



**THE METHODIST CHURCH
REPORT AND ACCOUNTS
(ACCRUALS BASIS)
for the year ended 31 August 2018**

Sutton Methodist 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

**Sutton Methodist Circuit
TRUSTEES' ANNUAL REPORT**

FOR THE YEAR ENDED 31 AUGUST 2018

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 monitor the change in oversight of the Epsom and Cheam churches and how it affects the ministry to the congregations**

Mr Chris Shaw joined the circuit as an employee of the Epsom church. This has been an extremely successful appointment and Chris has taken on significant responsibility in the leading of worship and work among children and young people. He exercises a wide ministry and is popular with the church. Mr John Dawson was appointed as a lay pastor to the Cheam church. John is an accredited local preacher and exercises a pastoral and preaching ministry to the church. He has ministerial support from Rev Rosemary Richter and Rev Gill Long who conducts services of Holy Communion.
- **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**

The circuit has prepared a development plan covering the main aspects of worship, mission, kingdom and service. These areas were addressed in depth at a circuit leaders away-day in July. A development plan was drawn up and presented to all the churches in the circuit. To varying degrees depending on the plans each church has made, the churches are including this development plan in their church plans. Aspects of long term ministry have yet to be addressed in depth, but the mission of the church is at the forefront of the thinking of all the leaders.
- **We will continue to monitor the effect of moving to a share system for funding the work in the circuit**

Using the share system for the first time at the meeting of the church treasurers in January 2018 showed that more was offered than required. This produced a budget ahead of that required. As a result, the system will continue, but the decision time has been moved back to April/May so that there is more information for the churches to make a considered offer of their share.
- **We will support and encourage the proposed redevelopment at the Wallington Church**

The development of the Wallington church site has been put on ice for 2 years. This has arisen because the possible income from the development of the site was not found to be sufficient to build a new church. Essential repairs only will take place during 2018/19 which will be part funded by the circuit. During this time and into the following year (2019/20) a consultation will take place to seek the best way forward.
- **St George's Church**

On 5th August 2018 St George's Methodist Church Council resolved to cease to meet for worship at the 31st December 2018. The consequences of this are the subject of a 2018/19 objective in this report.

Sutton Methodist Circuit

TRUSTEES' ANNUAL REPORT (continued)

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 of £844 was below budget £1,000 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. A further £3,000 was received from the Connexion for the housing of Rev Dr Philip Richter.

Expenditure

- Stipend expenditure has increased each financial year in line with conference approved increases. 21.1% 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 £16,215. This was well under the budget of £36,000.
- Over the past 10 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 and due to the significant underspend on the manses in the current year and the net income from letting there is now a surplus of £26,586 on the running manse expenditure over the 10 years. This had been expected as mentioned in the report for the previous year.
- 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 £75,742. This increased the balance in the general fund to £229,092 which is £73,780 above the required reserves level. Measures are being taken to reduce this surplus through reduced shares from the churches.

Fund balances

As at 31 August 2018 the net current assets of the Circuit were 229,092, 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 available balance in the CMTF is currently £48,825. There are no outstanding demands on the fund. This remaining amount to be allocated £48,825 will be the subject of applications at the December 2018 and July 2019 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 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.

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 Methodist Circuit
TRUSTEES' ANNUAL REPORT (continued)

Plans for 2018/19

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 2018/19 should be similar to those for 2017/18.

The following issues will be focused upon during the 2018-2019 year.

- We will continue to monitor the ministry at the Epsom and Cheam churches with the new pastoral oversight.
- We will continue to progress the development plan implemented in 2018.
- We will address the surplus of funds in the general account to consider new forms of ministry across the circuit.
- We will conduct a review of the options for the future direction of Wallington Methodist Church and support the church in its decision making.
- 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.

Sutton Methodist Circuit
TRUSTEES' ANNUAL REPORT (continued)

Basis of preparation and legal framework

The Charity's annual report and accounts for the year ended 31 August 2018 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 Barnabas Alexander Rev Gill Long Rev Ung Soon Nguang Rev Rosemary Richter Rev Dr Mark Wakelin Rev Mark Williams Rev Desmond Williamson
--------------------------	--

Circuit Lay Workers	Mr Chris Shaw, Mr John Dawson
---------------------	-------------------------------

Circuit Stewards	Mr Ravi Saravanamuttu Mrs Jan Angel Mr David Forty Mr Chee Hong Fui Dr David Gooch
------------------	--

Administrator	Mr Paul Gotts
---------------	---------------

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	Jacob, Cavenagh & Skeet 5 Robin Hood Lane, Sutton, SM1 2SW
----------------------	---

Investment Bankers	Central Finance Board of the Methodist Church Trustees for Methodist Church Purposes
--------------------	---

Sutton Methodist Circuit
TRUSTEES' ANNUAL REPORT (continued)

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 (ceasing to worship 31st December 2018)

Epsom

Cheam

St John's (Anglican/Methodist LEP)

St Mark's (Anglican/Methodist LEP)

Sutton Methodist Circuit
TRUSTEES' ANNUAL REPORT (continued)

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 are being monitored in total and are 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.

The Trustees' Annual Report was approved by the Circuit Meeting on 5th February 2019 and signed on behalf of the trustees by:

Rev Dr David Dickinson

Circuit Meeting Chairman

Statement of Financial Activities (SOFA) for the year ended 31 August 2018

	Notes to the accounts	Unrestricted funds (General Fund)	CMTF (Unrestricted)	Restricted Funds (Chinese Ministry)	Total 2017-18	Total 2016-17
		£	£	£	£	£
Income and endowments						
Donations and legacies	2			54,190	54,190	33,109
Income from investments	3	844	312		1,156	1,072
Income from charitable activities						
Assessments/Share on Churches	4	290,624			290,624	268,247
Income from other trading activities	5 10	3,000			3,000	3,000
Other income						
Total income and endowments		294,468	312	54,190	348,970	305,428
Expenditure						
Expenditure on charitable activities						
Grants and donations	6		950		950	970
Salaries and associated costs	7	193,949		36,039	229,988	231,601
Property	8 10	40,862		2,643	43,505	74,546
Office expenses	9	5,141	76		5,217	6,838
Total expenditure		239,952	1,026	38,682	279,660	313,955
Net Income before investment gains/losses		54,516	(714)	15,508	69,310	(8,527)
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		54,516	(714)	15,508	69,310	(8,527)
Net gains/(losses) on investments		0	0	0	0	0
Net income/(expenditure)		54,516	(714)	15,508	69,310	(8,527)
Transfers between funds	10	21,000	0	(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		75,516	(714)	(5,492)	69,310	(8,527)
Total funds brought forward		424,026	49,539	5,971	479,536	488,063
Total funds carried forward		499,542	48,825	479	548,846	479,536

Balance brought forward from last year

Offerings/Gifts - received for External Organisations

Offerings/Gifts - passed to External Organisations

Balance carried forward

0
10,340
10,340
0

0
19,125
19,125
0

Balance Sheet as at 31 August 2018

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					
Total fixed assets		270,450			270,450	270,450

Current Assets

Debtors	BS3	21,169			21,169	20,087
Loans by the Circuit						
Trustees for Methodist Church Purposes	BS2		48,825		48,825	59,539
Central Finance Board Deposits	BS4	287,287		479	287,766	226,085
Cash at Bank and in hand	BS4	4,614			4,614	6,147
Total current assets		313,070	48,825	479	362,374	311,858

Current liabilities

Creditors (due in under 1 year)	BS5	83,978			83,978	102,772
Net current assets (liabilities)		229,092	48,825	479	278,396	209,086
Total assets less current liabilities		499,542	48,825	479	548,846	479,536

Creditors and Accruals including any loans
(due after more than 1 year)

Net assets		499,542	48,825	479	548,846	479,536
-------------------	--	---------	--------	-----	---------	---------

Funds of the Circuit

General Fund (Unrestricted)	BS6.1	499,542			499,542	424,026
Circuit Model Trust Fund (Unrestricted)	BS6.2		48,825		48,825	49,539
Restricted funds	BS7			479	479	5,971
Total Funds		499,542	48,825	479	548,846	479,536

*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.

		Opening balance	Receipts	Payments	2018	2017
Internal Organisations						
Chinese Ministry Fund	BS7	5,971	54,190	59,682	479	5,971
Total		5,971	54,190	59,682	479	5,971

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 2018, 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 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 £48,761 and the grant from the Malaysian Conference was £5,429, a total of £54,190.

3 Income from investments

£844 was received as interest from CFB funds and £312 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	2018	2017
Sutton Trinity	71,530	71,530
Wallington	39,943	39,943
Bandon Hill	13,276	15,418
Carshalton	43,368	43,368
Banstead	21,597	23,262
St George's	7,788	7,788
Epsom	145,102	109,329
Cheam	9,000	19,559
St John's	1,160	1,160
St Mark's	1,901	1,901
Total	354,665	333,258

	2018	2017
Assessment	354,665	333,258
Deduct for:		
Connexion	52,866	54,271
District	11,175	10,740
Net income	290,624	268,247

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	Total	2017
District Expenses	11,175		11,175	10,740
Methodist Church Fund (MCF)	52,866		52,866	54,271
District assessment	64,041		64,041	65,011
Levy on CMTF Funds		950	950	970
Totals	64,041	950	64,991	65,981

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. A further £3,000 was received from the Connexion towards the accommodation for Rev Dr Philip Richter. These two contributions totalled £24,000.

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	2018	2017
Annual levy on the fund	950	970
Total	950	970

An amount of £10,000, previously agreed, was paid to Epsom Methodist Church during the year. This is the final payment of the grant made over 3 years.

7 Salaries and associated costs

Stipends were paid to 5 presbyters and were as follows:

Circuit presbyters	Full Time	2017
Stipends	151,124	146,843
National Insurance Contributions	15,268	13,534
Pension Fund Contributions	35,168	37,419
URC Levy	9,888	9,460
Computers for ministry	750	750
Travelling	4,766	5,245
Telephone	4,894	4,594
Removal, Stationing & Relocation Costs	0	1,803
Apprenticeship Levy	556	242
Sundry Expenses	1,747	865
Supernumeraries preaching	390	346
Total	224,551	221,101
Circuit administrator	Part Time	
Salary	5,160	9,701
National Insurance Contributions	100	216
Pension Fund Contributions	177	582
Total	5,437	10,500
Total for all staff	229,988	231,601

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 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 £36,000 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	2017
35 Arundel Road	1,080	6,008	7,088	13,133
29 West Hill Avenue	1,080	1,752	2,832	1,251
16 Hall Road	1,080	815	1,895	1,936
7 Waverley Way	1,080	977	2,057	2,328
116 Manor Green Road	1,080	1,199	2,279	29,863
37 Tattenham Way	1,080	496	1,576	1,687
Total	6,480	11,247	17,727	50,198

Council tax, insurance and utilities

Manse	Council Tax	Insurance	Water Supply	Total	2017
35 Arundel Road	2,609	1,262	541	4,412	4,160
29 West Hill Avenue	2,973	1,387	703	5,063	4,846
16 Hall Road	2,439	1,136	303	3,878	3,758
7 Waverley Way	2,531	1,390	527	4,448	3,729
116 Manor Green Road	2,576	884	554	4,014	3,847
37 Tattenham Way	2,617	935	239	3,791	3,837
91 Hazon Way	-	-	-	-	0
Unallocated		172		172	171
Total	15,745	7,166	2,867	25,778	24,348
From Maintenance				17,727	50,198
Total				43,505	74,546

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	2017
Removal expenses	0		0	3808
Local Preacher expenses	23		23	59
Invitation expenses	0		0	483
Quinquennial inspections	500		500	0
Administration	178		178	321
Training	1962		1962	225
Independent Examiner	900		900	250
Conference Minutes, CPD & Membership tickets	785		785	771
Administrator's expenses (travel and stationery)	44		44	280
Laptop for Circuit Administrator	749		749	563
TMCP Admin/investment Management Fees		76	76	78
Total	5141	76	5217	6838

10 Transfers

The Chinese Congregation paid £21,000 as a contribution for the use of the manse at 37 Tattenham Way. This was an internal transfer between the Chinese Ministry Fund and the General Fund. In order to indicate comparative totals, the equivalent sum of £21,000 has been deducted from the Income from other trading activities and expenditure on Property in the SOFA for 2016/17.

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 2017
35 Arundel Road	manse	£4,850	1949	£417,760	£402,081
29 West Hill Avenue	manse	£450	1923	£475,782	£457,925
16 Hall Road	manse	£2,500	1962	£359,738	£346,236
7 Waverley Way	manse	£137,500	1991	£371,342	£357,405
116 Manor Green Road	manse	£123,000	1994	£243,693	£234,547
37 Tattenham Way	manse	£2,150	1945	£266,902	£256,885
Total		£270,450		£2,135,217	£2,055,079

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 2018 is £37,211. £11,613 is held in CFB fund 02647030 as funds made available for grants to enable payment of such grants. The total available at 31st August 2018 is £48,825.

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	2017
Water Insurance	1,231	1,354
Council Tax & Water Rates	1,062	1,422
Minutes of Conference etc	710	785
Other Debtors	0	83
Prepayments		
Stipends, Pension, NI	18,166	16,443
Total	21,169	20,087

BS4 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	2017
Central Finance Board	287,287		479	287,766	226,085
CAF Bank	4,614			4,614	6147
Total	291,901	0	479	292,380	232,232

BS5 Creditors, Accruals and Income in Advance

	2018	2017
Income in Advance		
Contributions from churches	81,766	87,893
Creditors and Accruals		
Grant to Epsom	0	10,000
Ministers' expenses	1,312	1,512
Connexional grant for officer	0	3,000
Independent accounts exam	900	250
Other expenses	0	117
Total	83,978	102,772

BS6 Unrestricted Funds
BS6.1 General Fund

31-Aug-18	Income	Expenditure	Transfers	Closing	2017
424,026	294,468	239,952	21,000	499,542	424,026

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

31-Aug-18	Income	Expenditure	Closing	2017
49,539	312	1,026	48,825	49,539

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

31-Aug-18	Income	Expenditure	Transfers	Closing	2017
5,971	54,190	38,682	(21,000)	479	5,971

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 £38,730.

Names of related parties	Party	Receipts 2018	Receipts 2017
Mission in Britain Fund	Connexion	1,300	1,260
Training Fund	Connexion	1,375	5,484
Property Fund	Connexion	4,214	4,129
Presbyters & Deacons Fund	Connexion	1,025	1,395
Ministers' Housing Fund	Connexion	2,295	2,205
World Mission fund	Connexion	0	4,652
Total		10,209	19,125

BS10 Independent Examiner

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

CIRCUIT MEETING MEMBERSHIP

Ex-Officio:

Circuit Ministers:

Rev Dr David Dickinson (Superintendent),
 Rev Dr Mark Wakelin, Rev Barnabas Alexander
 Rev Rosemary Richter, Rev Anne Rusbridge
 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:

Mr Paul Gotts (not a trustee)

Circuit Manse Secretary

Mr Philip Sandiford

Secretary to Leaders of Worship and Preachers Meeting

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

Mr Alan Jameson
 Mrs Maureen Patel
 Mrs Ama Boachie-Mensah

Epsom

Steward
 Treasurer
 Elected

Mrs Jane Williams
 Mr Richard Smith
 Mrs Val Imms

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 Vernon Tucker

St Marks

Steward
 Treasurer
 Elected

Mr John Miller
 Mr Martin Trenaman
 Mr Colin Batty

Representative to Synod

Miss Jacky Waite

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 (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 (resigned 24/05/2018)
Mr Malcolm Booth	Mrs Maureen Patel
Mrs Lucy Brown (appointed 02/03/2017)	Mrs Eileen Rice
Mr Tim Cheung (resigned 17/05/2017)	Rev Dr Philip Richter
Mrs Caroline Cook	Rev Rosemary Richter
Mr Richard Cornwell (appointed 17/05/2017)	Rev Anne Rusbridge
Mr John Dawson (appointed 13/09/2017)	Mr Philip Sandiford.
Rev Dr David Dickinson	Mr Ravi Saravanamuttu
Mr Gordon Fleming (resigned 24/05/2018)	Mrs Audrey Saunderson
Mr David Forty	Mr Chris Shaw (appointed 13/09/2017)
Mrs Sue Forty	Mrs Nellie Showers
Mr Chee Hong Fui	Mr Richard Smith
Miss Kathleen Garner	Mr Martin Trenaman
Dr David Gooch	Mr Vernon Tucker
Mr Geoff Gunton	Miss Jacky Waite
Mr Howard Hampton	Rev Dr Mark Wakelin
Mrs Val Imms (appointed 13/02/2018)	Jane Williams (appointed 13/02/2018)
Mr Alan Jameson (appointed 24/05/2018)	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 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

05-Feb-19

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
and were approved.

05-Feb-19

Signature of the Chair of
the meeting

Name of
the Chair

Rev Dr David Dickinson

Date

5th Feb 2019

Sutton Methodist Circuit

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 2018.

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