the size of congregations.

There had been opportunities for serving communities during the lockdown and some of these continued during the year, an example being the church in Ely being used as a temporary foodbank.

The annual Connexion conference had been cancelled in April 2020 due to the lockdown. During the year we held the AGM of the Connexion. Under the terms of the governing document of the Connexion an AGM has to be held within a calendar year, and the AGM was eventually held on-line in October 2020.

Trustee meetings have been held on-line during the year.

# THE COUNTESS OF HUNTINGDON'S CONNEXION

## TRUSTEES' REPORT (CONTINUED) FOR THE YEAR ENDED 30 JUNE 2021

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The numbers regularly worshipping in Connexional churches has remained fairly stable this year, with some fluctuations in individual church congregations. Most of the ministry of the Connexion takes place through the local congregations, which have continued to meet their objectives in bringing God's message to the people in the communities in which they are placed, even in times of lockdown.

The Youth of the Connexion have met once on-line in the year. Sadly, the annual Youth Conference had to be cancelled, subsequently held in October 2021.

In Sierra Leone, our policy continues to be one of providing support to our sister connexion of churches in Sierra Leone. This is done through the provision of funds to assist in paying ministers and teachers, training, building and equipping schools and churches and other related projects, including support of a children's home.

In addition to the current Trustee roles of Chairman, Secretary and Treasurer, Trustees hold particular responsibilities.

Ministry and Education	Rev. B. Quant and Rev. Simon Allaby
Funding and Resources	Mr G. Squibbs
Safeguarding	Rev. B. Green
Communications	Mr D. Lockett

In November 2018 the Trustees were informed of a potential liability concerning the death of Mr Gordon Hemms from mesothelioma. Mr Hemms carried out work on the now closed Connexion church at Weston in 1978. After protracted discussions with the Connexional insurers at the time of the incident, the insurers have agreed to indemnify the Connexion with respect to the claim. The claim is currently being defended by the Connexion insurers.

### Financial review

The ongoing use of the assets and capital from the original transfer of land and buildings is closely governed under clauses 17 and 27 of the Scheme for the purchase of assets for use by the Connexion in accordance with charitable objects and the capital improvements of the churches and manses. Owing to the ongoing restriction around the use of assets and associated liquid resources these are shown as a Permanent Endowment in the financial statements.

The Trustees have designated funds of £329,819 (2020 - £329,819) which represents funds that the Trustees have ring-fenced for future maintenance costs in excess of the amounts available in the Permanent Endowment and in support of future growth strategies of the Connexion.

The Trustees are comfortable with the level of funds available for building repair and improvements due to the levels of ongoing maintenance which has been completed and the general state of repair of the land and buildings held within the Charity.

The funds of Wormley Free Church have been consolidated in the accounts up to the 30th June 2021, which was the date of transfer of the church assets to a separate charity. A grant was made to Wormley Free Church, charity number 1194850 of £29,706 being the locally restricted funds of the church.

The accounts (after inter-fund transfers) show a surplus for the year on Unrestricted Funds of £7,732 (2020 - £3,969), a deficit on Restricted Funds of £105 (2020 - surplus of £8,752) and a surplus on Permanent Endowment funds of £63,062 (2020 - deficit of £78,931), resulting in a total net increase in reserves of £70,689 (2020 - reduction of £66,210). Free reserves amount to £68,103 (2020 - £60,371) as at the year end.

# THE COUNTESS OF HUNTINGDON'S CONNEXION

## TRUSTEES' REPORT (CONTINUED) FOR THE YEAR ENDED 30 JUNE 2021

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Reserves are kept in three areas, Central Funds, Church Funds and SLM Funds. Each of these have free reserves, although in the consolidated accounts both the church funds and the SLM funds are shown as restricted due to location.

### Central Funds

It is the policy of the Connexion that there are sufficient liquid funds which, together with returns from investment properties, will generate sufficient income to cover approximately twelve months unrestricted expenditure. In addition an unrestricted fund balance will be maintained as a minimum of six months average non capital unrestricted expenditure which currently equates to £25,000. This level of reserves was exceeded during the year. The level of reserves is being kept at a high level due to the anticipated additional expenditure in the next two years in the reorganisation of the structure of the Connexion, in particular the setting up of individual church charities and implementing additional support to churches. Due to the nature of maintenance and other requests from churches, which tend to be reactive, additional funds will be kept in reserve if requests for grants are less than anticipated.

### Churches and SLM (restricted funds)

Generally local congregations and SLM will keep free reserves at between three and six months unrestricted expenditure. In the case of local congregations, again due to the reactive nature of maintenance issues in older premises, higher levels of reserves may be justified in some instances.

Funds are invested for the purchase of churches and manse, and to provide income for the general running of the Connexion. All liquid funds of the Connexion churches and SLM are invested in either bank or building society deposits. Following a review of the investment strategy completed in October 2019, the Trustees have agreed to make limited Central Fund investments in traded securities. The Trustees are apprised of the financial position quarterly and any substantial investment is decided by them, with appropriate advice.

### **Risk and risk management**

The Trustees have assessed the major risks to which the charity is exposed, and are satisfied that systems are in place to mitigate exposure to the major risks. The key risks identified by the Trustees are as follows:

### Finance

The Trustees have policies in place for the administration of finances in all areas of the Connexion to reduce the risks of fraud. All liquid funds are deposited with UK financial establishments, with a limited amount deposited in relatively low risk approved traded securities. All funds are used for the purposes of the Trust and its missionary arm. The Trustees ensure that no commitment is entered into unless funds are available.

### Property

The Trustees utilise external consultants to subject properties to periodic inspection by qualified professionals thus ensuring actions can be taken that they are properly maintained and comply with current legislation, with reports being issued to the local leadership (management) team. Properties are adequately insured and the insurable risks are assessed regularly.

### Children and Vulnerable Adults

The Connexion has a recently updated centrally formulated policy to cover work with children and vulnerable adults in the UK churches. The churches implement the policy with local regulations according to the circumstances. A Trustee has the responsibility of keeping this area under regular review.

# THE COUNTESS OF HUNTINGDON'S CONNEXION

## TRUSTEES' REPORT (CONTINUED) FOR THE YEAR ENDED 30 JUNE 2021

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### Sierra Leone Mission

Payments made in respect of the work in Sierra Leone are as a result of either ongoing commitments or by request. Payments are approved at Committee Meetings generally. Money is held by our agents in Sierra Leone who are responsible for ensuring the money is used for the purposes sent. Money for larger projects will be sent as required in instalments. Some small specific gifts received may be passed on to Sierra Leone, without full Committee Approval, although payment sheets are circulated to the Treasurer, Assistant Treasurer and Chairman prior to the payments being made.

In terms of controls in Sierra Leone, all our payments in Sierra Leone are administered by our Agents. We also give an allowance to an individual who prepares the accounts in Sierra Leone and acts as a check on the Agents. Every two years we send at least one of the SLM committee to review the work carried out and provide support. A payment sheet is sent monthly to the agents. Payments are made at regular monthly intervals and in this way the amount of money held in Sierra Leone is limited. This is beneficial in two ways, as less money is at risk of going astray, and also there has been devaluation of the currency in recent years, and there is a risk of reduced spending power if too much money is held in Sierra Leone.

### **Plans for the Future**

The Trustees aim to ensure that the Connexion continues to advance the Christian faith in accordance with the Connexion's articles of faith. This will be done through the continued support of the Connexional churches and their activities. Other projects and activities may be supported as the Trustees deem fit.

Following a review of the administration of the Connexion, the Trustees are actively pursuing the individual charity registration of the local church fellowships. Model governing documents have been prepared, and most of the local churches have agreed in principle to the changes. Up to the end of the year eleven churches have separately registered as CIOs.

### **Fundraising**

Section 162A of the Charities Act 2011 requires charities to make a statement regarding fundraising activities. The legislation defines fundraising as "soliciting or otherwise procuring money or other property for charitable purposes". Such amounts are presented in our financial statements within "Donations and legacies" which includes donations from individual supporters, non-performance grants and legacies.

In relation to the above, we confirm that all solicitations are managed internally, without the involvement of commercial participators, professional fundraisers or third parties. The day to day management of all income generated is delegated to the executive staff team who act under authority delegated by the Trustee.

We have received no complaints in relation to our fundraising activity for the year under review.

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

The Connexion is governed by a Scheme of Chancery Division, High Court of Justice dated 1 January 1899 as amended by Orders of the Charity Commission.

The Trustees who served during the year and up to the date of signature of the financial statements were:

Mr G Squibbs  
Rev B D Quant  
Mr D Lockett  
Rev S A K Allaby  
Rev B B Green

# THE COUNTESS OF HUNTINGDON'S CONNEXION

## TRUSTEES' REPORT (CONTINUED) FOR THE YEAR ENDED 30 JUNE 2021

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New Trustees are appointed when the current Board deems it to be appropriate in accordance with the governing document. Individuals considered for trusteeship will generally have a link to the Connexion - i.e. a connection to one of the churches and must support the doctrinal basis upon which the Connexion is founded.

Training is available to new and existing Trustees if this is deemed necessary to aid them in completion of their duties.

The Connexion has a registered subsidiary charity no 232674-1 called 'Charity for a missionary in Sierra Leone'. The governing document is a Deed dated 20 October 1959 and the object is to assist in the spread of the Gospel of Christ in Sierra Leone.

This object is carried out by:

- Support for the Countess of Huntingdon's Connexion in Sierra Leone
- Payment of Ministers and Teachers
- Provision and Repair of Church Buildings and Primary Schools
- Training of Ministers and Teachers

Historically outreach work in Sierra Leone has been supported by the Connexion since 1899.

This subsidiary charity has come to be more commonly known as the 'Sierra Leone Mission' (SLM). The Trustees have taken advantage of the Charity Commission concession to link charities which have a common Trustee board allowing preparation of one set of financial statements for both charities.

There is also a subsidiary limited company The Incorporated Sierra Leone Missionary Association which was incorporated in 1906 for the purpose of holding property of the Mission. This company is now dormant and contains £Nil net assets and accordingly this has not been consolidated into these financial statements.

The Connexion is currently organised into three separate sections:

- Central Funds
- Churches
- Sierra Leone Mission

These three sections are engaged in two primary activities:

- Spreading the gospel in the UK
- Missionary work in Sierra Leone

For the members and Trustees, separate unaudited management accounts have been prepared for each Section, but these accounts consolidate the results as recommended by the Charities' SORP.

Although the Trustees maintain overall responsibility for the running of the Connexion, each of the churches operates with a high level of autonomy. Each church has a leadership team who will make decisions regarding the day to day running of the churches, with issues being raised to the Connexional Trustees as appropriate.

The Connexion does effectively act as custodian trustee for the Fordham Combined Charities. The Trustees of the Connexion are all trustees of Fordham and the Connexion maintains funds on behalf of the charity. These funds are eliminated during the accounts preparation and no other transactions with Fordham are reflected in the accounts.

### Auditor

Azets Audit Services Limited were appointed auditor to the company following their acquisition of the trade of Garbutt & Elliott Audit Limited on 1 December 2021. In accordance with the charity's articles, a resolution proposing this will be put at a General Meeting.

# THE COUNTESS OF HUNTINGDON'S CONNEXION

## TRUSTEES' REPORT (CONTINUED) FOR THE YEAR ENDED 30 JUNE 2021

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

*Graham Squibbs*

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**Mr G Squibbs**

Trustee

Dated: 21/04/2022 .....

# THE COUNTESS OF HUNTINGDON'S CONNEXION

## STATEMENT OF TRUSTEES' RESPONSIBILITIES *FOR THE YEAR ENDED 30 JUNE 2021*

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

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

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

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

The Trustees are responsible for keeping sufficient accounting records that disclose with reasonable accuracy at any time the financial position of the charity and enable them to ensure that the financial statements comply with the Charities Act 2011, the Charity (Accounts and Reports) Regulations 2008 and the provisions of the trust deed. They are also responsible for safeguarding the assets of the charity and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

# THE COUNTESS OF HUNTINGDON'S CONNEXION

## INDEPENDENT AUDITOR'S REPORT TO THE TRUSTEES OF THE COUNTESS OF HUNTINGDON'S CONNEXION

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### Opinion

We have audited the financial statements of The Countess of Huntingdon's Connexion (the 'charity') for the year ended 30 June 2021 which comprise the statement of financial activities, the balance sheet, the statement of cash flows and the notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 *The Financial Reporting Standard applicable in the UK and Republic of Ireland* (United Kingdom Generally Accepted Accounting Practice).

In our opinion, the financial statements:

- give a true and fair view of the state of the charity's affairs as at 30 June 2021 and of its income and expenditure, for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Charities Act 2011.

### Basis for opinion

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

### Conclusions relating to going concern

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

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

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

### Other information

The other information comprises the information included in the annual report other than the financial statements and our auditor's report thereon. The Trustees are responsible for the other information contained within the annual report. Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon. 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 course of 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.



# THE COUNTESS OF HUNTINGDON'S CONNEXION

## INDEPENDENT AUDITOR'S REPORT (CONTINUED) TO THE TRUSTEES OF THE COUNTESS OF HUNTINGDON'S CONNEXION

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

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

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

### **Responsibilities of Trustees**

As explained more fully in the Statement of Trustees' Responsibilities, the Trustees are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the directors determine is necessary to enable the preparation of 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 cease operations, or have no realistic alternative but to do so.

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

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

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

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.

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

We identified areas of laws and regulations that could reasonably be expected to have a material effect on the financial statements from our general commercial and sector experience, through discussion with the trustees and other management, and from inspection of the charitable group's regulatory and legal correspondence. We discussed with the trustees and other management the policies and procedures regarding compliance with laws and regulations. We communicated identified laws and regulations throughout our team and remained alert to any indications of non-compliance during the audit.

# THE COUNTESS OF HUNTINGDON'S CONNEXION

## INDEPENDENT AUDITOR'S REPORT (CONTINUED) TO THE TRUSTEES OF THE COUNTESS OF HUNTINGDON'S CONNEXION

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The charitable company is subject to laws and regulations that directly affect the financial statements including financial reporting legislation (including related companies and charities legislation), pensions legislation, taxation legislation and further laws and regulations that could indirectly affect the financial statements, including environmental, health and safety and employment legislation. We assessed the extent of compliance with these laws and regulations as part of our procedures on the related financial statement items. Auditing standards limit the required audit procedures to identify non-compliance with these laws and regulations to enquiry of the directors and other management and inspection of regulatory and legal correspondence, if any. These procedures did not identify any potentially material actual or suspected non-compliance.

To identify risks of material misstatement due to fraud we considered the opportunities and incentives and pressures that may exist within the charitable company to commit fraud. Our risk assessment procedures included: enquiry of trustees and other management to understand the high level policies and procedures in place to prevent and detect fraud, reading Board minutes and considering performance targets and incentive schemes in place for management. We communicated identified fraud risks throughout our team and remained alert to any indications of fraud during the audit.

As a result of these procedures we identified the greatest potential for fraud in the following areas:

- income recognition and in particular the risk that income is recognised in the wrong reporting period; and
- subjective accounting estimates.

Both fraud risks arise due to a desire to present results in a differing light to meet management objectives.

As required by auditing standards, we also identified and addressed the risk of management override of controls.

We performed the following procedures to address the risks of fraud identified:

- identifying and testing high risk journal entries through vouching the entries to supporting documentation;
- assessing significant accounting estimates for bias;
- testing the recognition of income and in particular that it was appropriately recognised or deferred; and
- testing the control environment around cash takings, including segregation of duties and daily cash reconciliations.

Owing to the inherent limitations of an audit, there is an unavoidable risk that we may not have detected some material misstatements in the financial statements, even though we have properly planned and performed our audit in accordance with auditing standards. For example, the further removed non-compliance with laws and regulations is from the events and transactions reflected in the financial statements, the less likely the inherently limited procedures required by auditing standards would identify it.

In addition, as with any audit, there remained a higher risk of non-detection of fraud, as these may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal controls. Our audit procedures are designed to detect material misstatement. We are not responsible for preventing non-compliance or fraud and cannot be expected to detect non-compliance with all laws and regulations.

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

# THE COUNTESS OF HUNTINGDON'S CONNEXION

## INDEPENDENT AUDITOR'S REPORT (CONTINUED) TO THE TRUSTEES OF THE COUNTESS OF HUNTINGDON'S CONNEXION

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### 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.

*Azets Audit Services Limited*

**Laura Masheder (Senior Statutory Auditor)**  
**for and on behalf of Azets Audit Services Limited**

21/04/2022  
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**Chartered Accountants**  
**Statutory Auditor**

Triune Court  
Monks Cross Drive  
York  
YO32 9GZ

# THE COUNTESS OF HUNTINGDON'S CONNEXION

## STATEMENT OF FINANCIAL ACTIVITIES FOR THE YEAR ENDED 30 JUNE 2021

	Notes	Unrestricted funds general £	Unrestricted funds designated £	Restricted funds £	Permanent endowment funds £	Total 2021 £	Total 2020 £
<b><u>Income from:</u></b>							
Donations and legacies	3	1,281	-	269,271	-	270,552	315,399
Other trading activities	4	-	-	12,027	-	12,027	25,201
Investments	5	37,977	-	553	-	38,530	40,985
<b>Total income</b>		<u>39,258</u>	<u>-</u>	<u>281,851</u>	<u>-</u>	<u>321,109</u>	<u>381,585</u>
<b><u>Expenditure on:</u></b>							
<b><u>Raising funds</u></b>							
Fundraising and publicity	6	7,763	-	1,557	17,818	27,138	29,585
Trading costs	6	2,576	-	-	-	2,576	-
		<u>10,339</u>	<u>-</u>	<u>1,557</u>	<u>17,818</u>	<u>29,714</u>	<u>29,585</u>
<b><u>Charitable activities</u></b>							
Spreading the gospel in the UK	7	21,187	-	196,641	-	217,828	236,531
Missionary work in Sierra Leone	7	-	-	83,758	-	83,758	119,835
		<u>21,187</u>	<u>-</u>	<u>280,399</u>	<u>-</u>	<u>301,586</u>	<u>356,366</u>
<b>Total expenditure</b>		<u>31,526</u>	<u>-</u>	<u>281,956</u>	<u>17,818</u>	<u>331,300</u>	<u>385,951</u>
Net gains/(losses) on investments	12	<u>-</u>	<u>-</u>	<u>-</u>	<u>80,880</u>	<u>80,880</u>	<u>(61,844)</u>

# THE COUNTESS OF HUNTINGDON'S CONNEXION

## STATEMENT OF FINANCIAL ACTIVITIES (CONTINUED) FOR THE YEAR ENDED 30 JUNE 2021

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<b>Net movement in funds</b>		7,732	-	(105)	63,062	70,689	(66,210)
Fund balances at 1 July 2020	<b>23</b>	60,371	329,819	254,138	4,847,087	5,491,415	5,557,625
		<hr/>	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
<b>Fund balances at 30 June 2021</b>	<b>23</b>	68,103	329,819	254,033	4,910,149	5,562,104	5,491,415
		<hr/>	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>

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

All income and expenditure derive from continuing activities.

A fully detailed statement of financial activities for the year ended 30 June 2020 is shown at note 28.

The notes on pages 17 - 35 comprise part of these financial statements.

# THE COUNTESS OF HUNTINGDON'S CONNEXION

## BALANCE SHEET AS AT 30 JUNE 2021

	Notes	2021 £	£	2020 £	£
<b>Fixed assets</b>					
Tangible assets	14	4,017,686		4,023,639	
Investment properties	15	175,000		175,000	
Investments	16	849,036		468,156	
		<u>5,041,722</u>		<u>4,666,795</u>	
<b>Current assets</b>					
Debtors	17	22,307		28,893	
Cash at bank and in hand		511,839		815,369	
		<u>534,146</u>		<u>844,262</u>	
<b>Creditors: amounts falling due within one year</b>	18	<u>(13,764)</u>		<u>(19,642)</u>	
Net current assets		520,382		824,620	
<b>Total assets less current liabilities</b>		<u>5,562,104</u>		<u>5,491,415</u>	
<b>Funds</b>					
Permanent endowment funds	21	4,910,149		4,847,087	
Restricted funds	20	254,033		254,138	
Unrestricted funds designated	22	329,819		329,819	
Unrestricted funds general		68,103		60,371	
		<u>5,562,104</u>		<u>5,491,415</u>	

The notes on pages 17 - 35 comprise part of these financial statements.

The financial statements were approved by the Trustees on 21/04/2022

*Graham Squibbs*

.....  
Mr G Squibbs  
Trustee

*D. Lockett*

.....  
Mr D Lockett  
Trustee

# THE COUNTESS OF HUNTINGDON'S CONNEXION

## STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 30 JUNE 2021

	Notes	2021 £	£	2020 £	£
<b>Cash flows from operating activities</b>					
Cash absorbed by operations	26		(30,195)		(7,217)
<b>Investing activities</b>					
Purchase of tangible fixed assets		(11,865)		(33,582)	
Purchase of investments		(300,000)		(530,000)	
Investment income received		38,530		40,985	
<b>Net cash used in investing activities</b>			(273,335)		(522,597)
<b>Net cash used in financing activities</b>			-		-
<b>Net decrease in cash and cash equivalents</b>			(303,530)		(529,814)
Cash and cash equivalents at beginning of year			815,369		1,345,183
<b>Cash and cash equivalents at end of year</b>			511,839		815,369

# THE COUNTESS OF HUNTINGDON'S CONNEXION

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2021

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### 1 Accounting policies

#### Charity information

The Countess of Huntingdon's Connexion is a charity registered with the Charity Commission in England and Wales with the Registration Number 232674.

#### 1.1 Accounting convention

The financial statements have been prepared in accordance with the charity's governing document, the Charities Act 2011 and "Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102)" (effective from 1 January 2019). The charity is a Public Benefit Entity as defined by FRS 102.

The financial statements are prepared in sterling, which is the functional currency of the charity. Monetary amounts in these financial statements are rounded to the nearest £1.

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

#### 1.2 Going concern

At the time of approving the financial statements, the Trustees have a reasonable expectation that the charity has adequate resources to continue in operational existence for the foreseeable future and not less than one year from the date of approval. The Trustees are constantly monitoring the financial position of the charity and the ongoing long term impacts in respect of Covid-19. The charity has no borrowings and operates as a grant maker, hence the entity's risk of continuing as a going concern is restricted and can be controlled.

#### 1.3 Charitable funds

General funds are unrestricted funds which are available for use at the discretion of the Trustees in furtherance of the general objectives of the Charity and which have not been designated for other purposes.

Designated funds are unrestricted funds earmarked by the Trustees for particular purposes.

Restricted funds are funds which are to be used in accordance with specific restrictions imposed by donors or which have been raised by the Charity for a particular purpose. Where no on-going restriction remains and all original conditions and restrictions have been met in relation to the original grant or donation, funds are transferred to general funds.

The permanent endowment represents the initial transfer in of churches and manse which are held by the Connexion in connection with its charitable objects. In accordance with paragraph 17 and 27 of the original governing document these assets and the proceeds from the disposal of such assets may only be used for investment in land and buildings for the charitable purpose of the Connexion or for investment in existing land and buildings used in the work of the Connexion. The permanent endowment includes both the land and buildings in use by the Connexion, investment properties no longer utilised by the Connexion but still beneficially retained and a cash balance which relates to the net proceeds of historical disposals. Income from investment properties and from cash deposits is allocated to the unrestricted "Central" fund as there are no restrictions around the application of income generated in the governing document.

#### 1.4 Income

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



# THE COUNTESS OF HUNTINGDON'S CONNEXION

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 30 JUNE 2021

---

### 1 Accounting policies

(Continued)

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

Legacies are recognised on receipt or otherwise if the charity has been notified of an impending distribution, the amount is known, and receipt is expected.

Grants are recognised at the point of legal entitlement in accordance with the performance model.

Rents from investment income are included when they are receivable by the charity.

Investment income relates to dividends received in respect of listed investments held. Income is recognised in the period in which the dividends accrue.

#### 1.5 Expenditure

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

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

Each of the churches is given a detailed guide to how various expenses should be categorised in the individual church accounts which are then consolidated.

Costs of generating funds recognises the amounts paid out throughout the year to raise the profile of the Connexion (mainly in relation to the churches) and the activities which are undertaken. Also categorised as costs of generating funds are costs incurred to fund the annual conference.

Costs in relation to charitable activities will reflect a large proportion of costs incurred by the Connexion. These will relate to the costs of running the churches in the UK, as well as monies given to fund the work of the Connexional churches in Sierra Leone.

Support and governance costs reflect funds expended to ensure that the charity is fulfilling its obligations; these mainly relate to audit and accounting fees and Independent Examination costs. These costs have been allocated directly to charitable activities in their entirety.

#### 1.6 Tangible fixed assets

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

Depreciation is recognised so as to write off the cost or valuation of assets less their residual values over their useful lives on the following bases:

Church land and buildings	Straight line over 50 years
Manse land and buildings	Straight line over 50 years

# THE COUNTESS OF HUNTINGDON'S CONNEXION

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 30 JUNE 2021

---

### 1 Accounting policies

(Continued)

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

The Trustees are of the opinion that the residual value of the land on which the majority of the Churches and Manses are built exceeds the carrying value of the original asset in the financial statements. No depreciation is therefore charged on these assets. However, three Manses purchased since 2005 are subject to depreciation. The Trustees believe that 40% of the cost of these properties should be attributed to land value with the remaining 60% being attributed to the cost of the buildings. The amount attributed to buildings is depreciated on a straight line basis over their estimated useful life which the Trustees believe to be 50 years.

#### 1.7 Investment properties

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

#### 1.8 Fixed asset investments

Fixed asset investments are initially measured at transaction price excluding transaction costs, and are subsequently measured at fair value at each reporting date. Changes in fair value are recognised in net income/(expenditure) for the year. Transaction costs are expensed as incurred.

#### 1.9 Impairment of fixed assets

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

#### 1.10 Cash and cash equivalents

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

#### 1.11 Financial instruments

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

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

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

#### **Basic financial assets**

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

# THE COUNTESS OF HUNTINGDON'S CONNEXION

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 30 JUNE 2021

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### 1 Accounting policies

(Continued)

#### ***Impairment of financial assets***

Financial assets, other than those held at fair value through income and expenditure, are assessed for indicators of impairment at each reporting date. Financial assets are impaired where there is objective evidence that, as a result of one or more events that occurred after the initial recognition of the financial asset, the estimated future cash flows have been affected.

If an asset is impaired, the impairment loss is the difference between the carrying amount and the present value of the estimated cash flows discounted at the asset's original effective interest rate. The impairment loss is recognised in net income/(expenditure) for the year.

If there is a decrease in the impairment loss arising from an event occurring after the impairment was recognised, the impairment is reversed. The reversal is such that the current carrying amount does not exceed what the carrying amount would have been, had the impairment not previously been recognised. The impairment reversal is recognised in net income/(expenditure) for the year.

#### ***Derecognition of financial assets***

Financial assets are derecognised only when the contractual rights to the cash flows from the asset expire or are settled, or when the charity transfers the financial asset and substantially all the risks and rewards of ownership to another entity, or if some significant risks and rewards of ownership are retained but control of the asset has transferred to another party that is able to sell the asset in its entirety to an unrelated third party.

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

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

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

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

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

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

### 1.12 Employee benefits

The costs of short term employee benefits are recognised as a liability and an expense where settlement of obligations does not fall within the same period.

### 1.13 Retirement benefits

Payments to defined contribution retirement benefit schemes are charged as an expense as they fall due.

### 1.14 Related organisations not consolidated

The Connexion does act as custodian Trustee for the Fordham Combined Charities. The Trustees of the Connexion are all Trustees of Fordham and the Connexion maintains funds on behalf of the charity. These funds are eliminated during the preparation of the financial statements and no other transactions with Fordham are reflected in the financial statements.

# THE COUNTESS OF HUNTINGDON'S CONNEXION

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 30 JUNE 2021

---

### 1 Accounting policies

(Continued)

#### 1.15 Debtors

Gift aid debtors represent amounts due from HMRC in relation to gift aid claims that remain unpaid at the year end.

Prepayments and accrued income are valued at the amount prepaid.

Financial assets, other than those held at fair value through profit and loss, are assessed for indicators of impairment at each reporting end date.

Financial assets are impaired where there is objective evidence that, as a result of one or more events that occurred after the initial recognition of the financial asset, the estimated future cash flows have been affected. The impairment loss is recognised in the statement of financial activities.

#### 1.16 Creditors, loans and provisions

Creditors, loans and provisions are recognised where the charity has a present obligation resulting from a past event that will probably result in the transfer of funds to a third party and the amount due to settle the obligation can be measured or estimated reliably. Creditors, loans and provisions are normally recognised at their settlement amount after allowing for any trade discounts due.

Financial liabilities are only derecognised when, and only when, the charity's obligations are discharged, cancelled or they expire.

Amounts recognised as provisions are best estimates of the consideration required to settle the present obligation at the reporting end date, taking into account the risks and uncertainties surrounding the obligation.

### 2 Critical accounting estimates and judgements

In the application of the charity's accounting policies, the Trustees are required to make judgements, estimates and assumptions about the carrying amount of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

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

#### Critical judgements

##### Residual values of churches and manses

As discussed in note 1.6, the Trustees are of the opinion that the residual value of the land on which the churches and manses are built, exceeds the carrying value of the original asset in the financial statements. No depreciation is therefore charged on these assets. The Trustees review this position at the end of each financial year end in order to identify any churches and manses where the carrying value should be impaired.

# THE COUNTESS OF HUNTINGDON'S CONNEXION

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 30 JUNE 2021

### 3 Donations and legacies

	Unrestricted funds general 2021 £	Restricted funds 2021 £	Total 2021 £	Unrestricted funds general 2020 £	Restricted funds 2020 £	Total 2020 £
Donations and gifts	1,281	243,049	244,330	2,579	273,817	276,396
Grant income	-	26,222	26,222	-	39,003	39,003
	<u>1,281</u>	<u>269,271</u>	<u>270,552</u>	<u>2,579</u>	<u>312,820</u>	<u>315,399</u>
<b>Donations and gifts</b>						
Donations and gifts	1,281	228,047	229,328	2,507	257,353	259,860
Other income	-	438	438	72	2,610	2,682
Freewill offerings	-	13,714	13,714	-	10,992	10,992
Donations for other charities	-	850	850	-	793	793
Associated church organisations	-	-	-	-	2,069	2,069
	<u>1,281</u>	<u>243,049</u>	<u>244,330</u>	<u>2,579</u>	<u>273,817</u>	<u>276,396</u>

### 4 Other trading activities

	Restricted funds 2021 £	Total 2020 £
Other trading activities	<u>12,027</u>	<u>25,201</u>

All income from other trading activities were restricted in both the current and prior year.

### 5 Investments

	Unrestricted funds general 2021 £	Restricted funds 2021 £	Total 2021 £	Unrestricted funds general 2020 £	Restricted funds 2020 £	Total 2020 £
Rental income	11,910	-	11,910	10,700	-	10,700
Interest receivable	26,067	553	26,620	29,365	920	30,285
	<u>37,977</u>	<u>553</u>	<u>38,530</u>	<u>40,065</u>	<u>920</u>	<u>40,985</u>

# THE COUNTESS OF HUNTINGDON'S CONNEXION

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 30 JUNE 2021

6 Raising funds		Unrestricted funds general		Restricted funds		Endowment funds		Total		Unrestricted funds general		Restricted funds		Endowment funds		Total	
		2021	£	2021	£	2021	£	2021	£	2020	£	2020	£	2020	£	2020	£
	<u>Fundraising and publicity</u>																
	Seeking donations, grants and legacies	7,763		1,557		-		9,320		10,839		1,653		-		12,492	
	Depreciation and impairment	-		-		17,818		17,818		-		-		17,093		17,093	
	Fundraising and publicity	7,763		1,557		17,818		27,138		10,839		1,653		17,093		29,585	
	<u>Trading costs</u>																
	Conference expenditure	2,576		-		-		2,576		-		-		-		-	
		10,339		1,557		17,818		29,714		10,839		1,653		17,093		29,585	

# THE COUNTESS OF HUNTINGDON'S CONNEXION

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 30 JUNE 2021

### 7 Charitable activities

	Spreading the gospel in the UK	Missionary work in Sierra Leone	Total 2021	Spreading the gospel in the UK	Missionary work in Sierra Leone	Total 2020
	2021	2021		2020	2020	
	£	£	£	£	£	£
Staff costs	75,592	-	75,592	69,038	-	69,038
Trustee liability insurance	866	-	866	866	-	866
Postage, stationary and telephone	48	-	48	-	-	-
Travelling expenses	65	-	65	1,516	-	1,516
Legal and professional	1,647	-	1,647	5,613	-	5,613
Property expenses	33,402	-	33,402	51,160	-	51,160
Church charitable expenses	48,260	-	48,260	68,811	-	68,811
Sundry expenses	3,839	-	3,839	5,803	-	5,803
Mission expenses	-	83,758	83,758	-	119,835	119,835
	<u>163,719</u>	<u>83,758</u>	<u>247,477</u>	<u>202,807</u>	<u>119,835</u>	<u>322,642</u>
Grant funding of activities (see note 8)	42,169	-	42,169	22,444	-	22,444
Share of support costs (see note 9)	11,940	-	11,940	11,280	-	11,280
	<u>217,828</u>	<u>83,758</u>	<u>301,586</u>	<u>236,531</u>	<u>119,835</u>	<u>356,366</u>
<b>Analysis by fund</b>						
Unrestricted funds - general	21,187	-	21,187	28,567	-	28,567
Restricted funds	196,641	83,758	280,399	207,964	119,835	327,799
	<u>217,828</u>	<u>83,758</u>	<u>301,586</u>	<u>236,531</u>	<u>119,835</u>	<u>356,366</u>

# THE COUNTESS OF HUNTINGDON'S CONNEXION

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 30 JUNE 2021

### 8 Grants payable

	2021 £	2020 £
Grants to institutions:		
Spreading the gospel in the UK	6,403	7,853
Wormley Free Church	29,706	-
Slough Community Church	-	266
	<u>36,109</u>	<u>8,119</u>
Grants to individuals	6,060	14,325
	<u>42,169</u>	<u>22,444</u>

The grant paid to Wormley Free Church and Slough Community Church represented the restricted reserves balance distributed to the churches when they exited the Connexion Charity and formed their own individual Charitable Incorporation Organisation.

### 9 Support costs

	2021 £	2020 £
Audit fees	7,920	7,500
Accountancy	3,480	3,300
Independent examiners' fees	540	480
	<u>11,940</u>	<u>11,280</u>

Independent examination fees are paid in respect of the independent examination of the individual church financial statements.

### 10 Trustees

Other than disclosed at note 24, none of the other Trustees (or any persons connected with them) received any remuneration during the year, but 3 of them were reimbursed a total of £65 for travelling expenses (2020 - 3 were reimbursed £865).

During the year the charity bought Trustee Liability Insurance at a cost of £866 (2020 - £866).



# THE COUNTESS OF HUNTINGDON'S CONNEXION

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 30 JUNE 2021

### 11 Employees

#### Number of employees

The average monthly number of employees during the year was:

	2021 Number	2020 Number
Employed within Connexional churches	5	4

#### Employment costs

	2021 £	2020 £
Wages and salaries	72,353	65,671
Social security costs	1,466	1,611
Other pension costs	1,773	1,756
	75,592	69,038

Four individuals were employed by the Connexion during the year, some of whom worked on a part time basis. Overall, these would equate to approximately 3 full time employees.

Wages and salaries comprise the Ministerial, other operational and admin staff salaries as well as those living expenses received by resident ministers in the UK.

The Trustees are of the opinion that the Trustees are key management and that there are no remunerated key management personnel.

There were no employees whose annual remuneration was £60,000 or more (2020 - No employees).

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

	Endowment funds 2021 £	Endowment funds 2020 £
Revaluation of investments	80,880	(61,844)

### 13 Taxation

The Countess of Huntingdon's Connexion is a registered charity and as such is a charity within the meaning of schedule 6 of the Finance Act 2010. Accordingly, the charity is potentially entitled to tax exemption under part 11 of the Corporation Tax Act 2010 or section 256 of the Taxation of Chargeable Gains Act 1992 in respect of income and gains arising. Given this, no tax charge arises on the charity.

# THE COUNTESS OF HUNTINGDON'S CONNEXION

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 30 JUNE 2021

### 14 Tangible fixed assets

	Church land and buildings £	Manse land and buildings £	Total £
<b>Cost</b>			
At 1 July 2020	2,167,064	1,976,589	4,143,653
Additions	10,000	1,865	11,865
At 30 June 2021	2,177,064	1,978,454	4,155,518
<b>Depreciation and impairment</b>			
At 1 July 2020	56,842	63,172	120,014
Depreciation charged in the year	7,616	10,202	17,818
At 30 June 2021	64,458	73,374	137,832
<b>Carrying amount</b>			
At 30 June 2021	2,112,606	1,905,080	4,017,686
At 30 June 2020	2,110,222	1,913,417	4,023,639

Land and buildings comprise properties falling into two distinct categories:

1. Church buildings, which are inalienable from the purposes for which the charity has been established.
2. Residential properties (Manses) for Ministers and their families.

In addition to the above, a further investment property is held to generate income for the charity, being a church building that is let out and cannot be utilised in the Connexion. For further details see note 15.

The properties were first introduced to the accounts as fixed assets when accounting regulations required them to be shown as such. This occurred in the year ended 31 December 1996. To obtain professional valuations of the properties was considered too costly and therefore, as is permitted by the SORP, the Trustees based on their own intuitive knowledge of the properties, attributed a value to all properties held at 31 December 1995 to represent their historical cost. Since that date, any additions to properties or capital improvements to existing properties have been included at cost.

Churches are predominantly disclosed at the value estimated by the Trustees in December 1995 which stands at £1,796,167 (2020 - £1,796,167). Improvements to church buildings are being depreciated on a straight line basis over 50 years. After the charge for the year the net book value of these improvements amounted to £316,439 (2020 - £314,061).

Manses are a mixture of those valued by the Trustees in December 1995 plus a number of additions since that date. The total value of these properties is £1,905,080 (2020 - £1,913,417). Of this value, seven properties are held at the Trustees' estimate cost of £789,222 (2020 - £789,222) with the remaining three properties shown at cost (less depreciation where appropriate) of £1,115,853 (2020 - £1,123,195).

The Bolney Village Chapel Trust holds a 10.7548% interest in the property known as Fenners, Top Street, Bolney, West Sussex. The remaining 89.2452% is held by the Connexion.

# THE COUNTESS OF HUNTINGDON'S CONNEXION

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 30 JUNE 2021

### 15 Investment property

2021  
£

#### Fair value

At 1 July 2020 and 30 June 2021

175,000

Investment properties comprise churches not used directly in the furtherance of the Connexion's charitable objectives but are let out to generate income for the Charity. The investment property, Rayleigh Church, was valued at £175,000 based on open market value for continuing use, by D Plaskow FRICS of Hair & Son LLP in January 2014. The Trustees have reviewed this valuation and are of the opinion that there is no material change at the balance sheet date.

If investment properties were stated on an historical cost basis rather than a fair value basis, the amounts would have been included as follows:

	2021 £	2020 £
Cost	80,000	80,000
Accumulated depreciation	-	-
Carrying amount	80,000	80,000

### 16 Fixed asset investments

Listed  
Investments  
£

#### Cost or valuation

At 1 July 2020

468,156

Additions

300,000

Valuation changes

80,880

At 30 June 2021

849,036

#### Carrying amount

At 30 June 2021

849,036

At 30 June 2020

468,156

The historic cost of the investments held is £830,000 (2020 - £530,000).

# THE COUNTESS OF HUNTINGDON'S CONNEXION

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 30 JUNE 2021

---

### 17 Debtors

	2021 £	2020 £
Amounts falling due within one year:		
Other debtors	22,307	28,893
	<u>          </u>	<u>          </u>

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

	2021 £	2020 £
Other creditors	1,290	3,848
Accruals	12,474	15,794
	<u>          </u>	<u>          </u>
	<u>13,764</u>	<u>19,642</u>

### 19 Retirement benefit schemes

#### Defined contribution schemes

The charity operates a defined contribution pension scheme for all qualifying employees. The assets of the scheme are held separately from those of the charity in an independently administered fund.

The charge to the statement of financial activity in respect of defined contribution schemes was £1,773 (2020 - £1,756).

There were no outstanding pension contributions at the year end in either years.

# THE COUNTESS OF HUNTINGDON'S CONNEXION

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 30 JUNE 2021

### 20 Restricted funds

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

Current year	Balance at 1 July 2020 £	Movement in funds			Balance at 30 June 2021 £
		Income	Expenditure	Transfers	
		£	£	£	
Church activities	179,674	186,529	(195,698)	(10,118)	160,387
Youth conference	1,509	-	-	-	1,509
Sierra Leone Mission Projects	26,406	68,620	(83,758)	21,639	32,907
Cheshunt Foundation	14,888	25,042	(2,500)	(12,521)	24,909
Mission and Development	2,275	1,660	-	1,000	4,935
Centrally managed Church Funds	29,386	-	-	-	29,386
	<u>254,138</u>	<u>281,851</u>	<u>(281,956)</u>	<u>-</u>	<u>254,033</u>

Church activities relates to the funds held which have been allocated to the specific church to which the original gifts and donations were made. Funds may be spent by each individual church in accordance with the charitable objects of the Connexion as a whole.

The Sierra Leone Mission funds are given to provide for various projects undertaken in Sierra Leone. These projects include the maintenance of the buildings.

The Cheshunt Foundation provides an amount to the Connexion each year which is applied to ministerial training and support in the UK and Sierra Leone.

Centrally managed church funds are funds held on behalf of the individual churches and are given to fund specific church repairs or one-off costs as they fall due.

Prior year	Balance at 1 July 2019 £	Movement in funds			Balance at 30 June 2020 £
		Income	Expenditure	Transfers	
		£	£	£	
Church activities	176,160	214,217	(197,246)	(13,197)	179,934
Youth conference	1,516	140	(147)	-	1,509
Sierra Leone Mission Projects	21,261	100,260	(119,835)	24,460	26,146
Cheshunt Foundation	11,189	24,324	(8,625)	(12,000)	14,888
Mission and Development	3,275	-	(1,000)	-	2,275
Centrally managed Church Funds	31,985	-	(2,599)	-	29,386
	<u>245,386</u>	<u>338,941</u>	<u>(329,452)</u>	<u>(737)</u>	<u>254,138</u>

# THE COUNTESS OF HUNTINGDON'S CONNEXION

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 30 JUNE 2021

### 21 Permanent endowment funds

The permanent endowment relates to the initial transfer of land and buildings to the Connexion. In accordance with the governing document the capital value of the initial transfer is permanently endowed as explained in the accounting policy notes.

Current year	Balance at 1 July 2020	Movement in funds				Balance at 30 June 2021
		Income	Expenditure	Transfers	Revaluations, gains and losses	
	£	£	£	£	£	£
<b>Permanent endowments</b>						
Churches and manses	4,198,639	-	(17,818)	11,865	-	4,192,686
Capital fund	648,448	-	-	(11,865)	80,880	717,463
	<u>4,847,087</u>	<u>-</u>	<u>(17,818)</u>	<u>-</u>	<u>80,880</u>	<u>4,910,149</u>

At the balance sheet date the capital value of the initial endowment is held in the tangible fixed assets, land and buildings, of the Connexion and also in an investment property which is a property no longer used in the work of the Connexion. This represents the Churches and Manses category of the permanent endowment.

Additionally there are cash deposits which relate to the unspent net proceeds from previous property disposals. In accordance with paragraphs 17 and 27 of the governing document, the Trustees are able to apply this element of the capital endowment to the acquisition of property to use in the work of the Connexion, the improvement of the current freehold land and buildings and for fixtures and fittings for those properties.

Prior year	Balance at 1 July 2019	Movement in funds				Balance at 30 June 2020
		Income	Expenditure	Transfers	Revaluations, gains and losses	
	£	£	£	£	£	£
<b>Permanent endowments</b>						
Churches and manses	4,182,150	-	(17,093)	33,582	-	4,198,639
Capital fund	743,868	-	-	(33,576)	(61,844)	648,448
	<u>4,926,018</u>	<u>-</u>	<u>(17,093)</u>	<u>6</u>	<u>(61,844)</u>	<u>4,847,087</u>

# THE COUNTESS OF HUNTINGDON'S CONNEXION

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 30 JUNE 2021

### 22 Designated funds

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

Current year	Balance at 1 July 2020 £	Movement in funds			Balance at 30 June 2021 £
		Income £	Expenditure £	Transfers £	
Property maintenance	329,819	-	-	-	329,819
	329,819	-	-	-	329,819

The designated property maintenance fund represents funds that the Trustees have ring-fenced for future maintenance costs in excess of the amounts available in the Permanent Endowment.

Prior year	Balance at 1 July 2019 £	Movement in funds			Balance at 30 June 2020 £
		Income £	Expenditure £	Transfers £	
Property maintenance	329,819	-	-	-	329,819
	329,819	-	-	-	329,819

# THE COUNTESS OF HUNTINGDON'S CONNEXION

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 30 JUNE 2021

### 23 Analysis of net assets between funds

	Unrestricted funds - general	Unrestricted funds - designated	Restricted funds	Permanent endowment funds	Total
	£	£	£	£	£
<b>Fund balances as at 30 June 2021:</b>					
Tangible assets	-	-	-	4,017,686	4,017,686
Investment properties	-	-	-	175,000	175,000
Investments	-	173,574	-	675,462	849,036
Current assets/(liabilities)	68,103	156,245	254,033	42,001	520,382
	<u>68,103</u>	<u>329,819</u>	<u>254,033</u>	<u>4,910,149</u>	<u>5,562,104</u>

The permanent endowment fund includes unrealised gains of £95,000 (2020 - £95,000) in relation to the revaluation of investment properties.

Transfers from restricted funds relate to monies where the restricted purpose or objectives of such income has been fully satisfied.

	Unrestricted funds - general	Unrestricted funds - designated	Restricted funds	Permanent endowment funds	Total
	£	£	£	£	£
<b>Fund balances as at 30 June 2020:</b>					
Tangible assets	-	-	-	4,023,639	4,023,639
Investment properties	-	-	-	175,000	175,000
Investments	-	-	-	468,156	468,156
Current assets/(liabilities)	60,371	329,819	254,138	180,292	824,620
	<u>60,371</u>	<u>329,819</u>	<u>254,138</u>	<u>4,847,087</u>	<u>5,491,415</u>

### 24 Related party transactions

During the year under review, Rev B Quant and Mr R Shotliff, Trustees, were Governors of the charity known as The Cheshunt Foundation, which provides grants to the Connexion for ministerial training. A total of £25,042 (2020 - £24,328) was received in the year under review. The unspent balance of these monies is held as a restricted fund (see Note 19).

Mr J P N Vallely, a Trustee for part of the year, was a Trustee of the Bolney Village Chapel Trust which owns part of the manse at Bolney and the new church building. The Connexion's interest in the manse property is 89.2452%. The property is included in tangible fixed assets at cost.

Rev B Quant, a Trustee, is also a director of The Incorporated Sierra Leone Missionary Association, a dormant company which is limited by guarantee as referred to in the Trustees' Report.



# THE COUNTESS OF HUNTINGDON'S CONNEXION

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 30 JUNE 2021

### 24 Related party transactions

(Continued)

Mr G Squibbs is also a Trustee of St. Stephen's Church, Middleton, which is a separately registered CIO affiliated to the Countess of Huntingdon's Connexion. The Connexion received a donation of £1,000 (2020 - £450) from St Stephen's Church during the year.

During the year, Rev. Ben Quant, a Trustee, received total remuneration, pension payments, expenses and training fees of £32,435 in relation to his employment as Pastor of the church at Wormley (2020 - £30,369).

The Rev. Simon Allaby is employed by the 6:19 Trust, and the Trust received £10,125 from the Connexion in respect of his work at Bolney Chapel (2020 - £10,200). Mr J. Allaby, a connected person to Rev. S. Allaby received a training grant of £400 (2020 - Rev. S. Allaby received a training grant of £745).

Mr R Shotliff received a training grant of £nil (2020 - £2,100).

During the year Wormley Free Church, a separately registered as a CIO was paid a grant of £29,706 representing the reserved funds of the church at the date of separation from the charity.

### 25 Custodian assets

The Trustees of the Connexion are also the Trustees of the connected charity, Fordham Combined Charities. At the year end the Connexion holds £47,681 (2020 - £47,681) on behalf of this charity; these funds are eliminated from the Connexional accounts during their preparation. There was a balance payable to the Fordham Combined Charities, following consolidation adjustments, of £908 as at the year end (2020 - £1,632).

26 Cash generated from operations	2021 £	2020 £
Surplus/(deficit) for the year	70,689	(66,210)
<b>Adjustments for:</b>		
Investment income recognised in statement of financial activities	(38,530)	(40,985)
Fair value gains and losses on investments	(80,880)	61,844
Depreciation	17,818	17,093
Decrease in debtors	6,586	19,052
(Decrease)/increase in creditors	(5,878)	1,989
<b>Cash used by operations</b>	<b>(30,195)</b>	<b>(7,217)</b>
27 Analysis of changes in net funds		

The charity had no debt in the current or previous financial year.

# THE COUNTESS OF HUNTINGDON'S CONNEXION

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 30 JUNE 2021

### 28 Comparative Statement of Financial Activities

	Unrestricted funds general £	Unrestricted funds designated £	Restricted funds £	Permanent endowment funds £	Total 2020 £
<b><u>Income from:</u></b>					
Donations and legacies	2,579	-	312,820	-	315,399
Other trading activities	-	-	25,201	-	25,201
Investments	40,065	-	920	-	40,985
<b>Total income</b>	<b>42,644</b>	<b>-</b>	<b>338,941</b>	<b>-</b>	<b>381,585</b>
<b><u>Expenditure on:</u></b>					
Fundraising and publicity	10,839	-	1,653	17,093	29,585
	10,839	-	1,653	17,093	29,585
Spreading the gospel in the UK	28,567	-	207,964	-	236,531
Missionary work in Sierra Leone	-	-	119,835	-	119,835
	28,567	-	327,799	-	356,366
<b>Total expenditure</b>	<b>39,406</b>	<b>-</b>	<b>329,452</b>	<b>17,093</b>	<b>385,951</b>
<b>Net gains/(losses) on investments</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>(61,844)</b>	<b>(61,844)</b>
<b>Net income/(expenditure) before transfers</b>	<b>3,238</b>	<b>-</b>	<b>9,489</b>	<b>(78,937)</b>	<b>(66,210)</b>
Gross transfers between funds	731	-	(737)	6	-
<b>Net movement in funds</b>	<b>3,969</b>	<b>-</b>	<b>8,752</b>	<b>(78,931)</b>	<b>(66,210)</b>
Fund balances at 1 July 2019	56,402	329,819	245,386	4,926,018	5,557,625
<b>Fund balances at 30 June 2020</b>	<b>60,371</b>	<b>329,819</b>	<b>254,138</b>	<b>4,847,087</b>	<b>5,491,415</b>