EALING TRINITY METHODIST CIRCUIT OF THE METHODIST CHURCH

(REGISTERED CHARITY No 1134040)

TRUSTEES' REPORT AND

FINANCIAL STATEMENTS

FOR THE YEAR ENDED

31 AUGUST 2013

Superintendent Minister

Dr Jennifer Smith

Kingsdown Methodist Church,

Kingsdown Avenue, West Ealing,

London W13 9PR

Bankers

Barclays Bank plc

53 The Broadway, Ealing,

London W5 5JS

Auditors

Citroen Wells

Chartered Accountants,

Devonshire House,

1 Devonshire Street, London W1W 5DR

EALING TRINITY METHODIST CIRCUIT (24/35)

TRUSTEES' REPORT

FOR THE YEAR ENDED 31 AUGUST 2013

Governance

The Circuit is governed by the Methodist Church Act 1976, the Deed of Union and the Model Trust Deeds of the Methodist Church. The Ealing Trinity Methodist Circuit is registered as a charity (registration number 1134040).

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

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

The Circuit is a group of local churches some of which are Local Ecumenical Partnerships (LEPs) with other denominations. Circuits combine to form about 30 districts in Great Britain. Although there is some autonomy, all Methodist organisations in Great Britain are governed by statutes determined by the Methodist Conference and which are published in the Constitution, Practice and Discipline of the Methodist Church. Conference is the supreme body within the church: it delegates much of its authority to the Methodist Council. Both Conference and Council consist of lay and clerical members.

Much of the day to day work for which the Circuit is responsible is delegated to the Managing Trustees of the Circuit and these are:

Ministers

Revd.	Dr Jennifer Smith (Superintendent)	Revd.	Suva Catford (appointed September 2012)
Revd.	Peter Catford (appointed September 2012)	Revd.	Chrissie Howe (appointed September 2012)
Revd.	Salamat Zindani	Deacon	Richard Goldstraw (appointed September 2012)

Circuit Stewards

Mr	Michael Brown	Mr	Peter Chadburn (resigned 31 August 2013)
Mr	Derek Nicholls (appointed May 2013)		
Mrs	Barbara Quartey	Mr	David Street

Circuit Secretary

Mrs Elizabeth Sherman

EALING TRINITY METHODIST CIRCUIT

TRUSTEES' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2013

During the year the Circuit Policy Committee (CPC) - the Circuit Ministerial Staff and Circuit Stewards - met every three months to keep under review the life of the Circuit and to take forward the decisions of the Circuit Meeting.

In addition, there are representatives from the individual churches within the circuit, as stated in the Constitution Practice and Discipline (CPD) of the Methodist Church.

Trustees

The trustees that served during the year and at the date of the approval of the report were as follows:

Revd. Michaela Youngson	Mrs Gill Standfield	Dr Anita Oji
Revd. Dr Jennifer Smith	Mrs Barbara Williams	Mrs Patsy Robinson
Revd. Peter Catford (appointed September 2012)	Mrs Esther Ackah	Mr Martin Sarbicki
Revd. Suva Catford (appointed September 2012)	Dr Derek Matthews	Miss Lynne Thomas
Revd. Chrissie Howe (appointed September 2012)	Mr Chris Marlow	Mr George Oliver
Deacon Richard Goldstraw (appointed September 2012)	Mr Bill Carty	Mr Graham Preedy
Miss Elizabeth Sherman	Mrs Joan Chapman	Mr Stephen Sears
Mr David Street	Mrs Betty McKenzie	Mrs Mary Lavelle
Mr Peter Chadburn (resigned 31 August 2013)	Ms Linda Chapman	Mrs Marion Narain
Mr Mike Brown	Mr George Lafford	Mr Colin Hatherall
Mr Derek Nicholls	Mr Simon Bhatti	Ms Andrea Joseph
Mrs Barbara Quartey	Mr Melvin Khub-Dass	Mrs Colleen Hicks
Mr Bill Cocking	Mr Harmash Masih	Ms Christina Tom-Johnson
Miss Vera Marston	Mrs Mary Peters	Mr David Bowater
Mrs Blossom Jackson	Ms Carol Morrison	Mrs Lyn Sallows
Ms Win Thompson	Miss Mary Pilgrim	Ms Karen Whitehouse

EALING TRINITY METHODIST CIRCUIT

TRUSTEES' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2013

Statement of Trustees' Responsibilities

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

The law applicable to charities in England and Wales requires the Trustees to prepare accounts for each financial year which give a true and fair view of the charity's financial activities during the year and of its financial position at the end of the year.

In preparing these accounts, the Trustees are required to:

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

The Trustees are responsible for keeping sufficient accounting records that disclose with reasonable accuracy at any time the financial position of the Ealing Trinity Methodist Circuit and enable them to ensure that the accounts comply with the Standing Orders of the Methodist Church, the Charities Act 2011, the Charity (Accounts and Reports) Regulations 2008 and other relevant regulations. They are also responsible for safeguarding the assets of the charity and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

The trustees have a right to advise the auditor of their concerns but none has done so.

Public Benefit Requirement

The Trustees have had due regard to the guidance published by the Charities Commission in compliance with its duties under section 17 of the Charities Act 2011.

This guidance sets out two key principles:

1. The organisation must have an identifiable benefit.
2. The benefit must be to the public or a section of the public.

The church exists to:

- increase awareness of God's presence and to celebrate God's love;
- help people to learn and grow as Christians, through mutual support and care; and
- be a good neighbour to people in need and challenge injustice.

The Trustees consider that for these reasons the charity meets these public benefit requirements.

EALING TRINITY METHODIST CIRCUIT

TRUSTEES' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2013

Activities

The Charity's mission is to be a powerful spiritual influence in the community and a visible expression of God's inclusive love. They aim to achieve this by encouraging, through the churches in our Circuit, the worship, social, and outreach activities that currently exist; seeking new ways to extend to others the fellowship of the Church family; and through these to develop the life of the Circuit and its churches

Organisational structure

1. Overall control rests with the Methodist Conference.
2. The Connexional Office implements decisions made by Conference and is also responsible for the stationing of Ministers in individual Circuit.
3. Connexional decisions are passed to the Chair of the District and the appropriate Officers of the District for regional implementation.
4. The Districts pass the control down to Circuit level for local implementation by the Superintendent Minister, Ministerial staff and Circuit Stewards and authority is delegated to the Circuit Meeting for certain matters.
5. The Circuit Meeting passes control down to Church Councils for local implementation by the Minister, the Church Stewards and other officers and authority is delegated to Church Councils acting as Managing Trustees.
6. The Circuit Superintendent chairs meetings of the Circuit Policy Committee (CLC) and the Circuit Meeting, which trustees are expected to attend. Policy decisions are taken at the Circuit Meeting.
7. The Methodist Connexional year runs from 1 September to 31 August.

Circuit Stewards

Circuit Stewards are Trustees who have volunteered to assist the Superintendent Minister and the Ministerial staff in implementing the decisions of the Circuit Meeting and decisions passed down from the Districts. Circuit Stewards are appointed by the Circuit Meeting and are unpaid. Induction training is organised by the Districts at the start of the Connexional Year and at other times as required. Amongst other duties the Circuit Stewards are responsible for the Circuit Finances and the maintenance of Circuit property.

Safeguarding

The Circuit follows the Connexional policy on safeguarding as detailed in *Creating Safer Space.* Each church has a safeguarding representative and there is a Circuit safeguarding co-ordinator to ensure the adoption of safe practice amongst children and vulnerable adults.

EALING TRINITY METHODIST CIRCUIT

TRUSTEES' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2013

Annual Report

1. The Circuit was very pleased to welcome the appointments of Revd. Peter Catford, Revd. Suva Catford and Revd. Chrissie Howe as Ministers to the Circuit in September 2012. Following the closure of Perivale church in May 2013 their Pastoral responsibilities were reviewed:

   Revd. Peter Catford: Northolt and Greenford congregations

   Revd. Suva Catford: Hanwell and Pitshanger congregations

   Revd. Chrissie Howe: Kingsdown and the two Kings Hall congregations

2. The Circuit was also very pleased to welcome the appointment of Deacon Richard Goldstraw to the Circuit in September 2012 to assist its particular mission in Southall.

3. The Circuit was also pleased to extend its employment of the Revd. Salamat Zindani for 2012/13 as an Associate Minister providing weekly worship in the Hindi Urdu language to the Kings Hall Asian congregation.

4. A highlight of the year was Hanwell church's participation in the Connexional Ordination Services on the 7th July 2013. Five Ministers, including Peter and Suva Catford's eldest daughter Elizabeth, were Ordained in an uplifting service with over 300 people from Methodist churches across the country sharing Communion with them.

   The service was led by the Revd. Inderjit Bhogal and Revd. Michaela Youngson gave the address. The Methodist Church is a world-wide community and the Circuit was pleased to welcome the Revd. Jose Manuel Cerqueira from the Evangelical Methodist Church of Portugal as the World Church Representative.

5. The Invitation Committee approved by the March 2013 Circuit meeting met during the summer to consider the continued appointment of Revd. Dr Jennifer Smith after August 2014. Following discussions with Jennifer and her husband Keith, and a wide ranging consultation and reflection with church congregations and our mission partners the Invitations Committee recommended that Jennifer's appointment is extended till August 2016 with a further review in 2015, to be confirmed by London District Chair at the Circuit meeting in September 2013.

6. In January Mr Ken Pennells passed away after many years of dedicated service as Circuit Manse Steward. Many tributes were paid at his Memorial service, recognising the enthusiasm and knowledge that he brought to this important role. The Circuit team are actively seeking someone to take on this essential task, recognising that it will be difficult to fill.

7. Mr Peter Chadburn stood down as Circuit Steward in August 2013. Peter had already given an extra year's service as Senior Steward, recognising the difficulties posed to an otherwise completely new team of Circuit Stewards, and offering continuity and guidance. Grateful thanks were expressed for his dedicated and effective work.

   We welcomed Mr Derek Nicholls as a Circuit Steward in May 2013.

Objectives and Plans for Future Periods

The Circuit will:

- determine and implement the best means of relieving the administrative workload of the superintendent, Revd. Dr Jennifer Smith, to allow a more balanced relationship between her pastoral and management responsibilities.
- determine and implement the best method of managing the Circuit's property, given that the existing Property Steward will stand down in March 2014, and the Manse Steward position is still vacant.
- actively look to appoint a further two Circuit Stewards.
- encourage a change and renewal of mission culture in the Circuit churches and provide capital assistance to their initiatives.

Trustees' Training and Induction Policy

All Circuit Trustees are appointed from the Management Trustees of the individual churches, who undertake the training and induction of trustees in accordance with guidelines from the Charities Commission and the Methodist Church published in the booklet "The Role of a Trustee in the Methodist Church", together with further guidelines published by the Methodist Church "Managing Trustees and their Responsibilities", "Safeguarding and Creating Safer Space" and "Managing Trustees and Methodist Money".

Circuit Trustees having the special duties and responsibilities of Circuit Stewards attend annual induction and refreshment courses organised by the Methodist London District Training Team, with further specific training for Stewards having financial, property and Safeguarding responsibilities.

All trustees in the Circuit and churches are encouraged to undertake further training in support of their own ministry and the Circuit maintains a Training Fund in its budget for this purpose.

Risk Management

Risks faced by the Circuit are constantly considered and reviewed by the Circuit Policy Committee and, where appropriate, have been transferred by paying insurers to take the risks. Security and safety of our churches is largely for those churches to determine and to mitigate following advice from Circuit Officers.

All churches and manses are the subject of quinquennial inspections and the reports on each are reviewed by the Circuit as well as the local trustees. Action is taken to reduce the risks of injury to all who have a legitimate purpose to be on those premises.

The Circuit employ a Property Management and Lettings company to ensure that their properties are well maintained and the risk of injury to occupants and visitors is minimised, and that the Trustees are compliant with all legislation relevant to those properties.

The Circuit have considered the resilience of churches and the risk that they will not meet their assessments, and judge that there are sufficient resources to cover any probable shortfall in the following year.

The Circuit operates within a statutory framework of regulation and seeks to ensure that it follows Methodist standing orders. The Connexional Office provides guidance on changes that could affect the Circuit.

The trustees are aware of their responsibility to ensure that the major risks to which Ealing Trinity Methodist Circuit is exposed are identified and to establish systems to mitigate those risks. They believe that there are in place adequate controls and systems to mitigate any external and internal risks the Charity may face.

Reserve Policy

The reserves of the Circuit are, to a significant degree, dependent on the amount assessed on it by the London district year-on-year. However, the Circuit believes that it should ensure that it has reserves sufficient to cover the stipends and employment costs of its Presbyters, Deacon and part-time Circuit Administrator for the full ensuing year but not to meet any redundancy pay should this be payable. At 31 August 2013, this sum is estimated at £180,000.

Other fixed costs of the Circuit, including rent, the District Levy and District Assessments, are estimated at £160,000 for a full year. The Circuit deems it prudent to hold sufficient to cover these costs for six months, *i.e.* £80,000.

The total of these possible costs is £260,000 and current reserves exceed that amount.

The proceeds of sale of the premises of any Methodist Church or manse within the Circuit are generally credited to the Circuit. There is, however, a substantial levy paid to the Connexion (the Methodist Church in Great Britain) so not all of the proceeds are received by the Circuit.

Financial Review

The Circuit prepares accruals accounts. The Circuit budget is prepared by first anticipating the expenditure for the forthcoming year and then determining how that sum will be raised. Normally about 70% of the Circuit income comes from the individual churches within the Circuit.

Grants received were from the London Methodist District to assist in the provision of Diaconal Support to the Circuit. The grant was approximately 50% of the cost and the Circuit funded the remainder of the provision.

Moullin Hostel was sold to the Ealing, Hammersmith and West London College on 24th April 2013, and the Circuit was pleased to learn that they intend it to remain a hostel for students, continuing the vision of the Moullin family.

The proceeds of sale of the premises of any Methodist property is credited to the Trustees for Methodist Church Purposes who grant it back to the Circuit, less a substantial levy to the Connexional Priority Fund. This Fund was established in 1968 as a means of redistributing capital arising from proceeds of sales to support Ministry, Mission and Property projects of Connexional significance.

The sale value of Moullin House was £2,600,150 and after deduction of sale commissions and fees £2,511,631 was credited to the Circuit Trust account as a profit, since the House had been included in the accounts at £nil cost in prior years. The Connexional Priority Fund levy was £984,652 leaving a balance of £1,526,979 to Circuit reserves.

Havelock House is a property containing seven self-contained flats which originally formed part of the Moullin Hostel mission by providing short-term accommodation to students as they moved into their working lives. Over the past twenty years three of the flats have been sold to leaseholders. As a part of the closure of the Moullin Hostel the Circuit took responsibility for Havelock House and it was added to the Circuit Tangible Assets during the 2011-12 accounting year.

The building required extensive electrical and fire safety works to the vacant flats and the landlord areas to enable their continued use. These works are on-going and scheduled for completion during October 2013. The Circuit Meeting agreed that funding for these works should be transferred from its reserves in the CMTF account.

The expenditure during the year on manses was written off and not capitalised.

Reserves not tied up in fixed assets are around £1.45 million at the year-end. At no time during the year was the circuit insolvent either in terms of its assets or in terms of its ability to pay its debts as they became due.

Commitments

The Circuit has committed the following grants out of its resources for 2013-14;

- Kings Hall Asian Congregation; £1,500 to support the employment of an Asian speaking Pastor.
- Greenford Methodist Church; £32,500 grant and a loan of £55,000 for five years for upgrading of their heating and health-safety systems.

The total outstanding liability for these grants at 31 August 2013 was £89,000. It should be noted that, in all cases and at a certain point in the progress of the work, a report is required from grant recipients before a further instalment of grant is paid.

Disclosure of information to auditors

In so far as the trustees are aware:

- there is no relevant audit information of which the charity's auditors are unaware; and

- the trustees have taken all the steps that they ought to have taken to make themselves aware of any relevant audit information and to establish that the auditors are aware of that information.

Auditors

The auditors, Citroen Wells, are willing to continue in office, and a resolution to re-appoint them will be proposed at the Trustees' Meeting.

Approved by the Trustees on the 13 March 2014 and signed on their behalf by:

Revd. Dr Jennifer Smith
Superintendent Minister

David Street
Circuit Treasurer

EALING TRINITY METHODIST CIRCUIT

INDEPENDENT AUDITORS' REPORT

TO THE TRUSTEES OF THE EALING TRINITY METHODIST CIRCUIT

We have audited the accounts of Ealing Trinity Methodist Circuit for the year ended 31 August 2013 set out on pages 12 to 22. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

This report is made solely to the charity's trustees, as a body, in accordance with Section 144 of the Charities Act 2011 and regulations made under Section 154 of that Act. Our audit work has been undertaken so that we might state to the charity's trustees those matters we are required to state to them in an auditors' report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the charity and its trustees as a body, for our audit work, for this report, or for the opinions we have formed.

Respective responsibilities of trustees and auditors

As explained more fully in the statement of trustees' responsibilities, the trustees are responsible for the preparation of accounts which give a true and fair view.

We have been appointed as auditors under section 144 of the Charities Act 2011 and report in accordance with regulations made under section 154 of that Act. Our responsibility is to audit and express an opinion on the accounts in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors.

Scope of the audit of the accounts

An audit involves obtaining evidence about the amounts and disclosures in the accounts sufficient to give reasonable assurance that the accounts are free from material misstatement, whether caused by fraud or error. This includes an assessment of: whether the accounting policies are appropriate to the charity's circumstances and have been consistently applied and adequately disclosed; the reasonableness of significant accounting estimates made by the trustees; and the overall presentation of the accounts. In addition, we read all the financial and non-financial information in the Trustees' Annual Report to identify material inconsistencies with the audited accounts. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

Opinion on accounts

In our opinion the accounts:

- give a true and fair view of the state of the charity's affairs as at 31 August 2013 and of its incoming resources and application of resources, for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Charities Act 2011.

EALING TRINITY METHODIST CIRCUIT

INDEPENDENT AUDITORS' REPORT (CONTINUED)

TO THE TRUSTEES OF THE EALING TRINITY METHODIST CIRCUIT

Other matters

The company's financial statements for the year ended 31 August 2012 were not audited. We have not audited the corresponding amounts for that year.

Matters on which we are required to report by exception

We have nothing to report in respect of the following matters where the Charities Act 2011 requires us to report to you if, in our opinion:

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

Citroen Wells

Chartered Accountants
Statutory Auditor
Devonshire House
1 Devonshire Street
London
W1W 5DR

Dated: 19/03/14

Citroen Wells is eligible to act as an auditor in terms of section 1212 of the Companies Act 2006.

EALING TRINITY METHODIST CIRCUIT

STATEMENT OF FINANCIAL ACTIVITIES

FOR THE YEAR ENDED 31 AUGUST 2013

	Notes	Unrestricted funds £	Restricted funds £	2013 £	2012 £
Incoming resources					
Incoming resources from generated funds					
Circuit assessments		203,116	-	203,116	195,649
Grants receivable		20,653	-	20,653	-
Investment income and interest income	4	7,591	-	7,591	3,469
Other incoming resources					
Profit on sale of fixed assets	5	2,511,631	-	2,511,631	-
Rent from manses		61,158	-	61,158	74,673
Sundry income		21,840	5,000	26,840	2,056
Total incoming resources		2,825,989	5,000	2,830,989	275,847
Resources expended					
Charitable activities					
Circuit mission and ministry	3a	186,374	-	186,374	145,045
District assessment		36,623	-	36,623	36,967
Maintenance of manses	3b	58,562	-	58,562	56,180
Maintenance of rental property	3c	63,568	-	63,568	20,686
Grants	3e	84,200	-	84,200	675
Other	3f	1,148,056	-	1,148,056	6,266
Governance costs					
District levy		90,039	-	90,039	8,788
Circuit administration	3d	12,220	-	12,220	11,756
Total resources expended		1,679,642	-	1,679,642	286,363
Net incoming/(outgoing) resources before transfers		1,146,347	5,000	1,151,347	(10,516)
Transfer between funds		-	-	-	-
Other recognised gains and losses					
Gain/(loss) on investment assets		-	-	-	(2,094,683)
Gain/(loss) on revaluation		-	-	-	23,200
Net incoming/(outgoing) resources in the year		1,146,347	5,000	1,151,347	(2,081,999)
Fund balances at 1 September 2012		439,096	-	439,096	2,521,095
Fund balances at 31 August 2013		1,585,443	5,000	1,590,443	439,096

The notes on pages 14 to 22 form part of these accounts.

EALING TRINITY METHODIST CIRCUIT

BALANCE SHEET

AS AT 31 AUGUST 2013

	Notes	Unrestricted funds £	Restricted funds £	2013 £	2012 £
Fixed Assets					
Tangible assets	6	153,883	-	153,883	153,517
		153,883	-	153,883	153,517
Current assets					
Cash at bank and in hand		1,612,450	5,000	1,617,450	172,445
Debtors	7	59,131	-	59,131	155,124
		1,671,581	5,000	1,676,581	327,569
Creditors: amounts falling due within one year	8	(196,021)	-	(196,021)	(41,990)
		(196,021)	-	(196,021)	(41,990)
Net current assets		1,475,560	5,000	1,480,560	285,579
Total assets less current liabilities		1,629,443	5,000	1,634,443	439,096
Creditors: amounts falling due after one year	10	(44,000)	-	(44,000)	-
Net assets		1,585,443	5,000	1,590,443	439,096

Accumulated funds				
Unrestricted funds	1,585,443	-	1,585,443	439,096
Restricted funds	-	5,000	5,000	-
Total funds	1,585,443	5,000	1,590,443	439,096

Approved by the trustees on 13 March 2014 and agreed on their behalf by:

Revd. Jennifer Smith
Superintendent Minister

David Street
Circuit Treasurer

EALING TRINITY METHODIST CIRCUIT

NOTES TO THE ACCOUNTS

FOR THE YEAR ENDED 31 AUGUST 2013

1. **Accounting policies**

a) **Basis of accounting**

The financial accounts have been prepared under the historical cost convention on an accruals basis. The accounts have been prepared in accordance with the Constitution and Practice and Discipline of the Methodist Church, applicable accounting standards, the Statement of Recommended Practice (SORP), Accounting and Reporting by Charities, and the Charities Act 2011.

b) **Incoming resources**

Under certain exemptions applicable to the Methodist Church, the receipt and onward payment of monies for the District Assessment is not deemed to be part of the incoming resources of the Circuit for the purposes of deciding whether an independent external examiner or an auditor should report on these accounts.

The Circuit's assessments are accounted for on a receivable basis; when the Circuit becomes entitled to the resources, the trustees are virtually certain they will receive the resources and the monetary value can be measured with sufficient reliability.

Rents on unoccupied manses are accounted for on a receivable basis.

Grants receivable are included when the relevant conditions for the grant have been met.

Investment income is accounted for on a receivable basis.

c) **Resources expended**

All expenses are accounted for on an accruals basis. Any ensuing liabilities are recognised as soon as a legal or constructive obligation arises.

d) **Tangible fixed assets**

Freehold Manses are stated at cost and comprise seven properties that house serving ministers or are rented on short term tenancy agreements when they are unoccupied by ministers. There has been no recent valuation or estimate of rebuilding cost but the trustees believe that the aggregate market value of the properties is at least the book value shown in the balance sheet.

The Trustees consider that the lives of the properties are so long and their residual values so high based on prices prevailing at the time of acquisition that the annual depreciation charge and accumulated depreciation is not material. Accordingly, no depreciation is provided on freehold properties used for charitable activities. Any material impairment in the value of such properties, following an annual review, would be chargeable to the Statement of Financial Activities.

1. **Accounting policies (continued)**

e) Tangible fixed assets (continued)

Depreciation is provided on other fixed assets at rates calculated to write off the cost less estimated residual value of each asset over its expected useful life, as follows;

Plant and machinery	33.33% reducing balance

f) Funds

Unrestricted fund cash resources are deposited with the Central Finance Board and are available for use at the discretion of the trustees in furtherance of the general objectives of the Charity. It is the policy of the Circuit to endeavour to hold as free reserves an amount approximately equal to six months of likely expenditure.

Restricted funds are to be used in accordance with specific restrictions imposed by donors and grantors.

g) Gains/(losses) on investments

Realised and unrealised gains and losses on investments are dealt with in the accounts in the year in which they arise.

h) Pensions

Stipendiary Circuit Ministers are eligible to join the Methodist Ministers' Pension Scheme (MMPS). The MMPS is a funded defined benefit scheme maintained by The Methodist Church of Great Britain. As the Circuit is unable to identify its share of the underlying assets and liabilities of the scheme, the Circuit has taken the advantage of the exemption in Financial Reporting Standard (FRS) 17, Retirement Benefits, and has accounted its contributions to the scheme as if it were a defined contribution scheme. The pension costs for the scheme represent the contribution payable by the Circuit in the year. The contribution rates are set each year by the Methodist Conference.

2. Trustees

During the year several of the trustees, being ministers of the Circuit, received remuneration in the form of stipends. Expenses were also reimbursed where necessary.

Revd. P. and S. Catford, Rev.d C. Howe, Revd. P. Goldstraw and Revd. M. Youngson lived rent free in several of the manse properties being 182 Church Road, 91 Elers Road, 44 Green Drive and 27 Rosemont Drive respectively.

Trustee expenses were also reimbursed during the year being £5,061 for 5 trustees for travel expenditure, being £2,210 for 5 trustees for their telephone expenses and being £2,988 for 1 trustee for her relocation costs.

Stipends and pensions were paid to the following trustees; Revd. J. Smith £32,287, Revd. P. Catford £30,517, Revd. S. Catford £30,517, Revd. C. Howe £30,517 and R. Goldstraw £30,517.

EALING TRINITY METHODIST CIRCUIT

NOTES TO THE ACCOUNTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2013

3 Resources expended	Unrestricted funds	Restricted funds	2013	2012
	£	£	£	£
a **Direct mission and Ministry**				
Stipends and allowances	132,416	-	132,416	94,738
NIC	11,001	-	11,001	8,293
Ministers' Pension Fund	31,978	-	31,978	21,592
Travel	4,098	-	4,098	7,148
Telephones and stationery	3,376	-	3,376	4,518
Conferences & Training	517	-	517	716
Relocation grant	2,988	-	2,988	8,040
Total	186,374	-	186,374	145,045
b **Maintenance of manses**				
Manse repairs	27,023	-	27,023	43,031
Manse insurance	6,511	-	6,511	4,948
Water rates	1,756	-	1,756	1,639
Council Tax	15,816	-	15,816	6,178
Management fee	7,456	-	7,456	384
Total	58,562	-	58,562	56,180
c **Maintenance of rental property**				
Let property repairs	53,798	-	53,798	13,402
Water rates	173	-	173	
Council Tax	683	-	683	771
Other	2,526	-	2,526	5,630
Management fee	6,388	-	6,388	883
Total	63,568	-	63,568	20,686
d **Circuit administration (governance costs)**				
Postage, Printing & Stationery	1,984	-	1,984	1,012
Sundry expenses	3,503	-	3,503	9,744
Preaching costs	14	-	14	-
Audit fees	5,400	-	5,400	-
Rental cost	1,000	-	1,000	1,000
TMCP Management Fee	319	-	319	-
	12,220	-	12,220	11,756

Governance costs include auditor remuneration in respect of the audit of the Circuit accounts of £5,400 (2012: £nil).

EALING TRINITY METHODIST CIRCUIT

NOTES TO THE ACCOUNTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2013

3 Resources expended (continued)	Unrestricted funds £	Restricted funds £	2013 £	2012 £
e **Grants**				
Acton Hill MC	5,000	-	5,000	-
Ealing Green MC	5,500	-	5,500	-
Greenford MC	37,500	-	37,500	-
Hanwell MC	5,000	-	5,000	-
Kingsdown MC	5,000	-	5,000	-
Northholt MC	5,000	-	5,000	-
Pitshanger MC	5,000	-	5,000	-
Kings Hall MC	11,500	-	11,500	-
Other	4,700	-	4,700	675
Total	84,200	-	84,200	675
f **Other expenditure**				
Depreciation	183	-	183	1,263
Connexional Priority Fund Levy	984,652	-	984,652	-
Moullin House closure costs	141,544	-	141,544	-
Other	21,677	-	21,677	5,003
Total	1,148,056	-	1,148,056	6,266
Total resources expended	1,552,980	-	1,552,980	240,608

Included within grants is £32,500 of commitments towards Greenford MC as well as £1,500 committed to Kings Hall due within one year.

Grants are made to further the Church's objectives to encourage worship, social and outreach activities.

4 Investment and interest income	Unrestricted funds £	Restricted funds £	2013 £	2012 £
Interest income	7,591	-	7,591	3,469
Total	7,591	-	7,591	3,469

EALING TRINITY METHODIST CIRCUIT

NOTES TO THE ACCOUNTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2013

5 **Profit on disposal of fixed asset**

	Cost £	Proceeds £	Profit £	2012 £
Profit on sale of Moullin House	-	**2,511,631**	**2,511,631**	-
Total	-	**2,511,631**	**2,511,631**	-

During the year Ealing Trinity Methodist Circuit sold one of their properties for £2,511,631. Only a profit was recorded as the asset was included in the balance sheet at £nil cost prior to its sale.

6 **Tangible fixed assets**

	Freehold Land and Buildings £	Plant and Machinery £	Total Fixed Assets £
Cost			
Balance brought forward	153,517	-	153,517
Additions	-	549	549
Disposals	-	-	-
Balance carried forward	153,517	549	154,066
Accumulated depreciation			
Balance brought forward	-	-	-
Depreciation charged for the year	-	183	183
Disposal	-	-	-
Balance carried forward	-	183	183
Net book value			
At 31 August 2013	**153,517**	**366**	**153,883**
At 31 August 2012	153,517	-	153,517

During the year Moullin Hostel was sold to the Ealing, Hammersmith and West London College on 24th April 2013 after it became uneconomic to operate. The proceeds of sale of the premises of any Methodist property is credited to the Trustees for Methodist Church Purposes who grant it back to the Circuit, less a substantial levy to the Connexional Priority Fund. This Fund was established in 1968 as a means of redistributing capital arising from proceeds of sales to support Ministry, Mission and Property projects of Connexional significance.

The sale value was £2,600,150 and after deduction of sale commissions and fees a £2,511,631 profit was credited to the Circuit Trust account, since Moullin House had been in the accounts at £nil cost value. The Connexional Priority Fund levy was £984,652 leaving a balance of £1,526,979 to Circuit reserves.

EALING TRINITY METHODIST CIRCUIT

NOTES TO THE ACCOUNTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2013

7 Debtors and prepayments

		2013	2012
		£	£
Accounts receivable		-	3,629
Prepayments		1,718	38,247
Recoverable loan		-	113,249
Other debtors	(see note 13)	57,413	-
Total		59,131	155,125

8 Creditors and accruals

	2013	2012
	£	£
Accounts payable	-	3,513
Accruals	112,478	-
Income received in advance	38,543	38,477
Other creditors	45,000	-
Total	196,021	41,990

Included within other creditors is a £32,500 grant committed towards Greenford MC for their new heating system.

9 Salaries

	2013	2012
	£	£
Gross wages	132,416	94,738
Employer's National Insurance costs	12,447	8,293
Pension Costs	30,532	21,592
Total	175,395	124,623

There were no employees whose annual emoluments were £60,000 or more.

Average number of full-time equivalent employees	6	5

10 Creditors due after one year

		2013	2012
		£	£
Within one year	(see note 13)	11,000	-
Between two and five years	(see note 13)	33,000	-
		44,000	-

11 Connexional Funds

The Circuit is also responsible for overseeing of the collection of monies for the wider work of the Church. Amounts collected which do not form part of the Circuit resources are given in total below.

Connexional and other funds contributed

	2013	2012
	£	£
Connexional fund contributions	2,610	1,625
Less: Amounts paid over	(2,610)	(1,625)
Total	-	-

Connexional fund contributions

	2013
	£
Chairman Fund	30
Fund for the Support of Presbyters and Deacons	200
Connexional Property Fund	400
Mission in Britain Fund	150
Methodist Women in Britain	492
World Mission Fund	1,338
	2,610

12 Analysis of net assets between funds

	Unrestricted funds £	Restricted funds £	Total £
Tangible fixed assets	153,883	-	153,883
Current assets	1,671,581	5,000	1,676,581
Creditors: amounts falling due within one year	(173,506)	-	(173,506)
Creditors: amounts falling due after one year	(44,000)	-	(44,000)
Total	1,607,958	5,000	1,612,958

Restricted funds relate to income received from the Sutton Circuit and which is to be expensed only in activities relating to the Ealing Green Project.

13 Financial commitments

During the year the charity committed £32,500 of grants to Greenford MC towards the costs of installing a new heating system to comply with health and safety regulations. This was expensed during the year. An additional £1,500 was committed towards Kings Hall Methodist Church.

An additional £55,000 was granted as a loan to the Church. This interest-free loan is to be repaid over 5 years in equal instalments.

At 31 August 2013 the charity had commitments as follows:

Expiry date:	2013 £	2012 £
Within one year	34,000	-
Between two and five years	55,000	-
In over five years	-	-
	89,000	-

14 Related Parties

There were no other related party transactions during the year other than those disclosed under note 2 relating to trustees.