

**EALING TRINITY METHODIST CIRCUIT**

**FINANCIAL STATEMENTS  
for the year ended 31 August 2011**

Registered Charity No. 1134040

*Superintendent Minister:*  
Rev Michaela Youngson

*Trustees:*  
Members of Ealing Trinity Methodist Circuit Meeting

*Independent Examiner*  
Miss Vera Marston

*Bankers:*  
Barclays Bank plc

## **Report of the Trustees of Ealing Trinity Methodist Circuit for the year ended 31 August 2011**

The Ealing Trinity Methodist Circuit became a registered charity on 3 February 2010.

The circuit is part of the London District of the Methodist Church and consists of ten churches which are served by four full-time Methodist ordained ministers and two part-time employees.. Two of the churches are local ecumenical partnerships with the United Reformed Church, of which one was served by a United Reformed Church Lay Leader until 31 December 2010 and the other by an ordained Methodist Minister.

The charity is governed by a circuit meeting which meets three times a year with additional meetings and smaller committees as required. All ordained ministers, circuit officers plus four annually elected representatives from each of the ten churches serve as managing trustees of the circuit.

The circuit is responsible for the maintenance and support of ministry in the spiritual, pastoral, and administrative leadership of the ten churches. Ministers are paid a stipend and reimbursed expenses by the circuit to allow them to pursue their calling to serve God in his Church. Accommodation for ministers is provided in properties that are owned and maintained at the circuit's expense.

Each individual church contributes to the funding of the circuit's activities and additional income is gained through the letting of properties not currently required for ministerial accommodation.

In the year ended 31 August 2011 the total income of the circuit was £252,719 and the expenditure £304,477 resulting in a deficit of £51,758. This deficit was mainly accounted for by major refurbishment costs on properties There were also loans associated with the closure of a circuit owned hostel accommodation and the refurbishment of a flat used to generate income, the later of which will become a circuit owned property providing income to the circuit from 1 September 2011.

During 2010/11 the circuit has continued a review of its strategy and mission for the future. Significant ministerial staff changes will take place in August 2012, with revised roles and responsibilities of staff, as the circuit continues to develop a team ministry to the churches within the circuit.

*Rev Michaela Youngson  
Superintendent Minister*

15 March 2012

**Independent Examiner’s Report to the Trustees of Ealing Trinity Methodist Circuit**

This report is on the Circuit Accounts for the year ended 31 August 2011 carried out under Section 43 of the Charities Act 1993.

**Respective responsibilities of Trustees and Examiner**

As Trustees you are responsible for the preparation of accounts. The Charity’s Trustees consider that an audit is not required for this year under Section 43(2) of the Charities Act 1993 (the 1993 Act) and that an independent examination is needed. The charity is preparing accrued accounts and I undertake the examination having due financial knowledge as a

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It is my responsibility to:

- examine the accounts under section 43 of the 1993 Act;
- follow the procedures laid down in the Directions given by the Charity
- state whether particular matters have come to my attention.

**Basis of Independent Examiner’s Report**

My examination was carried out in accordance with the general Directions given by the Charity Commission and is in accordance with Regulation 11 of the Charities Accounts (Scotland) Regulations 2006. 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
  - to keep accounting records in accordance with Section 41 of the 1993 Act and Section 44 (1)(a) of the 2005 Act and Regulation 4 of the 2006 Accounts; and
  - to prepare accounts which accord with the accounting records and comply with accounting requirements of the 1993 Act and Section 44(1)9b of the 2005 Act and the 2006 Regulations.

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:..... Signature.....

Qualifications.....

Address: .....Date.....

**EALING TRINITY METHODIST CIRCUIT**

**STATEMENT OF FINANCIAL ACTIVITIES for the year ended 31 August 2011**

	Notes	General Fund £	Circuit Advance Fund £	Circuit Training Fund £	Total 2011 £	Total 2010 £
<b><u>Incoming Resources</u></b>						
<b>Donations, grants, etc.</b>						
Gross Church Assessments	2	201,252			201,252	194,002
District Benevolent/Connexional Funds/Haiti Appeal		2,078			2,078	3,267
Circuit Training Fund				207	207	350
<b>Activities for generating funds</b>						
Rents		43,600			43,600	58,889
<b>Investment income</b>						
Interest		573	3,688		4,261	5,027
<b>Other incoming resources</b>						
Miscellaneous	3	1,321			1,321	3,502
		248,824	3,688	207	252,719	265,037
<b>TOTAL INCOMING RESOURCES</b>						
<b><u>Resources expended</u></b>						
<b>Direct charitable expenditure</b>						
Ministry	4	132,405			132,405	146,436
Methodist Church Fund		30,349			30,349	32,027
District Expenses Fund		5,001			5,001	4,548
LEP-URC Assessments	5	13,455			13,455	1,407
District Advance Fund Levy			9,075		9,075	11,206
Education and youth		397			397	560
Ealing Green Trust		500			500	500
Grants	6	600			600	-
		182,707	9,075		191,782	196,684
<b>Management and Administration</b>						
Circuit Office	7	12,708			12,708	12,449
Depreciation		1,263			1,263	1,263
Administration	8	1,676	359		2,035	1,245
District Benevolent/Connexional Funds/Haiti Appeal		2,078			2,078	3,267
Property expenses	9	61,688	19,790		81,478	68,994
		79,413	20,149		99,562	87,218
		262,120	29,224	-	291,344	283,902
<b>TOTAL RESOURCES EXPENDED</b>						
		£ (13,296)	£ (25,536)	£ 207	£ (38,625)	£ (18,865)
<b>NET SURPLUS/(DEFICIT)</b>						

**EALING TRINITY METHODIST CIRCUIT**

**BALANCE SHEET as at 31 August 2011**

	Notes	2011			2010
		General Fund	Circuit Advance Fund	Circuit Training Fund	Total
		£	£	£	£
<b>Fixed Assets</b>					
Tangible assets	10	2,226,263		2,226,263	2,227,526
<b>Current Assets</b>					
Prepayments	11	31,207		31,207	30,470
Bank and Deposit Funds	12	80,168	181,728	557	328,041
Moullin House Recoverable Loan	13		49,649		25,409
		<hr/>	<hr/>	<hr/>	<hr/>
		111,375	231,377	557	383,920
<b>Current Liabilities</b>					
Receipts in advance	14	48,477		48,477	37,075
Creditors	15	2,057		2,057	16,708
		<hr/>		<hr/>	<hr/>
		50,534		50,534	53,783
<b>Net current assets</b>		<hr/>	<hr/>	<hr/>	<hr/>
		60,841	231,377	557	330,137
<b>NET ASSETS</b>		<hr/>	<hr/>	<hr/>	<hr/>
		<b>£2,287,104</b>	<b>£231,377</b>	<b>£ 557</b>	<b>£2,519,038</b>
					<b>£2,557,663</b>
<b>Funds</b>					
Balances Brought Forward 1 SEP 2010		2,300,400	256,913	350	2,557,663
Surplus/(Deficit) for year		(13,296)	(25,536)	207	(18,865)
		<hr/>	<hr/>	<hr/>	<hr/>
		<b>£2,287,104</b>	<b>£231,377</b>	<b>£557</b>	<b>£2,519,038</b>
					<b>£2,557,663</b>

Rev Michaela Youngson  
 Superintendent Minister  
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 London  
 W3 9LU

Peter W Green FCCA  
 Circuit Steward (Finance)  
 15 Southfield Drive  
 Hazlemere  
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 HP15 7HB

15 March 2012

**EALING TRINITY METHODIST CIRCUIT – Financial Statements 2010/2011**

**NOTES TO THE ACCOUNTS**

**1. Accounting Policies**

Accounting convention

The accounts are prepared on the accruals basis under the historical cost convention in accordance with the Statement of Recommended Practice “Accounting and Reporting by Charities” (the SORP) and the Finance reporting Standard for Smaller Entities.

Circuit Advance Fund

This is a restricted fund applied in accordance with the Standing Orders of the Methodist Conference. Any proceeds of sale of property which are permitted by Standing Orders to be kept in the Circuit are paid into the Circuit Advance Fund.

Properties

Manse properties are shown at insurance valuation rather than at an unprofessional estimated market value. The trustees are of the opinion that the current market value of properties is in excess of £3,000,000.

**2. Gross Church Assessments**

	2011	2010
	£	£
Acton Hill	25,302	25,302
Ealing Green	34,650	31,500
Greenford	30,000	30,000
Hanwell	26,200	25,700
King’s Hall (English speaking)	10,000	10,000
King’s Hall (Urdu speaking)	12,000	9,000
Kingsdown	34,500	34,500
Northolt	14,000	12,000
Perivale	3,600	3,600
Pitshanger	<u>11,000</u>	<u>12,400</u>
	<u>£ 201,252</u>	<u>£194,002</u>

**3. Miscellaneous incoming resources**

	2011	2010
	£	£
Photocopying donations	1,321	1,561
Insurance Claim (89 Costons Avenue)	-	1,635
Other miscellaneous income	<u>-</u>	<u>306</u>
	<u>£ 1,321</u>	<u>£3,502</u>

**4. Ministry**

	2011	2010
	£	£
Stipends of Ministers/Associate minister salary	91,615	87,597
Pension Fund	20,852	17,456
National Insurance	<u>8,005</u>	<u>7,632</u>
	120,472	112,685
Superintendent’s manse rent	-	17,188
Relocation costs	-	4,809
Computer allowance	600	563
Travel	5,557	5,969
Telephones/Broadband	3,098	2,882
Training/Retreats	1,530	673
Stationery, Books, Postage	950	1,637
Preaching expenses	<u>198</u>	<u>30</u>
	<u>£132,405</u>	<u>£146,436</u>

**5. LEP-URC Assessments**

	2011	2010
	£	£
Acton Hill	13,455	13,455
Refund re-Ealing Green	<u>-</u>	<u>(12,048)</u>
	<u>£13,455</u>	<u>£ 1,407</u>

**6. Grants**

	2011	2010
	£	£
Ealing Street Pastors	£ <u>600</u>	£ <u>-</u>

**7. Circuit Office**

	2011	2010
	£	£
Rent	3,600	3,600
Staff costs	6,922	6,986
Stationery /postage/photocopier	1,635	1,574
Telephone/Broadband	<u>551</u>	<u>289</u>
	<u>£12,708</u>	<u>£12,449</u>

**8. Administration**

	2011	2010
	£	£
Local Preachers	402	738
Miscellaneous (including office relocation)	<u>1,274</u>	<u>82</u>
	1,676	820
TMCP management charge	<u>359</u>	<u>425</u>
	<u>£ 2,035</u>	<u>£1,245</u>

**9. Property expenses**

	2011	2010
	£	£
Council tax	8,144	7,999
Water rates	1,883	820
Insurance	4,821	4,728
Repairs/refurbishment		
91 Elers Road, West Ealing	29,057	2,104
89 Costons Avenue, Greenford	3,197	1,767
27 Rosemont Road, Acton	7,556	38,248
182 Church Road, Hanwell	96	2,527
44 Green Drive, Southall	123	1,662
19 Queen Anne's Gardens	2,550	2,550
37 Newton Avenue, Acton	245	877
39 Newton Avenue, Acton	176	511
Letting expenses	<u>3,840</u>	<u>5,201</u>
	<u>£61,688</u>	<u>£68,994</u>

## Other Property costs:

Havelock House, 6 Westbury Road, Ealing	17,558	-
Property Consultants	<u>2,232</u>	<u>-</u>
	<u>£19,790</u>	<u>£ -</u>

## 10. Fixed assets

	2011	2010
	£	£
<b>Property</b>		
91 Elers Road, West Ealing	500,000	500,000
182 Church Road, Hanwell	400,000	400,000
89 Costons Avenue, Greenford	275,000	275,000
44 Green Drive, Southall	350,000	350,000
27 Rosemont Road, Acton	400,000	400,000
37/39 Newton Avenue, Acton	<u>300,000</u>	<u>300,000</u>
	<u>£ 2,225,000</u>	<u>£2,225,000</u>

Properties are valued at insurance valuations and are owned by the Circuit under the Model Trust of the Methodist Church. Upon sale of the properties approximately 75% of the sale proceeds would be paid into the Circuit Advance Fund in accordance with the Standing Orders of the Methodist Conference. The remaining sale proceeds are required by Standing Orders to be paid into the Connexional Priority Fund of the Methodist Church and would not be directly available to the Circuit.

	2011		2010	
	Photocopier	Computer	Total	Total
	£	£	£	£
<b>Other tangible assets</b>				
<u>Cost</u>				
Balance at 1 September 2010	6,316	1,200	7,516	7,516
Additions	-	-	-	-
Disposals	-	-	-	-
Balance at 31 August 2011	<u>6,316</u>	<u>1,200</u>	<u>7,516</u>	<u>7,516</u>
<u>Depreciation</u>				
Balance at 1 September 2010	3,790	1,200	4,990	3,727
Charge for year	1,263	-	1,263	1,263
Disposals	-	-	-	-
Balance at 31 August 2011	<u>5,053</u>	<u>1,200</u>	<u>6,253</u>	<u>4,990</u>
Net book value carried forward	<u>1,263</u>	<u>-</u>	<u>£1,263</u>	<u>£2,526</u>
	2011		2010	
<b>TOTAL FIXED ASSETS</b>	<u>£2,226,263</u>		<u>£2,227,526</u>	

## 11. Prepayments

	2011	2010
	£	£
Stipends	29,675	28,892
Insurance	<u>1,532</u>	<u>1,578</u>
	<u>£31,207</u>	<u>£30,470</u>

## 12. Bank and Deposit Funds

	2011	2010
	£	£
Bank Current Account	10,994	23,557
CFB Deposit Account	25,700	72,980
TMCP Deposit Account	<u>225,759</u>	<u>231,504</u>
	<u>£262,453</u>	<u>£328,041</u>
Representing:		
General Fund	80,168	96,187
Circuit Advance Fund	181,728	231,504
Training Fund	<u>557</u>	<u>350</u>
	<u>£262,453</u>	<u>£328,041</u>



### 13. Moullin House Loan

Loans repayable on the disposable of Moullin House for emergency funding consist of

	2011 £	2010 £
Replacement boiler and electrical work	25,409	25,409
Less; Loan repayment	<u>(3,600)</u>	-
	21,809	-
Replacement ovens and kitchen equipment	3,407	-
Staff redundancy costs:	11,300	-
Clutton's Property Consultancy	<u>13,133</u>	-
	<u>£49,649</u>	<u>£25,409</u>

### 14. Receipts in advance

The sum of £48,477 (2010 £37,075) consists of assessments from churches in respect of the 2011/2012 connexional year which are always received in advance just before the end of financial accounting period.

### 15. Creditors

	2011 £	2010 £
Staff expenses	1,838	9,160
LEP-URC Refund (Ealing Green)	-	6,814
Revenue & Customs (Nat Ins/Tax)	<u>219</u>	<u>734</u>
	<u>£2,057</u>	<u>£16,708</u>

### 16. Trustee remuneration

Standing Orders of the Methodist Conference permit ministers/lay workers to be paid a stipend from Circuit funds. The stipend of each minister is that specified by the Methodist Conference plus a £555 London Allowance and that of the lay worker as agreed by the circuit meeting. All Methodist ministers receive the same stipend, except for the Superintendent Minister who receives an extra allowance of 7.5% of standard stipend. As all circuit ministers are trustees of the Circuit Funds by virtue of their membership of the Circuit Meeting, remuneration received by ministers is shown in detail in the table below.

	Stipend £	Pension Fund £	National Insurance (Employers) £	TOTAL £
Rev Michaela Youngson	23,803	5,213	2,314	31,330
Connexional Refund	(1,356)		(173)	(1,529)
Rev Roger Dunlop	20,919	5,213	1,937	28,069
Rev Christopher Bennett	20,919	5,213	1,937	28,069
Rev Dr Jennifer Smith	20,919	5,213	1,937	28,069
Rev Salamat Zindani	<u>6,411</u>		<u>53</u>	<u>6,464</u>
	<u>91,615</u>	<u>20,852</u>	<u>8,005</u>	<u>120,472</u>

### 17. Trustee expenses

Expenses paid to trustees (both ministers and lay members of the Circuit Meeting) consist of reimbursed travel and administration expenses shown in Note 4.

## 18. Related party transactions

The members of the Circuit Meeting are drawn from the ten churches in the Ealing Trinity Circuit. There is, therefore, some commonality of membership between the managing trustees of the Circuit and the managing trustees of the individual church funds. All assessments received from churches and grants given to churches, as shown in the Statement of Financial Activities, could therefore be considered to be material related party transactions.

## 19. Staff costs

The Circuit employs a part-time circuit administrator in addition to the ministers. Staff costs for the circuit administrator are shown below

	2011	2010
	£	£
Wages	6,834	6,867
Employer's National Insurance	<u>88</u>	<u>119</u>
	<u>£6,922</u>	<u>£6,986</u>

Ministers are not employees of the Methodist Church, but are paid a stipend to cover living expenses, enabling them to pursue their calling to serve God in his Church. They are, however, considered employees for tax purposes. If they were considered employees the full time equivalent staff employed by the Circuit during the year would be as follows:

Methodist Ministers	4.0
Associate Minister	0.4
Administrative staff	<u>0.2</u>
	<u>4.6</u>

## 20. Retirement benefits

Methodist ministers working in the Circuit are members of the Methodist Ministers' Pension Scheme. This is a multi-employer defined benefit scheme, and the Methodist Church Connexional Team is unable to identify the Circuit's share of the underlying assets and liabilities on a consistent or reasonable basis. Employer's pension contributions are therefore accounted for as if the scheme were a defined contribution scheme. The Circuit's contribution to the scheme is identified in Notes 4 and 18 and is included in the Statement of Financial Activities within Resources expended.

## 21. Commitments and contingent liabilities

### King's Hall Methodist Church

The Circuit Meeting on 18 September 2002 designated a grant provision of £200,000 towards the cost of building a new church in conjunction with Methodist Homes for the Aged. Since then, MHA has withdrawn from the scheme and the King's Hall is pursuing alternative options. The liability of £200,000 for this designated grant provision was withdrawn by the Circuit Meeting on 6 June 2011.

## 22. Other funds and assets

The Circuit Meeting members are managing trustees for Moullin House and Havelock House. Accounts for the Moullin Memorial Hostel Trust are prepared separately.