



**Circuit  
Accruals Accounts  
2018-19**

**THE METHODIST CHURCH**  
**STANDARD FORM OF ACCOUNTS**  
**ACCRUALS BASIS**  
**FOR THE YEAR ENDED 31 AUGUST 2019**

<b>Forest</b>	<b>Circuit</b>	<b>Circuit no</b>	<b>35/33</b>
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<b>Registered Charity - Registration number</b>	<b>1134384</b>
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Circuit Chair	Revd Anthony Malcolm (From February 2019)
	Revd Nigel Cowgill (To February 2019)
Circuit Ministers	Revd Charles Illunga
	Revd Oseias Da Silva
	Revd Hilary Cheng
	Revd Ebute Obiabo
	Revd Sue Creighton
	Revd Norman Grigg (From September 2018 - August 2019)
Circuit Stewards	Dallion Roye
	David Hobbs
	Lincoln Fearon
Circuit Treasurer	Mrs Florestine Corbett

## FOREST METHODIST CIRCUIT

### TRUSTEES' ANNUAL REPORT

#### FOR THE YEAR ENDED 31 AUGUST 2019

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## 1 Introduction

- 1.1** The Forest Methodist Circuit was, until 1 September 2006, one of the constituent Circuits of the London North East District. On 1 September 2006 that District ceased to exist and a new London District was formed of which the Forest Circuit became part. There are twelve local churches in the Forest Circuit.

On 18<sup>th</sup> February 2010, the Circuit was entered into the Register of Charities and the Charity Number is 1134384.

The Managing Trustees of the Forest Circuit are the members of the Circuit Meeting which meets generally twice each year to consider the work of God in the Circuit and the general management of the Circuit and its business. The membership of the Meeting is governed by the Standing Orders of the Methodist Church. The officers of the Circuit who are appointed by the Circuit Meeting to act upon its behalf comprise the Superintendent Minister, the Ministerial Staff Team, the Circuit Stewards and the Circuit Financial Steward (treasurer).

## 2 Objectives and Activities

### 2.1 Aims and organisation

The aims of the Circuit Meeting through its officers are twofold:

- to secure and sustain the Circuit's viability and future
- to give assurance to the general public that the Circuit, which is a charity, intends to use all of the money coming into its care for the purpose of the charity.

### 2.2 Forest Methodist Circuit Vision

The Circuit's Mission Policy states "The Forest circuit exists to further God's Kingdom by enabling and supporting the local churches in their discipleship and mission; resourcing local Churches under the power of the Holy Spirit to function as effective worship, witness and welfare centres. The Circuit achieves this by holding the following values in all its dealings with individuals, communities, local and national authorities, other charities and businesses,

- Worship: Attributing worth to God, Father, Son and Holy Spirit
- Bible knowledge: Engaging with the scriptures in our daily lives
- Serving the community: Concern and help for the needs of the local community
- Diversity and Cultural relevance: Maintaining the rich diversity of the churches and circuit and communicating the Gospel effectively
- Empowered laity: Recognising the ministry of the whole people of God
- Safeguarding: Creating safer spaces for all including children and vulnerable adults
- Quest for a just world: Actively working for peace with justice

We shall review the implementation and the wording of this statement annually"

Essentially it provides for the

- ministerial oversight and pastoral care of the twelve local churches in the Circuit
- the support of a ministry team of six presbyteral ministers, and five supernumerary ministers.
- and the maintenance of eight Circuit manses

## 3 Review of progress and achievements

### 3.1 Forest Methodist Circuit Annual Report

The Forest Methodist Circuit Annual Report is prepared and presented to the circuit meeting. It gives full detail of the activities of the Circuit and all the churches making up the Circuit and the core central resources.

### 3.2 Circuit Goals

The principal purpose of the Circuit is to act as a supporting body between Churches and the Connexion. The Circuit does not seek and, in large measure, does not attain direct contact with the public. The direct contact is by the Churches and it is these that the Circuit supports in their desire to provide benefit to the public.

The goals of the Circuit are listed below:

To develop lay leadership - in breadth, depth, numbers and confidence

To ensure that every minister and local preacher is engaged in an intentional review and development of their ministry (primarily through the programmes of MDR, supervision training and the Continuing Development of Local Preachers).

## FOREST METHODIST CIRCUIT

### TRUSTEES' ANNUAL REPORT

#### FOR THE YEAR ENDED 31 AUGUST 2019

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#### 3.3 Plans for future years

Ensure that any local issues emanating from the Past Cases Review are dealt with sympathetically, fully and timeously.  
Ensure that all those within the Circuit that should attend the Safeguarding Leadership Module do so.  
Encourage initiatives for mission in Churches within the Circuit.

#### 4 Financial Plans and Review

- The Circuit's financial requirements are reviewed each year in the context of the aims listed above and the local churches are invited to make offers of a share in meeting the total cost.
- The annual budget includes a provision for the general maintenance of the manses on the basis of £3,500 allocated to each property each year, however, if large expenditure is needed within the year to maintain manses or refurbish a newly purchased manse the work needed will be agreed and authorised on a case by case basis. Large capital requirements are generally met from funds held in the Circuit Advance Fund (restricted).

Circuit income is drawn primarily from the assessments paid by the twelve circuit churches;  
during the year assessments decreased to £359,125 (2018: £361,140), reflecting a higher circuit requirement.

Rental income was received during the year from the letting of one Manse: this income is regarded as relatively short term in nature.

Expenditure decreased to £398,332 (2018: £515,203) as there was an increase in repairs and refurbishment work carried out at three manses in 2018 and a grant paid of £36,000 to Loughton Methodist Church which was approved in the March 2014 meeting.

At 31st August 2019, unrestricted reserves, excluding the property fund, stood at £322,812 (2018: £343,533).

The Circuit's Funds are split into a number of designated categories:

##### Unrestricted Funds

- General Fund – this fund together with other unrestricted funds represent at least six months expenditure of the Circuit's general activities and whilst this represents a significant sum, it is considered important that this level of funding be maintained to meet unexpected expenditure. The balance at the year end was £6,467,485 after adjustments for accruals, including £6,344,167 relating to the manses within the Circuit but where the title lies with the Trustees for Methodist Church Purposes.
- Designated Fund – the residual balance of funds which arose from the sale of churches previously closed and sold and the previous sale of Manses (Balance at the year end £199,494).

##### Restricted Funds

- Circuit Benevolence Fund – funds held to allow the Circuit to respond quickly to instances of poverty and hardship (Balance at the year end £1,792). The balance is considered adequate.
- Sale of Chapel and Land Fund – Apart from interest received and TMCP admin charges this fund has not had any activity since 1997 and it is recommended that this fund is transferred into the Circuit Model Trust Fund for payment of impending building and maintenance works in the next year. (Balance at the year end £2,579).
- Circuit Development Fund. A small fund to be used primarily on funding an additional member of staff when the case arises (Balance at the year end £2,560).

#### 4.1 Investment Policy

The investment of surplus funds is operated through the Central Finance Board (CFB) of the Methodist Church. CFB aims to provide high quality investment service seeking above average returns for long term investors, whilst ensuring that the securities held by all its funds are in line with the ethical policy of the Methodist Church. The District has its funds in a deposit account with the CFB. The Restricted Funds are managed by Trustees for Methodist Purposes (TMCP). These funds are also invested with the CFB.

#### 4.2 Reserves Policy

Our Reserves Policy relates to our unrestricted funds which are freely available for any or all of the purposes of the Circuit. It is our policy to hold at least six months expenditure in hand to enable us to meet any calls for funding requirements.

## FOREST METHODIST CIRCUIT

### TRUSTEES' ANNUAL REPORT

#### FOR THE YEAR ENDED 31 AUGUST 2019

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#### 5 Trustees Responsibilities

For each financial year ending 31st August, the Trustees are required to prepare financial statements that give a true and fair view of the Circuit's financial activities during the year and of its financial position at the end of the year. In preparing these financial statements, the Trustees must:

- select suitable accounting policies and then apply them consistently;
- make judgements and estimates that are reasonable and prudent;
- prepare accounts to comply with the Charities SORP;
- follow applicable accounting standards subject to any material departures disclosed and explained in the accounts;
- 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 ensuring that sufficient accounting records are kept which disclose with reasonable accuracy at any time the financial position of the Methodist Church - Forest Circuit and enables them to ensure that the financial statements comply with the law and Standing Orders of the Methodist Church.

They are also responsible for safeguarding the assets of the Circuit and hence taking reasonable steps for the prevention and detection of fraud and other irregularities.

#### 5.1 Risk Management

The Circuit has been considering the various risks facing the Circuit and the impact and the likelihood of issues happening, which will be reviewed every few years.

The headings under which the risks are being categorised include:

- Governance Risks including Trustees' Responsibilities
- Operational Risks including Resources, People and Property
- Financial Risks
- External Risks and Legal Risks

#### 6 Structure, governance and management

##### 6.1 Structure

The Forest Methodist Circuit is an unincorporated association and is governed by the Methodist Church Act 1976, the deed of Union and the Model Trust Deeds of the Methodist Church. It was registered with the Charity Commissioners on 18th February 2010.

Circuits are the coordinating charities for local groups of churches; circuits pay the stipends of the ministers and employ lay staff to serve the churches in the circuit; most decisions are made at or ratified by the circuit meetings. The Methodist conference meets once each year as the supreme denominational body for all Methodist Churches.

- 1 Overall regulatory authority rests with the Methodist Conference.
- 2 The Connexional office implements decisions made by Conference and is also responsible for the stationing of presbyters and deacons (collectively known as ministers) in individual Circuits within the District.
- 3 The Circuit Meeting passes regulatory control down to church councils for local implementation by the presbyter, the Church Stewards, and other officers, and this regulatory authority is then exercised by church councils as Managing Trustees of their charity.

##### 6.2 Purpose of the Circuit

The purposes of the Forest Methodist Circuit are and deemed to have been since the date of the union the advancement of:

- a the Christian faith in accordance with the doctrinal standards and the discipline of the Methodist Church, and
- b any charitable purposes 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 subsidiary or ancillary to the Methodist Church, and
- d any purpose for the time being of any charity being a subsidiary or ancillary of the Methodist Church.

The primary purpose of this Circuit is to advance the mission of the church in London by:

- 1 providing opportunities for Churches to work together and support each other
- 2 offering to Churches resource of finance, personnel and expertise.

## FOREST METHODIST CIRCUIT

### TRUSTEES' ANNUAL REPORT

#### FOR THE YEAR ENDED 31 AUGUST 2019

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##### 6.3 Governance

Detailed governance arrangements are outlined within the Constitutional Practice and Discipline of the Methodist Church by the 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, the Circuit Finance and Property Committee and the Circuit Policy Committee.

##### 6.4 Public Benefit Requirement

The trustees had due regard to the guidance published by the Charities Commission in compliance with its duties under section 4 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.

##### 6.5 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:

North Chingford, South Chingford, Leytonstone, Loughton, Wanstead, Woodford, Winchester Road, Leyton Trinity, Shern Hall, Light House, Cann Hall and Loughton Trinity (Debden).

## 7 Reference and Administration Details

7.1 The full name of the Charity is Forest Methodist Circuit.

7.2 The Forest Methodist Circuit is registered as a charity with the Charity Commission in England and Wales. The organisation's Charity No is 1134384.

7.3 The address of the Circuit for correspondence is 4 Hollywood Way, Woodford Green, IG8 9LG. The name of the person to whom correspondence should be addressed is Revd Anthony Malcolm, the Circuit Chair.

7.4 A full list of the trustees is included in the final page of these accounts.

The Circuit's Bankers are: HSBC and the Central Finance Board of the Methodist church "CFB".

7.5 Investments managed by the Circuit are held by Trustees for Methodist Church Purposes "TMCP"

##### 7.6 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.

##### 7.7 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.

##### 7.8 Auditors

The auditors Clay Ratnage Strevens & Hills had been auditors to the Circuit for eleven years since the Circuit was formed.

### Approval

The report was approved by the trustees on 18 June 2020 and signed in their behalf by:

Revd Anthony Malcolm  
Circuit Chair

## **FOREST METHODIST CIRCUIT**

### **INDEPENDENT AUDITORS' REPORT**

#### **TO THE TRUSTEES OF THE FOREST METHODIST CIRCUIT**

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##### **Opinion**

We have audited the financial statements of Forest Methodist Circuit (the 'charity') for the year ended 31 August 2019 which comprise Statement of Financial Activities, the Balance Sheet and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 The Financial Reporting Standard applicable in the UK and Republic of Ireland (United Kingdom Generally Accepted Accounting Practice).

This report is made solely to the charity's trustees, as a body, in accordance with Part 4 of the Charities (Accounts and Reports) Regulations 2008. 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 auditor's 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 the charity's trustees as a body, for our audit work, for this report, or for the opinions we have formed.

In our opinion the financial statements:

- give a true and fair view of the state of the charity's affairs as at 31 August 2019, 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.

##### **Basis of opinion**

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the charity in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

##### **Conclusions relating to going concern**

We have nothing to report in respect of the following matters in relation to which the ISAs (UK) require us to report to you where:

- the trustees' use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the trustees have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the charity's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

##### **Other information**

The trustees are responsible for the other information. The other information comprises the information included in the trustees' annual report, other than the financial statements and our auditor's report thereon. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard

## **FOREST METHODIST CIRCUIT**

### **INDEPENDENT AUDITORS' REPORT (CONTINUED)**

#### **TO THE TRUSTEES OF FOREST METHODIST CIRCUIT**

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##### **Matters on which we are required to report by exception**

We have nothing to report in respect of the following matters in relation to which the Charities (Accounts and Reports) Regulations 2008 require us to report to you if, in our opinion:

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

##### **Responsibilities of trustees**

As explained more fully in the trustees' responsibilities statement set out on page 3, the trustees are responsible for the preparation of financial statements which give a true and fair view, and for such internal control as the trustees determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the trustees are responsible for assessing the charity's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the trustees either intend to liquidate the charity or to cease operations, or have no realistic alternative but to do so.

##### **Auditor's responsibilities for the audit of the financial statements**

We have been appointed as auditor under section 144 of the Charities Act 2011 and report in accordance with regulations made under section 154 of that Act.

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists.

Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at: [www.frc.org.uk/auditorsresponsibilities](http://www.frc.org.uk/auditorsresponsibilities). This description forms part of our auditor's report.

##### **Clay Ratnage Strevens & Hills Chartered Accountants & Statutory Auditors**

Suite D, The Business Centre  
Faringdon Avenue  
Romford  
Essex RM3 8EN

**Date: 19 June 2020**

Clay Ratnage Strevens & Hills is eligible to act as an auditor in terms of section 1212 of the Companies Act 2006.

FOREST METHODIST CIRCUIT

STATEMENT OF FINANCIAL ACTIVITIES

FOR THE YEAR ENDED 31 AUGUST 2019

	Notes	General Fund (Unrestricted) £	Designated Funds (Unrestricted) £	Circuit Development Fund (Restricted) £	Sale of Chapel and Land Fund (Restricted) £	Circuit Benevolent Fund (Restricted) £	Total 2018-19 £	Total 2017-18 £
<b>Income</b>								
1 Donations and Legacies	3	1,092	-	-	-	650	1,742	2,303
2 Interest and Investment Income		149	1,940	17	22	-	2,128	2,248
3 Other income		-	-	-	-	-	-	-
4 Assessment on Churches	2	359,125	-	-	-	-	359,125	361,140
5 Contributions from Circuit Model Trust Funds		-	-	-	-	-	-	-
6 Connexional Advance & Property Fund		-	-	-	-	-	-	-
7 Capital Receipts		-	-	-	-	-	-	-
8 Grants (including trfs from DAF)		-	-	-	-	-	-	-
9 Manse Rent Received		15,300	-	-	-	-	15,300	16,068
<b>10 Total Income</b>		<b>375,666</b>	<b>1,940</b>	<b>17</b>	<b>22</b>	<b>650</b>	<b>378,295</b>	<b>381,759</b>
<b>Expenditure</b>								
11 Grants and Donations	4	600	10,000	-	-	-	10,600	40,973
12 Salaries and associated costs	5	209,331	-	-	-	-	209,331	178,651
13 Property (incl Ins., C tax, utilities etc)	6	39,916	-	-	-	-	39,916	138,808
14 Office Expenses (Admin., tel. travel etc.)	7	21,092	571	-	5	-	21,668	21,124
15 District assessment		86,653	12,686	-	-	-	99,339	115,526
16 Depreciation		836	-	-	-	-	836	907
17 Other Expenditure (incl training)	8	12,610	-	-	-	-	12,610	15,374
18 Audit	9	4,032	-	-	-	-	4,032	3,840
19 Manse loan interest		-	-	-	-	-	-	-
20 Capital Expended		-	-	-	-	-	-	-
<b>21 Total Expenditure</b>		<b>375,070</b>	<b>23,257</b>	<b>-</b>	<b>5</b>	<b>-</b>	<b>398,332</b>	<b>515,203</b>
<b>22 Net Income/(Expenditure)</b>		<b>596</b>	<b>(21,317)</b>	<b>17</b>	<b>17</b>	<b>650</b>	<b>(20,037)</b>	<b>(133,444)</b>
23 Transfers between funds		65,000	(65,000)	-	-	-	-	-
<b>24 Sub Total</b>		<b>65,596</b>	<b>(86,317)</b>	<b>17</b>	<b>17</b>	<b>650</b>	<b>(20,037)</b>	<b>(133,444)</b>
25 Gains/(losses) on revaln fixed assets		-	-	-	-	-	-	-
26 Gains/(losses): on investment assets		-	-	-	-	-	-	-
<b>27 Net investment in funds</b>		<b>65,596</b>	<b>(86,317)</b>	<b>17</b>	<b>17</b>	<b>650</b>	<b>(20,037)</b>	<b>(133,444)</b>
28 Restatement of opening comparative figures		-	-	-	-	-	-	-
29 Total funds brought forward from last year		6,401,889	285,811	2,543	2,562	1,142	6,693,947	6,827,391
<b>30 Total funds carried forward at end of year</b>		<b>6,467,485</b>	<b>199,494</b>	<b>2,560</b>	<b>2,579</b>	<b>1,792</b>	<b>6,673,910</b>	<b>6,693,947</b>

For information only: Money received and passed on to External Organisations

Balance brought forward from last year	1,092	1,706
Offerings/Gifts - received for External Organisations	5,149	6,857
Offerings/Gifts - passed to External Organisations	(6,241)	(7,471)
<b>Balance still to be paid</b>	<b>-</b>	<b>1,092</b>

The notes on pages 9 to 15 form part of these accounts.



## FOREST METHODIST CIRCUIT

## BALANCE SHEET

AS AT 31 AUGUST 2019

Notes	General Fund (Unrestricted)	Designated Funds (Unrestricted)	Circuit Development Fund (Restricted)	Sale of Chapel and Land Fund (Restricted)	Circuit Benevolent Fund (Restricted)	Total 2019	Total 2018
	£	£	£	£	£	£	£
<b>Tangible Fixed Assets</b>							
Manse and other fixed assets	10	6,346,675	-	-	-	6,346,675	6,346,890
Investment properties		-	-	-	-	-	-
Investments		-	-	-	-	-	-
<b>Total fixed assets</b>		<b>6,346,675</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>6,346,675</b>	<b>6,346,890</b>
<b>Current Assets</b>							
Debtors and Prepayments	11	134,585	-	-	-	134,585	78,809
Trustees for Methodist Church Purposes - Interest Acct	12	-	199,494	-	-	199,494	285,811
Central Finance Board	13	29,841	-	2,560	2,579	36,772	46,679
Cash at Bank and in hand	13	19,332	-	-	-	19,332	9,637
<b>Total current assets</b>		<b>183,758</b>	<b>199,494</b>	<b>2,560</b>	<b>2,579</b>	<b>390,183</b>	<b>420,936</b>
<b>Creditors and Accruals (due in under one year)</b>	14	62,948	-	-	-	62,948	73,879
<b>Net current (liabilities)/assets</b>		<b>120,810</b>	<b>199,494</b>	<b>2,560</b>	<b>2,579</b>	<b>327,235</b>	<b>347,057</b>
<b>Total assets less current liabilities</b>		<b>6,467,485</b>	<b>199,494</b>	<b>2,560</b>	<b>2,579</b>	<b>6,673,910</b>	<b>6,693,947</b>
<b>Long term liabilities</b>							
Loans to the Circuit		-	-	-	-	-	-
Grants Payable		-	-	-	-	-	-
Other liabilities due after one year		-	-	-	-	-	-
<b>Net assets</b>		<b>6,467,485</b>	<b>199,494</b>	<b>2,560</b>	<b>2,579</b>	<b>6,673,910</b>	<b>6,693,947</b>
<b>Funds of the District</b>							
General Fund (Unrestricted)		6,467,485				6,467,485	6,401,889
Projects (Designated)			199,494			199,494	285,811
<b>Total Unrestricted funds</b>						6,666,979	6,687,700
Circuit Development Fund (Restricted)				2,560		2,560	2,543
Other Funds (Restricted)					2,579	2,579	2,562
Circuit Benevolent Fund (Restricted)						1,792	1,142
Other Funds (Restricted)						-	-
<b>Total Restricted funds</b>						6,931	6,247
<b>Total Funds</b>		<b>6,467,485</b>	<b>199,494</b>	<b>2,560</b>	<b>2,579</b>	<b>6,673,910</b>	<b>6,693,947</b>

The notes on pages 9 to 15 form part of these accounts.

Approved by the managing trustees on 18 June 2020 and signed on their behalf by:

.....  
 Revd Anthony Malcolm  
 Circuit Chair

# FOREST METHODIST CIRCUIT

## NOTES TO THE ACCOUNTS

### FOR THE YEAR ENDED 31 AUGUST 2019

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#### 1 Accounting framework and accounting policies

##### i Accounting framework

The financial statements have been prepared under the Charities Act 2011 in accordance with the 2014 version of Accounting and Reporting by Charities: Statement of Recommended Practice (SORP) applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (effective from 1 January 2015) – (the Charities SORP (FRS 102) as amended by Update Bulletin 1) – in replacement for the SORP's 2005 version specified in its related 2008 Regulations and in accordance with the “true and fair override” provision contained therein.

##### ii Public benefit entity

The Circuit meets the definition of a public benefit entity under FRS 102. Assets and liabilities are initially recognised at historical cost or transaction value unless otherwise stated in the relevant accounting policy note(s) below.

##### iii Basis

These accounts have been prepared on the basis of historical cost except that Manses are shown at their market value at the end of the year, on the accruals basis to show a true and fair view of the Circuit's financial position and activities.

##### iv Content

The financial information presented is relevant, reliable, comparable and complete. Where estimates are used these are based on experience, research and judgement. The accounts are expressed in £Sterling, rounded to the nearest pound.

##### v Going concern

Based on the monetary assets and human resources available at 31 August 2019, the trustees believe that the Circuit is a going concern.

##### vi Consolidation

The Circuit oversees the work of ministers and lay workers in Churches within the Circuit, but does not have control over those Churches, ministers or lay workers except in extreme circumstances, none of which were applicable. For this reason, the financial statements of the Churches within the Circuit are not consolidated into these financial statements.

##### vii Income recognition

Income is brought into account when it is more likely than not that the economic benefit of the income will accrue to the Circuit. No attempt is made to measure the value of services donated by volunteers.

In accordance with the Charities SORP (FRS 102), the time of volunteers is not recognised.

##### viii Expenditure

This is recognised when a liability is incurred, or a constructive obligation arises, that results in the payment being unavoidable. Liabilities are recognised as soon as an outflow of economic benefit is considered more likely than not under the legal or constructive obligation committing the Circuit to pay out resources.

##### ix Grants

Grants are recognised annually only as and when any performance conditions attaching to the award are met, even when the award is for a recurrent grant over more than one year. All grants awarded for payment in future financial years are conditional on the Grants Committee being satisfied, on the basis of progress reports from the grantee, that the grant's achievements to date justify the payment of further instalments of that grant. Such commitments are noted as contingent liabilities and included within the Circuit Advance Fund or other relevant designated fund in these accounts.

##### x VAT

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

##### xi Tangible fixed assets

These are capitalised if they can be used for more than one year. The Manses are shown in the accounts at market valuation at the end of the financial year. Depreciation is provided on Computer Equipment at 25% reducing balance.

## FOREST METHODIST CIRCUIT

### NOTES TO THE ACCOUNTS

#### FOR THE YEAR ENDED 31 AUGUST 2019

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**xii Debtors and creditors; bank and cash**

Debtors are stated at the amounts owed to the Circuit or prepaid. Creditors are initially recognised at settlement amount after any trade discounts, where normal credit terms apply, or amount advanced to the Circuit. Subsequently creditors that are current liabilities are measured at the cash or other consideration expected to be paid. The liquid funds of bank balances and deposit account balances are shown at the realisable values.

**xiii Ministers' manse costs**

The Circuit is required to provide accommodation for each Minister and his / her family. The Circuit bears the cost of repairs, maintenance, building insurance, Council Tax and water charges. These costs are not shown separately as benefits-in-kind for Ministers as HMRC does not seek to tax these receipts in the hands of the Ministers.

## FOREST METHODIST CIRCUIT

### NOTES TO THE ACCOUNTS

#### FOR THE YEAR ENDED 31 AUGUST 2019

##### 2 Assessment on Churches

All Churches (see list given below in this note) paid their assessments to the Circuit during the year or shortly after its end.

An assessment on churches is annually determined by Circuit by reference to the number of staff in the churches but may also take into account a church's ability to pay. Churches in the Circuit are as follows:

Church Name	2018-19	2017-18
South Chingford	16,949	16,617
North Chingford	18,142	17,786
Sherm Hall	61,637	65,199
Cann Hall	11,034	11,337
Loughton	68,823	67,444
Woodford	17,865	17,513
Winchester Road	32,424	31,788
Leytonstone	43,497	46,488
Leyton Trinity	34,233	33,238
Loughton Trinity (Debden)	5,000	5,000
Wanstead	15,156	15,039
Light House	34,365	33,691
	<u>359,125</u>	<u>361,140</u>

##### 3 Donations Received

Donations were received during the year as shown in the table below:

	2018-19	2017-18
Benevolent Fund	650	10
Other donations	1,092	-
Legacies	-	2,293
	<u>1,742</u>	<u>2,303</u>

##### 4 Grants, Donations and related Support costs

Grants and donations were made during the year as shown in the table below:

	2018-19	2017-18
Donations General	600	600
Benevolent Fund	-	600
Grenfell Fire Donations paid out	-	3,773
Grant to Shernhall Methodist Church	10,000	36,000
	<u>10,600</u>	<u>40,973</u>

##### 5 Salaries and associated costs

	2018-19	2017-18
Gross Pay	145,843	121,830
Employer's National Insurance Contribution	12,639	12,870
Employer's pension contribution to the defined benefit scheme	35,757	29,043
Circuit Administrator's Gross Pay	13,627	13,812
Administration charge and apprenticeship levy	1,465	1,096
	<u>209,331</u>	<u>178,651</u>

Gross salaries paid to seven ministers and one office administrator in the year.

##### Payment to Trustees

It is Circuit policy to offer to reimburse members of the Circuit Council and others involved in the administration of Circuit affairs for expenditure properly incurred in carrying out their duties. The Chair of the Circuit undertakes the primary executive role within the Circuit. Apart from the Chair of the Circuit and Trustees, no member of the Circuit Council was in receipt of any payment for work undertaken on behalf of the Circuit, although certain travelling and administration costs were reimbursed whenever this was requested. None of the trustees is an employee of the Circuit.

No accrual is made for the Chair's entitlement to a sabbatical as their functions are undertaken by other Circuit Chair or delegated persons at minimal extra cost to the Circuit.

**FOREST METHODIST CIRCUIT****NOTES TO THE ACCOUNTS****FOR THE YEAR ENDED 31 AUGUST 2019**

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**5 Salaries and associated costs (Continued)****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.

<b>6 Property costs</b>	<b>2018-19</b>	<b>2017-18</b>
Manse repairs	15,502	114,744
Insurance and utilities	9,095	8,403
Council tax	15,319	15,661
	<u>39,916</u>	<u>138,808</u>

It should be noted that the Circuit chair and Trustees are required to occupy the Circuit manses. Circuit pays for the Manse repairs on a regular basis. Any major refurbishments are discussed and approved at the Circuit meeting before the work starts. Circuit pays for Manse's insurances, utilities and council tax for all the Manses occupied by Chair and Trustees except for 1 Manse which is let out.

<b>7 Office expenses</b>	<b>2018-19</b>	<b>2017-18</b>
Telephone	4,288	4,020
Travel	12,405	10,580
Postage and stationery	4,399	5,586
Investment management fees - CMTF	576	938
	<u>21,668</u>	<u>21,124</u>

<b>8 Other expenditure</b>	<b>2018-19</b>	<b>2017-18</b>
Training	150	2,385
Preachers fees and expenses	2,457	2,057
Sundries	1,686	2,349
Removal costs	5,296	4,775
Professional fees and survey costs	3,021	3,808
	<u>12,610</u>	<u>15,374</u>

<b>9 Fees for examination or audit of the accounts</b>	<b>2018-19</b>	<b>2017-18</b>
Auditors' fees	2,016	1,920
Other fees (eg: advice, accountancy services)	2,016	1,920
	<u>4,032</u>	<u>3,840</u>

# FOREST METHODIST CIRCUIT

## NOTES TO THE ACCOUNTS

### FOR THE YEAR ENDED 31 AUGUST 2019

#### 10 Total Tangible Fixed Assets

	Land and Building Manses	Computer Equipment	Total
<b>Cost or valuation</b>			
Balance at 1st Sept 2018	6,344,167	10,626	6,354,793
Additions in the year	-	621	621
Revaluations in the year	-	-	-
Balance at 31st August 2019	6,344,167	11,247	6,355,414
<b>Accumulated depreciation</b>			
Balance at 1st Sept 2018	-	7,903	7,903
Depreciation charge for the year	-	836	836
Revaluations in the year	-	-	-
Balance at 31st August 2019	-	8,739	8,739
Net Book Value at 31st August 2019	<b>6,344,167</b>	<b>2,508</b>	<b>6,346,675</b>
Net Book Value at 31st August 2018	<b>6,344,167</b>	<b>2,723</b>	<b>6,346,890</b>

The Land and Buildings (Manses) were not revalued in the year by the Trustees who believe that the valuations on 31 August 2019 are not materially different to the valuations on 31 August 2016. No depreciation is provided on the building because the Trustees consider the current fair value of the manse buildings (on the assumption that it had reached the end of its useful economic life by the year-end) to be not less than its current value. Any depreciation would not be material. The manses have been reviewed for impairment.

#### Investment properties

No manse is currently deemed not to be held for the long term purposes of the Circuit.

#### 11 Debtors and prepayments

All sums shown as Debtors at 31 August 2019 were received during the following year. All sums paid in advance at 31 August 2019 were for purposes required during 2019-20.

	2018-19	2017-18
<b>Trade debtors</b>		
Amounts owed by bodies connected with the charity	113,647	61,587
<b>Prepayments and accrued income</b>		
Stipends paid in advance	17,124	10,947
Council tax and utilities	1,807	1,745
Professional fees	1,007	-
Interest accrued	1,000	1,000
Other loans	-	3,530
	20,938	17,222
<b>Total</b>	<b>134,585</b>	<b>78,809</b>

#### 12 Trustees for Methodist Church Purposes

The funds that support the Circuit Model Trust Fund are held by TMCP. TMCP is the legal owner and Custodian Trustee of all Methodist Model Trust property, including Legacies, Endowments and Accumulated funds. 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.

#### 13 Central Finance Board (CFB) and cash at bank

The circuit has one current account at HSBC Plc, an authorised institution. The sums held on the account are immediately available. In addition, the Circuit has two deposit accounts at CFB. Interest is earned on these CFB accounts and credited monthly.

# FOREST METHODIST CIRCUIT

## NOTES TO THE ACCOUNTS

### FOR THE YEAR ENDED 31 AUGUST 2019

#### 14 Creditors and accrued expenses

Creditors	2018-19	2017-18
Expenses reimbursement	2,751	2,056
Audit and accountancy fees	4,032	3,840
Other creditors	2,101	2,101
Funds received due to be paid	5,149	6,857
	14,033	14,854
<b>Accruals and deferred income</b>		
Deferred income for activity next year	48,051	58,161
Deferred income for rent income next year	864	864
<b>Total of creditors and accrued expenses</b>	<b>62,948</b>	<b>73,879</b>

Funds received have been distributed to various external organisation after 31 August 2019, except for £1,092. It is expected that all sums accrued at 31 August 2019 would be paid during the year to 31 August 2020.

#### 15 Grant commitments

There were no future commitments at 31 August 2019.

#### 16 Circuit funds (Unrestricted and Restricted)

The Circuit maintains a number of separate funds. The purpose, type, movement and state as at the end of year is documented below.

The funds held constitute: General Funds for any purpose and Circuit Development Fund, the capital normally being unavailable for spending and the income from which is either Restricted or Unrestricted. Details of each material fund are disclosed in the notes below.

Project		2018-19	2017-18
General Funds - Unrestricted	For use at the discretion of the trustees in the furtherance of the objectives of the Circuit. This excludes funds which have been designated for a specific purpose.	6,467,485	6,401,889
Designated Funds - Unrestricted	The residual balance of funds which arose from the sale of churches previously closed and sold and the previous sale of Manses. For specific purposes but not restricted by document or deed to that purpose alone	199,494	285,811
Circuit Development Fund - Restricted	A small fund to be used primarily on funding an additional member of staff when the case arises	2,560	2,543
Sale of Chapel and Land Fund - Restricted	Apart from interest received and TMCP admin charges this fund has not had any activity since 1997.	2,579	2,562
Circuit Benevolent Fund - Restricted	To help meet the exceptional needs of presbyters and deacons Circuit lay employees and their dependents within the Forest Circuit that cannot be met at a local church or Circuit level alone, by providing a resource from which confidential payments can be made at the discretion of the Trustees.	1,792	1,142
		6,673,910	6,693,947

#### 17 Transfer between funds

	2018-19	2017-18
TMCP contribution to CFB account	65,000	121,870

## **FOREST METHODIST CIRCUIT**

### **NOTES TO THE ACCOUNTS**

#### **FOR THE YEAR ENDED 31 AUGUST 2019**

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##### **18 Volunteer contribution**

Every entity (Connexion, District, Circuit, Church) within the Methodist church in GB is heavily reliant on volunteers who contribute their skills, time and money in the furtherance of the work of the Church. Principally this contribution is by serving on committees of the Circuit that deal with mission, manses, finance, policy, grants, training, development. We are grateful to all of them for their help and commitment.



**FOREST METHODIST CIRCUIT**

**FOR THE YEAR ENDED 31 AUGUST 2019**

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**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 Policy Committee.

Signature of Treasurer

Name

Mrs Florestine Corbett

Date

Address

85 Norlington Road, London E10 6LA

**Presentation to the Circuit Policy Committee for approval.**

I confirm that the Accounts have been presented to the Circuit Policy Committee on 18 June 2020 and were approved.

Signature of the Chair  
of the meeting

Name of the Chair of the meeting

Revd Anthony Malcolm

Date

## FOREST METHODIST CIRCUIT

### TRUSTEES

FOR THE YEAR ENDED 31 AUGUST 2019

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Trustees	Appointed since 1st September 2019	Appointed prior to September 2019
Revd Charles Ilunga		01/07/12
Revd Dr Ebute Obiabo		01/09/16
Revd Hilary Cheng		01/09/14
Revd Oseias da Silva		01/09/12
Revd Sue Creighton		01/09/18
Revd Tony Malcolm	01/02/19	
Revd Jongikaya Zihle	01/09/19	
Revd Armstrong Fummey	19/09/19	
Dallion Roye		12/03/11
David Hobbs	14/03/19	
Lincoln Fearon	19/09/19	
Florestine Corbett		12/03/11
Malcolm Bell	14/03/19	
Janet Tweeddale		12/03/11
Charity Mensah Agyei		12/03/11
Christine Okpattah		12/03/11
Gary Ian Marshall	06/10/19	
Sheila Elizabeth Wintersgill	06/10/19	
Stella Heskey	19/09/19	
Jill Geddes	19/09/19	
Martin Howarth		01/03/12
Jane Gooding	19/09/19	
Sharon Heather	19/09/19	
Stephen Murray	01/09/19	
Patricia Bott	19/09/19	
Gordon Trevor Lumer	19/09/19	
Loyl Marcia Brandt	01/09/19	
Joseph Kusi	19/09/19	
Ciddra Skerritt		13/03/14
Leslie Stowe	19/09/19	
Pat Evans		01/03/15
Shahla Azirani	19/09/19	
Robert Amey	19/09/19	
Hannah Roberts		01/09/18
Bernard Mansell		12/03/11
Carole Merriman	01/09/19	
Jean Norton	19/09/19	
Hazel Mathews	19/09/19	
Pat Ovenden		01/03/13
Kathleen Poole	19/09/19	
Mick Higgins		12/03/11
Maxine Ansah	13/10/19	
Andronica Mugenbe	19/09/19	