THE METHODIST CHURCH

REPORT AND ACCOUNTS
(ACCRUALS BASIS)

for the year ended 31 August 2019

Sutton Methodist Circuit

Registered Charity - Registration number **1135076**

District No / Circuit No **35/39**

Ministers	Rev Dr David Dickinson
	Rev Gill Long
	Rev Ung Soon Nguang
	Rev Rosemary Richter
	Rev Dr Mark Wakelin
	Rev Dr Philip Richter
	Rev Desmond C Williamson
Circuit Stewards	Dr David Gooch
	Mr Ravi Saravanamuttu
	Mrs Janet Angel
	Mr David Forty
Circuit Treasurer	Mr Richard Smith

Sutton Methodist Circuit
TRUSTEES' ANNUAL REPORT

FOR THE YEAR ENDED 31 AUGUST 2019

Introduction

Sutton Methodist Circuit covers an area in north east Surrey. It is part of the London District. It is registered with the Charity Commission, number 1135076, and its affairs are governed by Deed of Union (1932) and Methodist Church Act (1976). It has been registered at Charities Commission as Sutton Methodist Circuit.

The Mission of the Circuit

The Mission statement of the Sutton Circuit

- enable the churches to proclaim the Gospel of Christ and further God's Kingdom.
- be aware of God's presence through the Holy Spirit in all we do in His name.
- support each Church in its endeavours to fulfil its potential in responding to opportunities of service and growth.
- enable the staff of the Circuit both ministerial and lay to fulfil their potential in a supportive Circuit environment.
- support ecumenical ventures and to encourage further ecumenical work.

The ministers concentrate on the mission of their local churches but support each other through monthly staff planning and support meetings. The work of the ministers and lay members is supported with prayer. The Circuit Leadership Team (staff and stewards) meet formally at least twice a year to plan and agree policy, and also meet socially on occasions. The Circuit Stewards meet 5 times a year, with the Circuit Superintendent Minister, to oversee the ongoing work of the Circuit and to address the needs of the Circuit and the staff.

Review of the year

- **We will continue to monitor the ministry at the Epsom and Cheam churches with the new pastoral oversight.**
  Mr Chris Shaw has continued to take on major responsibility at Epsom in leading worship, working with children and young people, developing Christian education courses and training days and taking a leading role in many aspects of church life. John Dawson has continued in his pastoral and preaching work at Cheam. He has completed 2 years of a 3 year appointment.

- **We will continue to progress the development plan implemented in 2018.**
  The circuit has continued to monitor the progress of the development plan. All the churches in the circuit are following all or parts of it in their own development. The circuit staff and a leader from each church met in July for an away-day to discuss how the plan has been implemented in each church and how the way forward should be developed.

- **We will address the surplus of funds in the general account to consider new forms of ministry across the circuit.**
  The share system has enabled each church to assess its own level of contribution towards the circuit finances. The total share offer showed a reduction of just over £20,000 compared with the previous year. The circuit showed a surplus of £21,108 on the year before a transfer of £64,086 of manse maintenance reserves to a new manse fund. This has enabled the circuit to rationalise its support of manse maintenance at a fixed level to make budgeting simpler in the future. As a result of this and still a large balance in the general fund, it has, as a start to considering new forms of ministry, appointed Rev Philip Richter to serve part time at Bandon Hill. This is a one year appointment since Bandon Hill is to discontinue worship at the church on 31st August 2020. Prior to this, Rev Barnabas Alexander took early superannuation due to ill health in July 2019. This opens the opportunity to develop new ministry in the north-east corner of the circuit (Wallington, Carshalton and Bandon Hill) looking for a new strategic appointment in September 2021.

- **We will conduct a review of the options for the future direction of Wallington Methodist Church and support the church in its decision making.**
  A review of the options for the way forward for Wallington Methodist Church was conducted by the Circuit Leadership Team and reported to the Wallington Leadership Team and the Circuit Trustees. Subsequently a lot of time has been spent meeting with the Wallington leaders and members, both individually and in groups to assess their way forward. The circuit made a one-off grant of £15,000 to the church to assist with their making repairs to keep the church safe for use for a further 2 years. Because of the condition of the church building, it is expect that the church building will close in mid to late 2021. The decision regarding their future has still to be decided. It is anticipated that the result of the developing ministry of the three churches in some future form will be the foundation of the strategic appointment referred to above.
- **We will support St George's Methodist Church members to enable them to continue to worship and receive pastoral care. We will also work alongside the leadership in the future use of their funds.**
  St George's church ceased to worship in their rented room in Sutton on 31st December 2018. The congregation has dispersed to 4 of the circuit churches and a taxi service has been arranged for 2 of their members to be taken to and from Carshalton Methodist Church each Sunday. Their funds have been transferred to the circuit to be managed in the same way as the Model Trust Fund. Circuit leaders have met with their monthly coffee gathering in a local supermarket cafe to keep abreast of their fellowship.

Financial Performance Review

Budget

Each year the circuit sets a budget for income and expenditure which is approved by the Circuit Meeting.

Income

- The shares have been received from all the churches. St George's paid their share up to the 31st December 2018 when it closed.
- The interest received of £1,723 was over budget £1,000 due to an improvement in the interest rates on the money markets.
- The use of 37 Tattenham Way by the Chinese presbyter has provided an income of £21,000.

Expenditure

- Stipend expenditure has increased each financial year in line with conference approved increases. 15.8% of expenditure is the Circuit contribution to the District and Connexion, of which a significant part is used to fund the work of the wider Methodist Church. This year a Manse Fund has been created to enable a greater control over manse repairs and refurbishments. The notional balance of manse costs to the start of the year of £26,586 was transferred to this fund as well as the budgeted £36,000 for manse repairs and £1,500 for rented manse costs. This means that all manse costs come under a single control. The total spent on the manses was £20,950. This was well under the budget of £37,500.
- All other items of expenditure were within budget.

Conclusions

All items in the accounts were close to budget. There was a deficit (including the transfer to the new manse fund of £26,586) on budgeted items in the General Fund of £21,978. This decreased the balance in the general fund to £477,564 which is £77,900 above the required reserves level. Measures are being taken to reduce this surplus through the implementation of the development plan and new forms of ministry.

Financial effect of significant events

1. The closure of St George's Methodist Church in Sutton has released almost £250,000 into the circuit funds. This is not being made available for the general running of the circuit but for projects within the circuit that require funding. These funds will reside alongside the Model Trust Fund money currently available for projects in the circuit.
2. The closure of St George's along with the pending closure of Bandon Hill Methodist churches will mean that their share will not be available in future years for the management of the circuit. Though circuit costs will reduce, the circuit leadership is aware that care needs to be taken in the future financial decisions in light of a potential reduced share income.

Fund balances

As at 31st August 2019 the net current assets of the Circuit were £207,114, giving more than 6 months cover for expenditure not including funds in the CMTF.

Circuit Model Trust Fund

This is an unrestricted fund and can be applied to for a large number of capital items in the circuit and churches

The total of the funds transferred from St George's Methodist Church when it closed of £248,585 is being treated in the same way as the CMTF. The circuit received the balance of the CFB Fund of St George's, its bank account and gift aid refund. Adding these sums to the balance in the CMTF indicates that a total of £296,899 is available for grant applications. A breakdown of all the funds involved within the circuit and arising from the closure of the St George's church is detailed after note 10.

Valuation of Properties

The manses were included in the balance sheet at historical cost for the first time in 2015/16. Hence their value of £270,450 will not change and no comparison with previous years is required.

Reserves Policy

The Reserves Policy for the Circuit is to hold a minimum sum equivalent to 6 months' average expenditure. This should be sufficient to meet any unforeseen item of major expenditure on manses and / or to be able to continue, in the short term, funding planned activities in the event of any inability to raise the full Circuit Assessment from churches.

Reserves of the Circuit

The balance of funds in the circuit at the end of the year was £817,934. Of this £270,450 was the historical value of the manses. A further £333 is held in a restricted fund. This indicates that £547,151 is available as liquid assets. This comprises £207,114 in the general fund, £296,900 in the Model Trust Fund and £43,136 in the manse fund. Though the manses have been valued at historical level, their sale in the current climate would probably realise over £3m.

Volunteers

The Church is heavily reliant on volunteers who contribute their skills, time and money in the furtherance of the work of the Church. In the Circuit the principal contribution is by serving on committees of the Circuit that deal with mission, manses, finance, policy, grants, training, safeguarding. We are grateful to all of them for their help and commitment. No attempt has been made by the Circuit to value the non-monetary contributions to the Circuit in monetary terms.

Plans for 2019/20

Circuit financial plans for the coming year have been prepared on the basis that there remain 4 full time ordained staff and one lay pastor in the English speaking congregations with anticipated cost of living stipend increases combined with an increase in the assessment paid to the district. With the increased contribution from Epsom, it is anticipated that the costs for 2019/20 should be similar to those for 2018/19.

The following issues will be focused upon during the 2019-2020 year.

- Facilitate the orderly closure of Bandon Hill Methodist Church by August 2020, providing for the ongoing pastoral care of the congregation.
- Assess the feasibility of continuing to use the Bandon Hill premises for community purposes for the year 2020/21.
- Decide, by June 2020, the future direction of Wallington Methodist Church.
- Develop plans for the future configuration of the circuit.
- Review future circuit staffing and determine stationing strategy for September 2021 .
- Review and update the Circuit Development Plan.
- Appoint two new Circuit Stewards.

Basis of preparation and legal framework
The Charity's annual report and accounts for the year ended 31 August 2019 have been prepared in accordance with the Charities Act 2011 and the Charities: Statement of Recommended Practice 2015 as applicable to the Financial Reporting Standard(FRS 102) 2015

Full Name of Charity	Sutton Methodist Circuit
Registration Charity Number	1135076
Date of registration	22nd March 2010
Main communication address	Dr David Gooch c/o Circuit Administrator, Sutton Trinity Church, Cheam Road, Sutton, Surrey, SM1 1DZ

The members of the Sutton Methodist Circuit meeting are the Charity Trustees, membership being made up of circuit office holders, ministers and representatives appointed by the local churches.

Full membership is shown in Appendix A to this report.

Circuit Ministers and officers	
Active Circuit Ministers	Rev Dr David Dickinson Rev Gill Long Rev Ung Soon Nguang Rev Rosemary Richter Rev Dr Mark Wakelin Rev Dr Philip Richter Rev Desmond Williamson
Circuit Lay Workers	Mr Chris Shaw, Mr John Dawson
Circuit Stewards	Dr David Gooch Mrs Jan Angel Mr Ravi Saravanamuttu Mr David Forty
Administrator	Mr Paul Gotts

Mr Richard T Smith acted as the principal officer overseeing the day to day financial mangement and accounting for the circuit during the year.

Independent examiner	Jacob, Cavenagh & Skeet 5 Robin Hood Lane, Sutton, SM1 2SW
Investment Bankers	Central Finance Board of the Methodist Church Trustees for Methodist Church Purposes

Aims and organisation

Charity objective is to act as a resource provider within the area around the London Borough of Sutton and the Epsom & Ewell Borough Council for the Methodist Church:

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 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.

The Sutton Circuit shall seek to:

Advance the Christian faith by supporting individual churches in the circuit.

Provide facilities for public acts of worship open to members and non-members alike.

Enable pastoral care throughout the circuit for the benefit of members and non-members alike with respect to the teaching of Christianity and visiting the needy by appointing ministers, organising preaching, appointing and guiding lay leaders.

Public Benefit

We confirm the trustees have had regard to the Charity Commission's guidance on public benefit.

Structure, Governance and Management

The governing document for the circuit is the Deed of Union (1932) and Methodist Church Act (1976)

Detailed governance arrangements are outlined within the Constitutional Practice and Discipline of the Methodist Church by order of the annual conference (CPD).

Day to day management of the circuit is undertaken by the Circuit Leadership team along with the Local Preachers meeting and the Circuit Stewards.

Trustee Training

A range of guidance produced by Methodist Connexion to support the effective running of the circuit, specifically the leaflet 'The Role of a Trustee in The Methodist Church' is given to all new Circuit meeting members as induction to their role as trustees.

Related Parties

The Circuit is part of the London District and is also accountable to the Methodist Conference.
The following Methodist Churches are linked to the circuit:
Sutton Trinity (Methodist/URC LEP)
Wallington
Bandon Hill
Carshalton
Banstead
Epsom
Cheam
St John's (Angllican/Methodist LEP)
St Mark's (Angllican/Methodist LEP)

Risk Management

There is a regular annual review process undertaken and recorded of risks identified within the circuit.
The following are the potential risks in the circuit:
1. Potential circuit reconfigurations are not managed effectively.
2. There is a reduction in presbyters.
3. Circuit churches are unable to meet the budget with their shares, leading to a shortfall in income to the circuit .

Arising from these identified risks, the circuit is aware of them all and takes them into consideration when the circuit stewards meet as a managing group and the full circuit leadership team meets to discuss policy and the future.

Factors affecting the financial future of the circuit are mainly the guarantee of income from the shares from each church. Whereas the circuit seeks to be able to be self-sufficient from these shares, in the event that there is a shortfall which cannot be recovered from, it is permitted to seek approval to raise funds from the Model Trust Fund. Due to the income from St George's this year, the Model Trust Fund has enough funds to be able to support the circuit.

Safeguarding

Every person has a value and dignity which comes directly from the creation of male and female in God's own image and likeness. Christians see this potential as fulfilled by God's re-creation of us in Christ. Among other things this implies a duty to value all people as bearing the image of God and therefore to protect them from harm.

Methodist Connexional practice outlines commitment to the following principles:

• the care and nurture of, and respectful pastoral ministry with, all children, young people and adults

• the safeguarding and protection of all children, young people and adults when they are vulnerable

• the establishing of safe, caring communities which provide a loving environment where there is informed vigilance as to the dangers of abuse.

• We will carefully select and train all those with any responsibility within the Church, in line with Safer Recruitment principles, including the use of criminal records disclosures and registration with the relevant vetting and barring schemes.

• We will respond without delay to every complaint made which suggests that an adult, child or young person may have been harmed, cooperating with the police and local authority in any investigation.

• We will seek to work with anyone who has suffered abuse, developing with them an appropriate ministry of informed pastoral care.

• We will seek to challenge any abuse of power, especially by anyone in a position of trust.

• We will seek to offer pastoral care and support, including supervision and referral to the proper authorities, to any member of our church community known to have offended against a child, young person or vulnerable adult.

• In all these principles we will follow legislation, guidance and recognised good practice

The Sutton Circuit commits itself to ensuring the implementation of Connexional Safeguarding Policy; government legislation, guidance and safe practice in the circuit and in the churches.

The Sutton Circuit commits itself 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' Annual Report was approved by the Circuit Meeting on 6th February 2019 and signed on behalf of the trustees by:

Rev Dr David Dickinson

Circuit Meeting Chairman

Name of Circuit **Sutton Methodist Circuit** **Number** **35/39**

Statement of Financial Activities (SOFA) for the year ended 31 August 2019

	Notes to the accounts	Unrestricted funds (General Fund)	CMTF & Manses (Unrestricted)	Restricted Funds (Chinese Ministry)	Total 2018-19	Total 2017-18
		£	£	£	£	£
Income and endowments						
Donations and legacies	2		247,788	61,314	309,102	54,190
Income from investments	3	1,723	3,129		4,852	1,156
Income from charitable activities						
Assessments/Share on Churches	4	271,948			271,948	290,624
Income from other trading activities	5 10				0	3,000
Other income						
Total income and endowments		**273,671**	**250,917**	**61,314**	**585,902**	**348,970**
Expenditure						
Expenditure on charitable activities						
Grants and donations	6	15,000	930		15,930	950
Salaries and associated costs	7	207,887		37,439	245,326	229,988
Property	8 10	23,888	20,950	3,021	47,859	43,505
Office expenses	9	5,788	1,911		7,699	5,217
Total expenditure		**252,563**	**23,791**	**40,460**	**316,814**	**279,660**
Net Income before investment gains/losses		**21,108**	**227,126**	**20,854**	269,088	**69,310**
Net gains/(losses) on monetary investments		0	0	0	0	0
Net gains/(losses) on investment properties		0	0	0	0	0
Net income/(expenditure) and net movement in funds before gains and losses on investments		**21,108**	**227,126**	**20,854**	269,088	**69,310**
Net gains/(losses) on investments		0	0	0	0	0
Net income/(expenditure)		**21,108**	**227,126**	**20,854**	**269,088**	**69,310**
Transfers between funds	10	(43,086)	64,086	(21,000)	0	0
Other recognised gains/(losses)						
Gains/(losses) on revaluation of fixed assets		0	0	0	0	0
Actuarial gains/(losses) on defined benefit pension schemes		0	0	0	0	0
Other gains/(losses)		0	0	0	0	0
Net movement in funds		**(21,978)**	**291,212**	**(146)**	**269,088**	**69,310**
Total funds brought forward		499,542	48,825	479	548,846	479,536
Total funds carried forward		**477,564**	**340,037**	**333**	**817,934**	**548,846**

Balance brought forward from last year	**0**	**0**
Offerings/Gifts - received for External Organisations	10,259	10,340
Offerings/Gifts - passed to External Organisations	10,259	10,340
Balance carried forward	**0**	**0**

Sutton Methodist Circuit

Balance Sheet as at 31 August 2019

	Notes	Unrestricted (General Fund) £	Circuit Model Trust Fund (Unrestricted) £	Restricted (Chinese Ministry) £	Totals this year £	Totals last year £
Tangible Fixed Assets*						
Circuit Manses & Equipment	BS1	270,450			270,450	270,450
Investment properties	BS1					
Investments	BS2					
Total fixed assets		270,450			270,450	270,450
Current Assets						
Debtors	BS3	16,786			16,786	21,169
Loans by the Circuit						
Trustees for Methodist Church Purposes	BS2		253,174		253,174	48,825
Central Finance Board Deposits	BS4	266,052	86,863	333	353,248	287,766
Cash at Bank and in hand	BS4	7,182			7,182	4,614
Total current assets		290,020	340,037	333	630,390	362,374
Current liabilities						
Creditors (due in under 1 year)	BS5	82,906			82,906	83,978
Net current assets (liabilities)		207,114	340,037	333	547,484	278,396
Total assets less current liabilities		477,564	340,037	333	817,934	548,846
Creditors and Accruals including any loans (due after more than 1 year)						
Net assets		477,564	340,037	333	817,934	548,846
Funds of the Circuit						
General Fund (Unrestricted)	BS6.1	477,564			477,564	499,542
Circuit Model Trust Fund (Unrestricted)	BS6.2		340,037		340,037	48,825
Restricted funds	BS7			333	333	479
Total Funds		477,564	340,037	333	817,934	548,846

*Details - see Note 11

Summary of the Internal Organisations reporting to the Circuit Meeting. Note that the funds of an Internal Organisation would normally be Restricted funds unless it could be clearly shown that they could be used for any Methodist purpose.

Internal Organisations		Opening balance	Receipts	Payments	2019	2018
Chinese Ministry Fund	BS7	479	61,314	61,460	333	479
Total		479	61,314	61,460	333	479

Sutton Methodist Circuit

Statement of Cash Flows for year ended 31st August 2019

	2019	2018
	£	£
Cashflows from operating activities		
Net cash provided by operating activities	267,547	48,278
Cashflows from investing activities		
Interest receivable	4,852	1,156
Net cash used in investing activities	4,852	1,156
Change in cash & cash equivalents in the reporting period	272,399	49,434
Cash and cash equivalents at the beginning of the reporting period	341,205	291,771
Cash & cash equivalents at the end of the reporting period	613,604	341,205
Classified on the Balance Sheet as:-		
Investments with TMCP	253,174	48,825
Central Finance Board Deposits	353,248	287,766
Cash at bank and in hand	7,182	4,614
	613,604	341,205
Reconciliation of net income/(expenditure) to net cashflow		
from operating activities		
Net income/(expenditure) from reporting activities (as per the		
Statement of Financial Activities)	269,088	69,310
Adjustments for:-		
Non-cash donations		
Interest receivable	-4,852	-1,156
(Increase)/decrease in debtors	4,383	-1,082
Increase/(decrease) in creditors	-1,072	-18,794
Net cash provided by operating activities	267,547	48,278

Notes to the Accounts

1 Basis of accounting and accounting policies

i Basis: SORP and Standards

The financial statements have been prepared in accordance with Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) effective 1 January 2015, SORP(FRS102), as amended by Update Bulletin 1, effective 1 January 2016, and the Financial Reporting Standard applicable in the UK and Republic of Ireland, FRS 102, published September 2015.

ii Public benefit entity

The Sutton Methodist Circuit meets the definition of a public benefit entity under FRS 102. The Circuit is an unincorporated charity and its official address is Sutton Trinity Church, Cheam Road, Sutton, SM1 1DZ. Assets and liabilities are initially recognised at historical cost or transaction value unless otherwise stated in the relevant accounting policy note(s) below.

iii Basis

These accounts have been prepared on the basis of historical cost. The accruals basis has been used and trustees present accounts that show a true and fair view of the Circuit's financial position and activities. The accounts are prepared in pounds sterling rounded to the nearest pound.

iv FRS102 SORP2015 (applies to 2016-17 onwards)

These accounts are compliant with FRS102 and with the FRS102 SORP 2015. The financial statements have been prepared under the Charities Act 2011 and the 2008 accounting and reporting regulations made thereunder, based on the current version of the Charities SORP (SORP(FRS102)), as disclosed above, in order to be able to show a true and fair view, as permitted by the regulations.

v Going concern

Based on the monetary assets and human resources available at 31 August 2019, the trustees believe that the Circuit is a going concern and there are no material uncertainties affecting this conclusion.

vi Consolidation

The Circuit has denominational regulatory oversight in respect of the work of the Churches within the Circuit but has no legal or operational control of those Churches and their governing bodies except in extreme circumstances. For this reason, the financial statements of Churches within the Circuit are not consolidated into these financial statements.

vii Income recognition

Income is brought into account when there is entitlement and the amount is reliably measurable once it is more likely than not that the economic benefit of the income will be forthcoming.

The Circuit acts as agent in three matters:

The collection from Churches and payment over of their contributions to various Funds controlled and administered by The Methodist Church - "Connexional Funds"

The administration of a payroll service for employees in Churches in the Circuit. The Circuit will carry out the payroll duties in accordance with HMRC requirements and will pay the employees from Circuit funds. This payment will be reimbursed to the Circuit during the same Connexional year so that payment of salaries, NIC and tax to HMRC will be reimbursed in the same accounting period. The amount paid and received, an equal amount, will be recorded in the SOFA as equal income and expenditure.

The administration (application, collection and disbursement) of grants requested by Churches within the circuit from, but not limited to, the District and Connexion.

In all these matters the transactions are not reflected in the SOFA because they are the income of either the Connexion or Churches as appropriate. Instead the transactions are disclosed in the Notes to the Accounts as required by SORP(FRS102).

In accordance with the Charities SORP (FRS 102), the time of volunteers is not recognised. Further information on this matter is provided in the Truesees' Annual Report.

viii Expenditure

This is recognised when a liability is incurred, or a constructive obligation arises, where the amount is reliably measurable and it is considered more likely than not that there will be an outflow of economic benefit.

ix Grants

Grants made by the Circuit from its own funds are recognised in full at the time of agreement to make a grant without performance conditions or as and when the Circuit accepts that there is a legal or operational obligation to make the payment if it is subject to performance conditions. When the grant to be accrued is recurrent over more than one year the balance payable in future years, discounted to net present value where the difference is material, is treated as a provision for future commitments in the balance sheet against the appropriate fund, the provision being released in future years in accordance with the originally agreed terms.

x VAT

Since the Circuit is not VAT registered, all input VAT is charged with the expenses to which it refers.

Notes to the Accounts

xi Tangible fixed assets

These are capitalised if they can be used for more than one year, and individually cost at least £1,000.

The freehold and/or long leasehold residential property is shown in the accounts at deemed historical cost representing each property's gross carrying value at time of being built or purchased. No depreciation is provided because the trustees consider the residual value of the property in its present condition to be not less than its insurance cost and, in the absence of any evidence of impairment, any depreciation provision for the buildings component of the property would be immaterial.

xii Monetary Investments

The Circuit's investments are deposited with TMCP as custodian trustees. The valuations, at market value, are those provided by TMCP.

xiii Receivables and Payables; Bank and Cash

Debtors are stated at the amounts owed to the Circuit or prepaid. Creditors are recognised at the amount expected to be settled.

xiv Methodist Connexional Funds

The Methodist Church Connexion raises assessments against Circuits and these are paid quarterly to their Districts. The Circuits raise assessments against Churches in the Circuit. The District quarterly remits to The Methodist Church Fund most of the sum received from the Circuits. A small sum is retained by the District to meet its own costs. The Circuit may act as agent for ad hoc collections for various funds controlled and administered by the Methodist Church. These are detailed in Note BS9 below.

xv Minister's manse costs

The Circuit is required to provide accommodation for each minister in the Circuit and their families and this is seen as a benefit to the Circuit. Ministers are expected to occupy the manse provided for them. The Circuit bears the cost of repairs, maintenance, buildings insurance, Council Tax and water charges. These figures are not separately disclosed as benefits-in-kind for ministers as HMRC does not seek to tax these receipts in the hands of ministers.

Notes to the Accounts

2 Donations and legacies

The Chinese ministry is supported by grants from the Methodist Connexion (£20,000), the Malaysian Conference (£6,114) and donations from the Chinese Congregation (£35,200). These total £61,314.

Arising from the closure of St George's Church in Sutton, a sum of £247,788 was received from the transfer of all their funds to the circuit.

3 Income from investments

£1,723 was received as interest from CFB funds and £3,129 as interest from the Circuit Model Trust Fund.

4 Shares from Churches

The circuit is comprised of 10 (9 from 1st January 2019) churches. Each church is invited to offer a share towards the stated budget of the circuit to meet the overall costs. In making its share requirement, budgeted income from investment income, (including property letting) is taken into account. The circuit aims to cover its net core costs from the total of the shares offered.

Shares from churches are made quarterly in advance and are treated as a prepayment on a receivable basis. If any church has not paid its share by the due date the sum in question is treated as a debtor.

Share monies paid from church to district via circuit are not recognised as income/expenditure in the accounts of the circuit. The circuit is acting as agent and monies passing through are netted off. The reported figure is the total share income less the assessment paid to and through the district.

Church	2019	2018
Sutton Trinity	65,000	71,530
Wallington	34,943	39,943
Bandon Hill	12,000	13,276
Carshalton	39,500	43,368
Banstead	21,597	21,597
St George's	1,947	7,788
Epsom	145,102	145,102
Cheam	9,500	9,000
St John's	1,160	1,160
St Mark's	1,728	1,901
Total	332,477	354,665

	2019	2018
Assessment	332,477	354,665
Deduct for:		
Connexion	49,971	52,866
District	10,558	11,175
Net income	271,948	290,624

District Assessment & Levy

The District Assessment is calculated relative to the proportion of church members and staffing (Presbyters and lay staff graded by hours worked per week) of all Circuits in the London District. 75% of the overall cost is calculated using relative membership proportions and 25% using relative staff proportions.

The Levy is calculated on a sliding scale as a percentage of the Circuit's CMTF account balance as at 31 August the previous accounting year.

	General	CMTF	2019	2018
District Expenses	10,558		10,558	11,175
Methodist Church Fund (MCF)	49,971		49,971	52,866
District assessment	**60,529**		**60,529**	**64,041**
Levy on CMTF Funds		930	930	950
Totals	**60,529**	**930**	**61,459**	**64,991**

5 Income from other trading activities

The trustees have determined that the property at 37 Tattenham Way is to be made available as a manse for the minister of the Chinese Congregation. Since the Chinese Congregation's finances are separated because of identifying and separating grant income, the contribution from the Chinese Congregation is considered as a rent totalling £21,000 for the year.

6 Grants and Donations

Grants and donations as listed below were agreed and/or made during the year. The table below details the grants agreed and paid for this year.

Circuit Model Trust Fund	2019	2018
Annual levy on the fund	930	950
Total	930	950

An amount of £15,000 was paid to Wallington Methodist Church during the year. This was to assist them in making the church safe for public use for the ensuing 2 years.

7 Salaries and associated costs

Stipends were paid to 5 presbyters and were as follows:

Circuit presbyters	Full Time	2018
Stipends	155,383	152,866
National Insurance Contributions	15,524	15,268
Pension Fund Contributions	33,727	33,426
URC Levy	10,368	9,888
Computers for ministry	750	750
Travelling	6,212	4,766
Telephone	5,325	4,894
Removal, Stationing & Relocation Costs	0	0
Apprenticeship Levy	799	556
Sundry Expenses	2,560	1,747
Supernumeraries preaching	547	390
Total	231,195	224,551
Circuit administrator	**Part Time**	
Salary	13,449	5,160
National Insurance Contributions	682	100
Pension Fund Contributions	0	177
Total	14,131	5,437
Total for all staff	245,326	229,988

Pensions

Most ordained presbyters and deacons are members of the Methodist Ministers' Pension Scheme (MMPS). This is a defined benefit scheme. The Supreme Court held in 2014 that Methodist ministers (which term includes presbyters and deacons) are not employees of the Church. For simplicity, however, when dealing with National Insurance Contributions and pension contributions, the terms 'employer' and employee' are used as they would be in an employing body.

On the other hand lay employees are contractually employees and have the option of joining a pension scheme which the circuit has arranged with The Pensions Trust and Scottish Widows. These are defined contribution scheme and the Circuit contributes as employer to this scheme.

The Connexion accounts for both pension schemes and shows the figures in the annual Methodist Church in Great Britain accounts. The MMPS is in deficit but a plan for removal of the deficit has been proposed and is being implemented.

7a Cost of Superintendent, Presbyters and Trustees

The Superintendent of the Circuit, the other Presbyters and the remaining members of the Circuit Leadership Team (CLT) are considered as Key Management Personnel. The Superintendent chairs meetings of the CLT and Circuit Meetings. The members of the Circuit Meeting are trustees of the Circuit. The stipends, employer's NIC and employer's pension contributions and other expenses of the Presbyters of the Circuit are paid by the Connexion but funded by the circuit.

The manses are provided by the Circuit and the Circuit maintains the property. The value of the council tax and water charges paid by the circuit is not disclosed here as HMRC does not regard this as a benefit-in-kind in the hands of the minister.

Each Presbyter is entitled to a 3 month sabbatical every 7 years and the expenses incurred by the Presbyter are met by the Connexion with the Circuit continuing to pay the stipend. During the year there have been 2 sabbaticals. The Circuit does not accrue for holiday pay cover as the remaining staff cover the holidays as needed without extra pay. Had additional cover been required the cost of this is met by the Circuit.

8 Property

The Circuit is managing trustee for 6 manses of which 5 are occupied by ministers stationed in the circuit. One manse (116 Manor Green Road) is now occupied by a Lay Pastor at the Epsom church who is considered to be one of the Circuit staff. With the exception of the manse for the Lay Pastor (from September 2017), the Circuit is responsible for the payment of Council Tax, Water charges and Insurance. The Epsom church pays these expenses as part of their support of the Lay Pastor through their Circuit Share.

The cost of ongoing maintenance and improvements to all properties is funded through a manse repairs budget and £37,500 is set aside each year from the General Fund. The level of the budget is reviewed by the trustees each year.

Expenditure on Manses

Manse	Maintenance Contracts	Repairs Maintenance	2019	2018
35 Arundel Road	1,080	3,208	4,288	7,088
29 West Hill Avenue	1,080	833	1,913	2,832
16 Hall Road	1,080	1,230	2,310	1,895
7 Waverley Way	1,080	7,183	8,263	2,057
116 Manor Green Road	1,080	1,739	2,819	2,279
37 Tattenham Way	1,080	277	1,357	1,576
Total	6,480	14,470	20,950	17,727

Council tax, insurance and utilities

Manse	Council Tax	Insurance	Water Supply	2019	2018
35 Arundel Road	2,735	1,281	479	4,495	4,412
29 West Hill Avenue	3,117	1,412	729	5,258	5,063
16 Hall Road	2,735	1,151	483	4,369	3,878
7 Waverley Way	2,370	1,552	562	4,484	4,448
116 Manor Green Road	2,702	889	575	4,166	4,014
37 Tattenham Way	2,743	941	278	3,962	3,791
Unallocated		175		175	172
Total	16,402	7,401	3,106	26,909	25,778
From Maintenance				20,950	17,727
Total				**47,859**	**43,505**

Letting Expenses

37 Tattenham Way was notionally let by the Circuit to the Chinese Congregation at Epsom for £1,750pcm. This realised a total of £21,000 for the Connexional year.

Manse Maintenance Fund

Opening balance	26,586
Transfer from General Fund (budget)	37,500
Expenditure on manses	20,950
Balance of manse maintenance fund	43,136

Circuit Model Trust Fund (CMTF)

Opening balance	48,824
Donations	247,788
Interest income	4,108
District levy	2,890
TMCP administration	930
Closing balance	296,900

Unrestricted Funds

Manse Maintenance Fund	43,136
Circuit Model Trust Fund	296,900
Circuit Model Trust Fund	340,036

9 Office expenses

	General	CMTF	2019	2018
Removal expenses	0		0	0
Local Preacher expenses	229		229	23
Invitation expenses	0		0	0
Quinquennial inspections	1,300		1,300	500
Administration	353		353	178
Training	1,323		1,323	1,962
Independent Examiner	960		960	900
Conference Minutes, CPD & Membership tickets	710		710	785
Administrator's expenses (travel and stationery)	326		326	44
Laptop for Circuit Administrator	0		0	749
Circuit service expenses	527		527	0
Website	60		60	0
TMCP Admin/investment Management Fees		1,911	1,911	76
Total	5,788	1,911	7,699	5,217

10 Transfers

The following transfers were made in the SOFA.

Rent for manse for Chinese minister	21,000
Budget for manse repairs	37,500
Balance of Manse expenses to Manse Fund	26,586
Interest paid from TMCP trust to CFB fund	979

When St George's Methodist church closed, they transferred all their funds to the Sutton Circuit for the circuit to manage. It was agreed that is would be treated in the same way as the Circuit Model Trust Fund and that churches would be able to seek grant funding for projects within their own church. The following tables indicate the amounts that have been transferred from the various sources. The trust funds will remain in their current TMCP accounts while other monies have been transferred to the circuit CFB fund 02647030..

Circuit CFB Fund 02647030		**St George's monies**
Balance at 1st September 2018	11,613	
Interest from the fund itself	185	
Interest from St George's trust 13141	910	910
Interest from St George's trust 16141	69	69
Transfer St George's CFB fund	26,589	26,589
Transfer St George's bank balance	3,568	3,568
Transfer St George's gift aid repayment	777	777
Transfer St George's CFB interest	13	13
Balance in circuit CFB Fund 02647030 at 31st August 2019	**43,724**	

St George's trust fund 13141		
Balance at 1st September 2018	202,325	
Interest from the fund itself	1,716	
Less		
Taxi to and from Carshalton each Sunday	971	
TMCP administration	405	
Transfer of interest prior to transfer to the circuit	1,311	
Balance in trust fund 13141 at 31st August 2019	**201,354**	201,354

St George's trust fund 16141		
Balance at 1st September 2018	15,305	
Interest from the fund itself	130	
Less		
TMCP administration	31	
Transfer of interest prior to transfer to the circuit	99	
Balance in trust fund 16141 at 31st August 2019	**15,305**	15,305

Circuit Model Trust Fund 8744		
Balance at 1st September 2018	37,211	
Interest from the fund itself	309	
Less		
TMCP administration	74	
District levy	930	
Balance in trust fund 16141 at 31st August 2019	**36,516**	

Total amount available for grants		
Circuit CFB Fund 02647030	43,724	
St George's trust fund 13141	201,354	
St George's trust fund 16141	15,305	
Circuit Model Trust Fund 8744	36,516	
Total of funds available for grants at 31st August 2019	**296,899**	**248,585**

Sutton	Methodist Circuit

BS1 Manses & Other Property

Buildings comprise 6 manses located in the London Borough of Sutton (3), the Borough of Epsom & Ewell (2) and the Borough of Reigate & Banstead (1). The manse at 37 Tattenham Way was made available to the Chinese Congregation at Epsom for their presbyter. Because of their grant reliance finance structure they are accounted separately from the Circuit General Fund. They make an annual contribution of £21,000 (£1,750pcm) towards the manse.

The manses are valued at historical cost. Also reported for information is the insurance value of each manse.

Property	Type	Historical Cost	Year of Purchase	Insurance Value 2019	Insurance Value 2018
35 Arundel Road	manse	£4,850	1949	£434,052	£417,760
29 West Hill Avenue	manse	£450	1923	£494,337	£475,782
16 Hall Road	manse	£2,500	1962	£253,197	£359,738
7 Waverley Way	manse	£137,500	1991	£385,824	£371,342
116 Manor Green Road	manse	£123,000	1994	£373,767	£243,693
37 Tattenham Way	manse	£2,150	1945	£277,311	£266,902
Total		£270,450		£2,218,488	£2,135,217

From time to time the Circuit may hold residential property (formerly manses) which is surplus to its normal staffing requirements. Where this is the case and it is anticipated that the property is unlikely to be used as a manse within a period of one year, the property is classified as Investment Property (whether let out or not) and any lets are at market rates unless there is a compelling reason not to do so in the furtherance of the Circuit's charitable objectives.

BS2 Investment Assets (and Trustees for Methodist Church Purposes)

The funds that support the Circuit Model Trust Fund and the Circuit's other funds (as listed below) are held by TMCP in Trustees Interest Funds on which interest is credited to the accounts each month. These are regarded as medium and long term investments. The Sutton Circuit holds three trusts at TMCP, numbers with balances 8744 (£36,516), 13141 (£201,353) and 16141 (£15,305). £11,613 is held in CFB fund 02647030 as funds made available for grants to enable payment of such grants and is a part of the CMTF funds held in the Central Finance Board recorded in BS4 below . The total available at 31st August 2019 is £253,174.

TMCP is the legal owner and custodian trustee of all Methodist model trust property, including legacies, endowments and accumulated funds. Trust property is held for and on behalf of local managing trustees who are responsible for the day to day management of trust property. TMCP ensure that, through providing guidance and acting under their direction, the managing trustees comply with charity law and Methodist law and policy as determined by the Methodist Conference.

BS3 Debtors and Prepayments

Trade Debtors	2019	2018
Water Insurance	1,231	1,231
Council Tax & Water Rates	1,322	1,062
Minutes of Conference etc	0	710
Other Debtors	0	0
Prepayments		
Stipends, Pension, NI	14,233	18,166
Total	16,786	21,169

BS4 Central Finance Board (CFB) and Bank balances

Monetary balances held at the Central Finance Board of the Methodist Church and at CAF Bank are all available on demand without loss of interest. The split of these balances across General, Designated and Restricted Funds is arbitrary but wherever possible balances are not shown as negative.

	General	CMTF	Restricted	2019	2018
Central Finance Board	266,052	86,863	333	353,248	287,766
CAF Bank	7,182			7,182	4614
Total	273,234	86,863	333	360,430	292,380

BS5 Creditors, Accruals and Income in Advance

	2019	2018
Income in Advance		
Contributions from churches	79,531	81,766
Creditors and Accruals		
Grant to Epsom	0	0
Ministers' expenses	884	1,312
Connexional grant for officer	0	0
Independent accounts exam	960	900
Other expenses	1,531	0
Total	82,906	83,978

BS6 Unrestricted Funds

BS6.1 General Fund

Opening	Income	Expenditure	Transfers	2019	2018
499,542	310,975	289,867	(43,086)	477,564	499,542

The purpose of the fund is for use at the discretion of the trustees in the furtherance of the general objectives of the Circuit.

The Circuit Meeting is aware that grant applications must demonstrate public benefit and this is true for the fund.

BS6.2 Circuit Model Trust Fund and Manse Fund

	Opening	Income	Expenditure	Transfer	2019	2018
Circuit Model Trust Fund	48,825	250,917	2,841	-	296,901	48,825
Manse Fund	-	-	20,950	64,086	43,136	-
	48,825	250,917	23,791	64,086	340,037	48,825

The purpose of the fund is for use at the discretion of the trustees in the furtherance of the general objectives of the Circuit. Its main source of income is legacies and contributions from the sales of manses and church buildings in the circuit.

Although this is technically an Unrestricted Fund under the control of the Circuit Meeting, prior approval is still required from the District to utilise these funds. Methodist Standing Orders 930, 931 and 917(2) are applicable.

BS7 Restricted Funds

Opening	Income	Expenditure	Transfers	2019	2018
479	61,314	40,460	(21,000)	333	479

The only Restricted Fund is that for the Chinese Ministry. This fund pays for the stipend, housing and expenses of the minister in pastoral charge of the Chinese Congregation at Epsom. It is supported by occasional grants from the Methodist Connexion, a gift in lieu of a stipend from the Malaysian Conference and an annual contribution from the Chinese Congregation. Each year the Chinese Congregation will make their contribution to maintain a small balance in the fund.

BS8 Related Parties

All of the trustees are members of one or another Church within the Circuit, other Methodist Districts in Great Britain, CFB and TMCP.

BS9 Agency Collections and Payments

The Circuit acted as agent in collection or facilitation of the monies tabulated below. None of these collections was for related parties as defined in Note BS8 above. The Circuit carries out the payroll, pays the 2 people and the Church then reimburses the Circuit for the exact amount. For the current year this totalled £37,304 (2018: £38,730).

Names of related parties	Party	Receipts 2019	Receipts 2018
Mission in Britain Fund	Connexion	1,310	1,300
Training Fund	Connexion	1,390	1,375
Property Fund	Connexion	4,209	4,214
Presbyters & Deacons Fund	Connexion	1,040	1,025
Ministers' Housing Fund	Connexion	2,310	2,295
World Mission fund	Connexion	0	0
Total		10,259	10,209

BS10 Independent Examiner

An accrual has been made for the fee of the independent examiner.

Sutton Methodist Circuit

Appendix A

CIRCUIT MEETING MEMBERSHIP

Ex-Officio:		
Circuit Ministers:		Rev Dr David Dickinson (Superintendent), Rev Dr Mark Wakelin, Rev Rosemary Richter Rev Anne Rusbridge, Rev Gill Long Rev Ung Soon Nguang, Rev Ernest Yu Rev Dr Philip Richter (active supernumerary)
Lay Pastor		Mr Chris Shaw, Mr John Dawson
Chair of District:		Rev Nigel Cowgill
Circuit Stewards:		Mr Ravi Saravanamuttu, Mr David Forty, Mrs Jan Angel, Dr David Gooch Mr Richard Smith (Treasurer)
Ministers of other denominations authorised by Methodist Conference and serving Methodist people:		Rev Des Williamson
Circuit Meeting Secretary:		Mr Paul Gotts (not a trustee)
Circuit Manse Secretary		Mr Philip Sandiford
Secretary to Leaders of Worship and Preachers Meeting		Mr Paul Gotts (not a trustee)
Circuit Risk Management Chairman		Mrs Sue Forty
Elected Representatives from Churches:		
Sutton	Deacons	Mrs Jacqueline John
	Treasurer	Mr Malcolm Booth
	Elected	Mr John Wroe, Mr Segun Akindele, Mr Richard Cornwell
St Johns	Steward	Mrs Eleanor Pinfold
	Treasurer	Mr Darren Murton
	Elected	Mrs Eileen Rice
Wallington	Steward	Miss Judith Yates
	Treasurer	Mrs Christine Asirwatham
	Elected	Mr Stanley Jeyeraj, Mrs Nellie Showers
Bandon Hill	Steward	Mr Alan Jameson
	Treasurer	Mrs Maureen Patel
	Elected	Vacant
Epsom	Steward	Mr Peter Thompson
	Treasurer	Mr Richard Smith
	Elected	Mrs Val Imms
Carshalton	Steward	Mrs Caroline Kingsnorth
	Treasurer	Mrs Caroline Cook
	Elected	Mr John Kingsnorth, Miss Jacky Waite
Cheam	Steward	Mr David Worthington
	Treasurer	Mrs Audrey Saunderson
	Elected	Vacant
Banstead	Steward	Mr Philip Sandiford
	Treasurer	Mrs Margaret Kercher
	Elected	Mr Vernon Tucker
St Marks	Steward	Mr John Miller
	Treasurer	Mr Martin Trenaman
	Elected	Mr Colin Batty

Sutton Methodist Circuit

Appendix B

The offices of the members of the Circuit Meeting (Managing Trustees) are shown in Appendix A.

The following are the trustees who served during the year and are appointed by the circuit as and when necessary.

Mr Segun Akindele
Rev Barnabas Alexander (resigned 19/07/2019)
Mrs Jan Angel
Mrs Christine Asirwatham
Mr Colin Batty
Mr Malcolm Booth
Mrs Caroline Cook
Mr Richard Cornwell
Rev Nigel Cowgill (appointed 05/09/2019)
Mr John Dawson
Rev Dr David Dickinson
Mr David Forty
Mrs Sue Forty
Dr David Gooch
Mrs Val Imms
Mr Alan Jameson
Mr Stanley Jeyeraj
Mrs Jacqueline John
Mrs Margaret Kercher
Mrs Caroline Kingsnorth
Mr John Kingsnorth
Rev Gill Long
Mr John Miller
Mr Darren Murton
Rev Ung Soon Nguang
Mrs Maureen Patel
Mrs Eileen Rice
Rev Dr Philip Richter
Rev Rosemary Richter
Rev Anne Rusbridge
Mr Philip Sandiford.
Mr Ravi Saravanamuttu
Mrs Audrey Saunderson
Mr Chris Shaw
Mrs Nellie Showers
Mr Richard Smith
Mr Martin Trenaman
Mr Vernon Tucker
Miss Jacky Waite
Rev Dr Mark Wakelin
Jane Williams (resigned 06/06/2019)
Rev Mark Williams (resigned 05/09/2019)
Rev Des Williamson
Mr David Worthington
Mr John Wroe
Miss Judith Yates
Rev Ernest Yu (appointed 15/09/2010)
Rev Dr Jongikaya Zihle (resigned 05/09/2019)

Sutton Methodist Circuit

DECLARATIONS

Treasurer

I confirm that I have prepared the accounts from the records of the Circuit and that they include all funds under the control of the Circuit Meeting

Signature of Treasurer		Date	6th Feb 2020
Name	Richard T Smith		
Address	13 Hazon Way, Epsom, Surrey, KT19 8HD		

Presentation to the Circuit Meeting for approval.

I confirm that the Accounts have been presented to the Circuit Meeting on **6th Feb 2020**

and were approved.

Signature of the Chair of the meeting	
Name of the Chair	**Rev Dr David Dickinson**
Date	**6th Feb 2020**

Independent Examiner's Report to the Trustees of Sutton Methodist Circuit

I report to the charity trustees on my examination of the accounts of the Sutton Methodist Circuit (the Circuit) for the year ended 31 August 2019.

Responsibilities and basis of report

As the charity's trustees you are responsible for the preparation of the accounts in accordance with the requirements of the Charities Act 2011 ('the Act').

I report in respect of my examination of the Circuit's accounts as carried out under section 145 of the Act and in carrying out my examination I have followed all the applicable Directions given by the Charity Commission under section 145(5)(b) of the Act.

Independent Examiner's Statement

I have completed my examination. I confirm that no matters have come to my attention in connection with the examination giving me cause to believe that in any material respect:

1. accounting records were not kept in respect of the Circuit as required by section 130 of the Act; or
2. the accounts do not accord with those records; or
3. the accounts do not comply with the applicable requirements concerning the form and content of accounts set out in the Charities (Accounts and Report) Regulations 2008 other than any requirement that the accounts give a 'true and fair view' which is not a matter considered as part of an independent examination; or
4. the accounts have not been prepared in accordance with the methods and principles 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 the Republic of Ireland (FRS 102)

I have no concerns and have come across no other matters in connection with the examination to which attention should be drawn in this report in order to enable a proper understanding of the accounts to be reached.

Name

Paul Newton FCA
Jacob Cavenagh & Skeet
5 Robin Hood Lane
Sutton
Surrey
SM1 2SW

Signature

Date