



**THE METHODIST CHURCH**  
**REPORT AND ACCOUNTS**  
**(ACCRUALS BASIS)**  
**for the year ended 31 August 2017**

**Sutton Circuit**

Registered Charity - Registration number

**1135076**

**District No / Circuit No    35/39**

**Ministers**

Rev Dr David Dickinson
Rev Barnabas Alexander
Rev Gill Long
Rev Ung Soon Nguang
Rev Rosemary Richter
Rev Dr Mark Wakelin
Rev Mark R Williams
Rev Desmond C Williamson

**Circuit Stewards**

Mr Ravi Saravanamuttu
Mrs Janet Angel
Mr David Forty
Mr Chee Hong Fui
Dr David Gooch

**Circuit Treasurer**

Mr Richard Smith
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**Sutton Circuit  
TRUSTEES' ANNUAL REPORT**

**FOR THE YEAR ENDED 31 AUGUST 2017**

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**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 6 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 monitor the effect of a presbyter to the Chinese Congregation and how the ministry to the congregation and the ministry of the congregation develop**  
Rev Ung Soon was appointed to the circuit and started his ministry in September 2016.
- **We will seek to appoint a Presbyter for Cheam and Epsom, who will be able to further the aims and objectives of these churches**  
The circuit went through the stationing process but a presbyter was not appointed. Epsom then chose to appoint a minister or lay person to replace the joint ministry with Cheam. As a result Mr Chris Shaw was appointed and started work on 1st September 2017. For Cheam, Mr John Dawson was appointed as lay pastor. He will preach each month and carry out pastoral duties, including baptisms and funerals. Rev Gill Long was appointed to provide ministerial oversight and will perform those functions not available to lay people, particularly administering the sacrament of Holy Communion.
- **We will continue the review of the role of the Circuit Leadership Team in the life of the Circuit and seek a more collaborative and shared approach to our responsibilities**  
The presbyters and circuit stewards have continued to meet during the year to study and develop the work of the circuit. Individual responsibilities have been shared among the leaders.
- **We will examine the apportionment of the assessment among the churches with a view to moving towards a more equitable and fairer method**  
A share system was introduced to the church for contributions starting in September 2017. All churches made offers and these provided adequate funding to meet the circuit budget.
- **We will examine the method of raising the Circuit assessment from the churches to ensure that it is based on the most equitable and fairest method for all parties.**  
This is reflected in the result of introducing a share system described above.

# **Sutton Circuit**

## **TRUSTEES' ANNUAL REPORT**

### **Financial Performance Review**

#### **Budget**

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

#### **Income**

- The assessments have been received from all the churches.
- The interest received was below budget because of the fall in 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. 17.5% 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. The total spent on the manses was £49,207. Letting income of £24,000 was used to offset this cost, reducing it to £25,207, within the budget of £30,000.
- Over the past 9 years, the 6 manses have undergone a planned refurbishment. During this time the circuit manse budget has been insufficient to support this work. In 2010/11 it was agreed that £98,000 be transferred from the Circuit Model Trust Fund to the manse budget. At the same time the manse budget was increased by £43,000 for the one year. Further, in 2012/13 it was agreed that the net letting income also be transferred to the manse budget. This has meant that all 6 manses are now in a satisfactory condition. As a result of this work, there is currently a deficit of £18,220 on the running manse expenditure over the 9 years. This is expected to be cleared during next year, 2017/18.
- All other items of expenditure were within budget.

#### **Conclusions**

All items in the accounts were close to budget. There was a surplus on budgeted items in the General Fund of £19,239. This increased the balance in the general fund to £153,575 which is £4,940 above the required reserves level. It is expected that this balance will increase during 2017/18 due to extra funding from Epsom with the employment of a lay pastor.

#### **Fund balances**

As at 31 August 2017 the net current assets of the Circuit were £153,575, giving approximately 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 available balance in the CMTF is currently £49,539. A final payment of £10,000 has been approved for the families' and children's worker at Epsom. The remaining amount to be allocated £43,539 will be the subject of applications at the December 2017 and July 2018 meetings of the CMTF Management Group.

#### **Valuation of Properties**

The manses were included in the balance sheet at historical cost for the first time in 2015/16. Hence their value 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.

#### **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.

**Sutton Circuit**  
**TRUSTEES' ANNUAL REPORT**

**Plans for 2017/18**

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 2017/18 should be similar to those for 2016/17.

The following issues will be focused upon during the 2017-2018 year.

- We will monitor the change in oversight of the Epsom and Cheam churches and how it affects the ministry to the congregations.
- We will continue the development of a strategy for long term ministry and mission in the Circuit at the Circuit Leaders' conference in October 2017.
- We will continue to monitor the effect of moving to a share system for funding the work in the circuit.
- We will support and encourage the proposed redevelopment at the Wallington Church.

**Sutton Circuit**  
**Trustee's Annual Report on Finance and Governance**

**Basis of preparation and legal framework**

The Charity's annual report and accounts for the year ended 31 August 2016 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	Mr Ravi Saravanamuttu 34 Grosvenor Road, Wallington, Surrey, SM6 0EF

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 Barnabas Alexander Rev Gill Long Rev Ung Soon Nguang Rev Rosemary Richter Rev Dr Mark Wakelin Rev Mark Williams Rev Desmond Williamson
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Circuit Lay Workers	Mr Chris Shaw, Mr John Dawson
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Circuit Stewards	Mr Ravi Saravanamuttu Mrs Jan Angel Mr David Forty Mr Chee Hong Fui Dr David Gooch
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Administrator	Vacant
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Mr Richard T Smith acted as the principal officer overseeing the day to day financial management and accounting for the circuit during the year.

Independent examiner	Mr Harry Wilkinson 4 Avenue Road, Epsom, Surrey, KT18 7QT
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Investment Bankers	Central Finance Board of the Methodist Church Trustees for Methodist Church Purposes
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## **Sutton Circuit**

### **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

St George's

Epsom

Cheam

St John's (Anglican/Methodist LEP)

St Mark's (Anglican/Methodist LEP)

## Sutton Circuit

### Risk Management

The major risks have been identified and recorded by the Circuit Risk Management Committee with professional advice taken as required.

There is a regular annual review process undertaken and recorded.

Income and Expenditure is being monitored in total and is compared with the approved annual budget on a half yearly basis to detect trends as part of the risk management process to avoid unforeseen calls on reserves.

### 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.

## Statement of Financial Activities (SOFA) for the year ended 31 August 2017

	Notes to the accounts	Unrestricted funds (General Fund)	CMTF (Unrestricted)	Restricted Funds (Chinese Ministry)	Total 2016-17	Total 2015-16
		£	£	£	£	£
<b>Income and endowments</b>						
1 Donations and legacies	2			33,109	33,109	0
2 Income from investments	3	705	367		1,072	1,657
3 Income from charitable activities						
4 Assessments/Share on Churches	4	268,247			268,247	265,709
5 Income from other trading activities	5	24,000			24,000	14,000
6 Other income						
7 Lay pastors		36,344			36,344	37,093
8 <b>Total income and endowments</b>		<b>329,296</b>	<b>367</b>	<b>33,109</b>	<b>362,772</b>	<b>318,459</b>
<b>Expenditure</b>						
Expenditure on charitable activities						
9 Grants and donations	6		970		970	989
10 Salaries and associated costs	7	195,150		36,451	231,601	199,592
11 Property	8	71,803		23,742	95,545	96,821
13 Office expenses	9	6,760	78		6,838	5,380
15 Lay pastors		36,344			36,344	37,093
16 <b>Total expenditure</b>		<b>310,057</b>	<b>1,048</b>	<b>60,193</b>	<b>371,298</b>	<b>339,875</b>
<b>Net Income before investment gains/losses</b>						
		<b>19,239</b>	<b>(681)</b>	<b>(27,084)</b>	<b>(8,526)</b>	<b>(21,416)</b>
17 Net gains/(losses) on monetary investments		0	0	0	0	0
18 Net gains/(losses) on investment properties		0	0	0	0	0
<b>Net income/(expenditure) and net movement in funds before gains and losses on investments</b>						
19		<b>19,239</b>	<b>(681)</b>	<b>(27,084)</b>	<b>(8,526)</b>	<b>(21,416)</b>
		0	0	0	0	0
<b>Net income/(expenditure)</b>						
		<b>19,239</b>	<b>(681)</b>	<b>(27,084)</b>	<b>(8,526)</b>	<b>(21,416)</b>
20 Transfers between funds		0	0	0	0	0
21 <b>Other recognised gains/(losses)</b>						
		0	0	0	0	0
Gains/(losses) on revaluation of fixed assets		0	0	0	0	0
22 Actuarial gains/(losses) on defined benefit pension schemes		0	0	0	0	0
		0	0	0	0	0
Other gains/(losses)		0	0	0	0	0
<b>Net movement in funds</b>						
		<b>19,239</b>	<b>(681)</b>	<b>(27,084)</b>	<b>(8,526)</b>	<b>(21,416)</b>
23 Total funds brought forward		404,788	50,220	33,054	488,062	509,479
24 <b>Total funds carried forward</b>		<b>424,027</b>	<b>49,539</b>	<b>5,970</b>	<b>479,536</b>	<b>488,063</b>

## Balance brought forward from last year

Offerings/Gifts - received for External Organisations

Offerings/Gifts - passed to External Organisations

## Balance carried forward

0

19,125

19,125

0

0

12,900

12,900

0



## Balance Sheet as at 31 August 2017

Unrestricted (General Fund)	Circuit Model Trust Fund (Unrestricted)	Restricted (Chinese Ministry)	Totals this year	Totals last year
£	£	£	£	£

## Tangible Fixed Assets\*

## Notes

Circuit Manses & Equipment	BS1	270,450			270,450	270,450
Investment properties	BS1					
Investments	BS2					
<b>Total fixed assets</b>		270,450			270,450	270,450

## Current Assets

Debtors	BS3	20,087			20,087	21,083
Loans by the Circuit	BS4					
Trustees for Methodist Church Purposes	BS5		59,539		59,539	70,220
Central Finance Board Deposits	BS5	220,113		5,971	226,084	221,646
Cash at Bank and in hand	BS5	6,147			6,147	6,773
<b>Total current assets</b>		246,347	59,539	5,971	311,857	319,722

## Current liabilities

Creditors (due in under 1 year)	BS6	92,772	10,000		102,772	92,109
<b>Net current assets (liabilities)</b>		153,575	49,539	5,971	209,085	227,613
<b>Total assets less current liabilities</b>		424,025	49,539	5,971	479,535	498,063

<b>Creditors and Accruals including any loans (due after more than 1 year)</b>						10,000
<b>Net assets</b>		424,025	49,539	5,971	479,535	488,063

## Funds of the Circuit

General Fund (Unrestricted)	BS7.1	424,025			424,025	404,789
Circuit Model Trust Fund (Unrestricted)	BS7.2		49,539		49,539	50,220
Restricted funds	BS8			5,971	5,971	33,054
<b>Total Funds</b>		424,025	49,539	5,971	479,535	488,063

\*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.						
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		Opening balance	Receipts	Payments	Net Receipts/ Payments	Closing balance
Internal Organisations						
Chinese Ministry Fund	BS8	33,054	33,109	60,193	5,970	5,970
<b>Total</b>		33,054	33,109	60,193	5,970	5,970

## 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.

In preparing the accounts consideration has been given as to whether in applying the policies required by the Charities SORP (FRS 102) any comparative figures have needed restatement. No restatements were required other than the relatively minor reclassifications between certain categories of expenditure. A restatement of opening balances is not required.

#### ii Public benefit entity

The Sutton Methodist Circuit meets the definition of a public benefit entity under FRS 102. 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.

#### iv FRS102 SORP2015 (applies to 2016-17 onwards)

This is the first year that the FRS 102 SORP 2015 has applied to the Circuit's accounts. These accounts are compliant with FRS102 and with the FRS102 SORP 2015. The previous year's published accounts have been restated to be on the same basis. 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 2017, the trustees believe that the Circuit is a going concern.

#### 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 Trustees' 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.

## Notes to the Accounts

**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.

**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, the Malaysian Conference and donations from the Chinese Congregation. The Chinese Congregation donated £27,100 and the grant from the Malaysian Conference was £5,844.

## 3 Income from investments

£705 was received as interest from CFB funds and £367 as interest from the Circuit Model Trust Fund.

## 4 Assessment/Shares on Churches

The circuit is comprised of 10 churches and each is assessed for a contribution to meet the net overall costs of the circuit. In making its assessment, budgeted income from investment income, (including property letting) is taken into account. The circuit aims to covers its net core costs from the assessment. The circuit is currently at the end of a three year phasing plan which aims to assess each church's contribution more fairly.

An assessment on churches is annually determined by the circuit using a formulaic method which takes into account the relative number of members in each church and its pastoral oversight. Assessments on churches are made quarterly in advance and are treated as a prepayment on a receivable basis. If any church has not paid its assessment by the due date the sum in question is treated as a debtor.

Assessment monies paid from church to district via circuit are not be 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 assessment/share income less the assessment paid to and through the district.

Church	2017	2016
Sutton Trinity	71,530	69,003
Wallington	39,943	40,251
Bandon Hill	15,418	17,083
Carshalton	43,368	43,489
Banstead	23,262	24,008
St George's	7,788	7,680
Epsom	109,329	105,975
Cheam	19,559	19,568
St John's	1,160	1,131
St Mark's	1,901	1,735
<b>Total</b>	<b>333,258</b>	<b>329,923</b>

	2017	2016
Assessment	333,258	329,923
Deduct for:		
Connexion	54,271	53,606
District	10,740	10,608
<b>Net income</b>	<b>268,247</b>	<b>265,709</b>

## District Assessment &amp; 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	Total	2016
District Expenses	10,740		10,740	10,608
Methodist Church Fund (MCF)	54,271		54,271	53,606
<b>District assessment</b>	<b>65,011</b>		<b>65,011</b>	<b>64,214</b>
Levy on CMTF Funds		970	970	989
<b>Totals</b>	<b>65,011</b>	<b>970</b>	<b>65,981</b>	<b>65,203</b>

## 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.

## 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.

	2017	2016
Circuit Model Trust Fund		
Annual levy on the fund	970	989
<b>Total</b>	<b>970</b>	<b>989</b>

An amount of £10,000, previously agreed, was paid to Epsom Methodist Church during the year and a further £10,000 is due to be paid in 2017/18.

## 7 Salaries and associated costs

Stipends were paid to 5 presbyters and were as follows:

<b>Circuit presbyters</b>	<b>Full Time</b>	<b>2016</b>
Stipends	146,843	122,516
National Insurance Contributions	13,534	11,185
Pension Fund Contributions	37,419	30,747
URC Levy	9,460	9,048
Computers for ministry	750	750
Travelling	5,245	9,492
Telephone	4,594	3,134
Removal, Stationing & Relocation Costs	1,803	1,310
Apprenticeship Levy	242	0
Sundry Expenses	865	912
Supernumeraries preaching	346	729
Total	221,101	189,823
<b>Circuit administrator</b>	<b>Part Time</b>	
Salary	9,701	9,568
National Insurance Contributions	216	201
Pension Fund Contributions	582	0
Total	10,500	9,769
Total for all staff	231,601	199,592

## 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 or another body, in this case NEST. This is a 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 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 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 has been 1 sabbatical. 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.

### **Payments to trustees**

The Circuit has an Expenses Policy. It is generally not Circuit policy to reimburse non Presbyteral members of the CLT, Circuit Meeting and others involved in the administration of Circuit affairs for expenditure properly incurred in carrying out their duties. The Presbyters of the Circuit undertake the primary executive roles within the Circuit. Apart from the Presbyters and Circuit Administrator no member of the Circuit Meeting or CLT was in receipt of any payment for work undertaken on behalf of the Circuit, although certain travelling and administrative costs were reimbursed in relation to specific projects.

One trustee (Circuit Administrator) is an employee of the Circuit and is in receipt of a salary and other employment related expenses. (Travel expenses have been reimbursed to 1 non-Presbyteral trustee who, in aggregate, has received the cost of travel incurred in managing the maintenance of the manses and this amounted to £72). The treasurer is also reimbursed for postage, rail travel and other costs. The travel costs of Presbyters who attend CLT and Circuit Meetings is included within their overall travel expenses.

## 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. Up to August 2017, this manse was occupied by a Presbyterian. 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 the Circuit Share.

The cost of ongoing maintenance and improvements to all properties is funded through a manse repairs budget and £30,000 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 Improvements	Total	2016
35 Arundel Road	900	12,233	13,133	907
29 West Hill Avenue	900	351	1,251	29,565
16 Hall Road	900	1,036	1,936	9,663
7 Waverley Way	900	1,428	2,328	15,811
116 Manor Green Road	0	29,863	29,863	4,993
37 Tattenham Way	900	787	1,687	13,490
37 Tattenham Way rent		21,000	21,000	-
Total	4,500	66,698	71,198	74,429

### Council tax, insurance and utilities

Manse	Council Tax	Insurance	Water Supply	Total	2016
35 Arundel Road	2,513	1,197	450	4,160	4,104
29 West Hill Avenue	2,835	1,316	695	4,846	4,652
16 Hall Road	2,377	1,079	302	3,758	3,637
7 Waverley Way	2,300	1,330	99	3,729	2,128
116 Manor Green Road	2,457	842	548	3,847	3,701
37 Tattenham Way	2,496	890	451	3,837	3,722
91 Hazon Way	-	-	-	-	448
Unallocated		171		171	
Total	14,978	6,825	2,545	24,348	22,392
From Maintenance				71,198	74,429
Total				95,546	96,821

### 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. If the Chinese Congregation had rented a house on the open market, the monthly rent would have been in the order of £2,000 to £2,300pcm depending on condition and location.

## 9 Office expenses

	General	CMTF	Total	2016
Removal expenses	3808		3808	2026
Local Preacher expenses	59		59	269
Invitation expenses	483		483	573
Administration	321		321	368
Training	225		225	854
Independent Examiner	250		250	250
Conference Minutes, CPD & Membership tickets	771		771	764
Administrator's expenses (travel and stationery)	279		279	197
Laptop for Circuit Administrator	563		563	0
TMCP Admin/investment Management Fees		78	78	79
Total	6759	78	6837	5380

**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	Insurance Value 2016
35 Arundel Road	manse	£4,850	1949	£402,081	£388,866
29 West Hill Avenue	manse	£450	1923	£457,925	£442,875
16 Hall Road	manse	£2,500	1962	£346,236	£334,857
7 Waverley Way	manse	£137,500	1991	£357,405	£345,659
116 Manor Green Road	manse	£123,000	1994	£234,547	£226,838
37 Tattenham Way	manse	£2,150	1945	£256,885	£248,442
Total		£270,450		£2,055,079	£1,987,537

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 one trust at TMCP, number 8744. It is a Trustee Interest Fund and its value at 31st August 2017 is £38,013.

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	Total	2016
Water Insurance	1,354	1,181
Council Tax & Water Rates	1,422	1,072
Minutes of Conference etc	785	763
Other Debtors	83	1,583
<b>Prepayments</b>		
Stipends, Pension, NI	16,443	16,484
Total	20,087	21,083



**BS5 Central Finance Board (CFB) and Bank balances**

Monetary balance 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	Total	2016
Central Finance Board	220,113		5,971	226,084	221,647
CAF Bank	6,147			6,147	6773
Total	226,260	0	5,971	232,231	228,420

**BS6 Creditors, Accruals and Income in Advance**

	2017	2016
<b>Income in Advance</b>		
Contributions from churches	87,893	77,176
<b>Creditors and Accruals</b>		
Grant to Epsom	10,000	10,000
Ministers' expenses	1,512	38
Connexional grant for officer	3,000	3,000
Independent accounts exam	250	250
Other expenses	117	1,645
Total	102,772	92,109

**BS7 Unrestricted Funds****BS7.1 General Fund**

31-Aug-17	2016
424,025	404,789

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.

**BS7.2 Circuit Model Trust Fund**

31-Aug-17	2016
49,539	50,220

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.

**BS8 Restricted Funds**

31-Aug-17	2016
5,970	33,054

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 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.

**BS9 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.

Names of related parties	Party	Receipts 2017	Receipts 2016
Mission in Britain Fund	Connexion	1,260	1,450
Training Fund	Connexion	5,484	1,610
Property Fund	Connexion	4,129	3,994
Presbyters & Deacons Fund	Connexion	1,395	1,315
Ministers' Housing Fund	Connexion	2,205	1,940
World Mission fund	Connexion	4,652	2,591
Total		19,125	12,900

**BS10 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 BS9 above. They appear in the Statement of Financial Activities where the Circuit acts as payroll manager for 2 lay people at St Marks Church. 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 £36,344.

**BS11 Independent Examiner**

An accrual has been made for the fee of the independent examiner. The independent examiner provided occasional additional services during the year by giving advice when requested.

CIRCUIT MEETING MEMBERSHIP

Ex-Officio:

Circuit Ministers:

Rev Dr David Dickinson (Superintendent),  
 Rev Dr Mark Wakelin, Rev Barnabas Alexander  
 Rev Rosemary Richter, Rev Anne Rusbidge  
 Rev Gill Long, Rev Ung Soon Nguang  
 Rev Dr Philip Richter (in connexional appointment)

Lay Pastor

Mr Chris Shaw, Mr John Dawson

Chair of District:

Rev Dr Jongikaya Zihle

Circuit Stewards:

Mr Ravi Saravanamuttu, Mr Chee Hong Fui, 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 Mark Williams, Rev Des Williamson

Circuit Meeting Secretary:

Vacant

Secretary to Leaders of Worship and Preachers Mrs Lucy Brown

Circuit Risk Management Chairman

Mrs Sue Forty

Elected Representatives from Churches:

Sutton	Deacons Treasurer Elected	Mrs Jacqueline John Mr Malcolm Booth Mr John Wroe, Mr Segun Akindele, Mr Richard Cornwell
St Johns	Steward Treasurer Elected	Vacant Mr Darren Murton Mrs Eileen Rice
Wallington	Steward Treasurer Elected	Miss Judith Yates Mrs Christine Asirwatham Mr Stanley Jeyeraj, Mrs Nellie Showers
Bandon Hill	Steward Treasurer Elected	Mrs Maureen Patel Mrs Maureen Patel Mrs Sally Palmer, Mrs Ama Boachie-Mensah
Epsom	Steward Treasurer Elected	Vacant Mr Richard Smith
Carshalton	Steward Treasurer Elected	Mrs Caroline Kingsnorth Mrs Caroline Cook Mr John Kingsnorth, Mr Geoff Gunton
Cheam	Steward Treasurer Elected	Mr David Worthington Mrs Audrey Saunderson
St Georges	Steward Elected	Miss Kathleen Garner Mr Howard Hampton
Banstead	Steward Treasurer Elected	Mr Philip Sandiford Mrs Margaret Kercher Mr Gordon Fleming, Mr Vernon Tucker
St Marks	Steward Treasurer Elected	Mr John Miller Mr Martin Trenaman Mr Colin Batty
Representative to Synod		Miss Jacky Waite

## Sutton 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 (appointed 17/05/2017)	Rev Gill Long
Rev Barnabas Alexander	Mr Paul Masters (resigned 13/09/2017)
Mrs Jan Angel	Mr John Miller
Mrs Christine Asirwatham	Mr Darren Murton
Mr Colin Batty	Rev Ung Soon Nguang
Mrs Ama Boachie-Mensah	Mrs Sally Palmer
Mr Malcolm Booth	Mrs Maureen Patel
Mr Tony Brett Young (resigned 13/09/2017)	Mrs Eileen Rice
Mrs Lucy Brown (appointed 02/03/2017)	Rev Dr Philip Richter
Mr Tim Cheung (resigned 17/05/2017)	Rev Rosemary Richter
Mrs Caroline Cook	Rev Anne Rusbridge
Mr Richard Cornwell (appointed 17/05/2017)	Mr Philip Sandiford.
Mr John Dawson (appointed 13/09/2017)	Mr Ravi Saravanamuttu
Rev Dr David Dickinson	Mrs Audrey Saunderson
Mr Gordon Fleming	Mr Chris Shaw (appointed 13/09/2017)
Mr David Forty	Mrs Nellie Showers
Mrs Sue Forty	Mr Richard Smith
Mr Chee Hong Fui	Mr Martin Trenaman
Miss Kathleen Garner	Mr Vernon Tucker
Dr David Gooch	Miss Jacky Waite
Mr Geoff Gunton	Rev Dr Mark Wakelin
Mr Howard Hampton	Rev Mark Williams
Mr Stanley Jeyeraj	Rev Des Williamson
Mrs Jacqueline John	Rev Nicola Wooller (resigned 31/08/2017)
Miss Raj Kalsi (deceased 18/11/2017)	Mr David Worthington
Mrs Margaret Kercher	Mr John Wroe
Mrs Caroline Kingsnorth	Miss Judith Yates
Mr John Kingsnorth	Rev Dr Jongikaya Zihle (appointed 01/09/2017)

**Sutton 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

24-May-18

Name

Address

**Presentation to the Circuit Meeting for approval.**

I confirm that the Accounts have been presented to the Circuit Meeting on  
and were approved.

24-May-18

Signature of the Chair of  
the meeting

Name of the Chair of the  
meeting

Date

24th May 2018

**Independent Examiner's Report to the Trustees of the**

Circuit

This Report is on the Circuit Accounts for the year ended 31<sup>st</sup> August

2017

**Respective responsibilities of Trustees and Examiner**

The charity's trustees are responsible for the preparation of the accounts. The Charity's Trustees consider that an audit is not required for this year under Section 144 of the Charities Act 2011 (the Charities Act) and that an independent examination is needed.

It is my responsibility to:

- examine the accounts under section 145 of the Charities Act;
- to follow the procedures laid down in the general Directions given by the Charity Commission under Section 145(5)(b) of the Charities act; and
- to state whether particular matters have come to my attention.

## Sutton Circuit

### Basis of Independent Examiner's Report

My examination was carried out in accordance with the general Directions given by the Charity Commission. An examination includes a review of the accounting records kept by the charity and a comparison of the accounts presented with those records. It also includes consideration of any unusual items or disclosures in the accounts, and seeking explanations from you as Trustees concerning any such matters. The procedures undertaken do not provide all the evidence that would be required in an audit and consequently no opinion is given as to whether the accounts present a "true and fair view" and the report is limited to those matters set out in the statement below.

### Independent Examiner's Statement

In connection with my examination, no matter has come to my attention:

(1) which gives me reasonable cause to believe that in any material respect the requirements:

- to keep accounting records in accordance with Section 130 of the Charities Act.
- to prepare accounts which accord with the accounting records and comply with the accounting requirements of the Charities Act

have not been met; or

(2) to which, in my opinion, attention should be drawn in order to enable a proper understanding of the accounts to be reached.

Name

Mr Harry Wilkinson

Signature

Relevant Professional qualification or body

FCA

Address

4 Avenue Road, Epsom, Surrey, KT18 7QT

Date