



Circuit
Accruals Accounts
2021-22

THE METHODIST CHURCH
STANDARD FORM OF ACCOUNTS
ACCRUALS BASIS
FOR THE YEAR ENDED 31 AUGUST 2022

Romford Circuit Circuit no **35/32**

Registered Charity - Registration number **1132795**

| | |
|-------------------|--|
| Circuit Chair | Revd D Jebb |
| Circuit Ministers | Revd K Bell |
| | Revd J Ribeiro |
| | Revd R Asif |
| | Deacon SJ Rigby |
| | Revd Dr E Jackson |
| Circuit Stewards | G Reed - Resigned 31 August 2021 |
| | J Gowlett |
| | W Bansor |
| | R Hibbard |
| | T Pugsley - Appointed 1 September 2021 |
| | T Dixon - Appointed 1 September 2021 |
| Circuit Treasurer | T Smith |

ROMFORD METHODIST CIRCUIT

TRUSTEES' ANNUAL REPORT

FOR THE YEAR ENDED 31 AUGUST 2022

1 Introduction

- 1.1** The Romford Methodist Circuit serves to enable and champion the work of churches in the Greater London and Essex area. There are ten Churches in the Romford Circuit. The Aveley Church ceased to worship on 31 August 2021 and its funds have been transferred into the Circuit. Revd D Jebb was the Chair of the Circuit throughout the year. Since 1 September 2022 he has been succeeded by Revd Dr E Jackson. The Chair works together with a team of paid and voluntary officers to support and develop the life of the Circuit.

On 19 November 2009, the Circuit was entered into the Register of Charities and the Charity Number is 1132795.

The Managing Trustees of the Romford Circuit are the members of the Circuit Meeting which meets at least three times a 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), Circuit Property Steward and Manse Stewards.

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 Romford Methodist Circuit Vision

The Circuit's Mission Policy states "The Romford 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,

- 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"

Essentially it provides for the,

- ministerial oversight and pastoral care of the eleven local churches in the Circuit
- and the maintenance of seven Circuit manses

3 Review of progress and achievements

3.1 Romford Methodist Circuit Annual Report

The Romford 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.

ROMFORD METHODIST CIRCUIT**TRUSTEES' ANNUAL REPORT****FOR THE YEAR ENDED 31 AUGUST 2022**

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).

3.3 Plans for future years

- Ensure that any local issues emanating from the Past Cases Review are dealt with sympathetically, fully and in a timely manner.
- 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 £4,260 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 Manse Fund (Designated).
- Circuit income is drawn primarily from the assessments paid by the ten Circuit Churches. During the year assessments reduced to £209,878 (2021: £229,564).
- Rental income was received during the year from the letting of two Manses, this income is regarded as relatively short term in nature. The Rainham manse was sold during this financial year and net proceeds have been invested through the Central Finance Board of the Methodist Church.
- During the year, the Circuit net proceeds of sale of the former Brentwood Methodist Church premises, which net of the Connexional Property Fund levy amounted to £820,214.
- Expenditure excluding capital levies on property sales increased to £400,221 (2021: £317,981) mainly due to the increase in the DAF levy on the value of the Circuit Model Trust Fund.
- At 31 August 2022, unrestricted reserves, excluding the property fund, stood at £1,205,490 (2021: £233,441).
- The Circuit's Funds are split in the following 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, in normal circumstances it is considered important that this level of funding be maintained to meet unexpected expenditure. Having regard to the financial difficulties experienced during the Covid pandemic, the Circuit has however agreed to allow the available unrestricted funds to be reduced to cover at least three months' budgeted expenditure. The balance at the year end was £6,189,423 after adjustments for accruals, including £6,200,000 relating to the manses within the Circuit but where the title lies with the Trustees for Methodist Church Purposes.
- Circuit Model Trust 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 £1,115,957, of this £814,192 was designated for the purposes of mission activity within the Circuit.)

Designated Funds

- Manse Fund - funds held for maintenance and upkeep of manses used by ministers and manses not currently occupied by ministers which are let.
- Other (Church support) - funds held to enable Circuit to assist member Churches with urgent or exceptional needs.

ROMFORD METHODIST CIRCUIT**TRUSTEES' ANNUAL REPORT****FOR THE YEAR ENDED 31 AUGUST 2022**

Restricted Funds

- Circuit Benevolent Fund – funds held to allow the Circuit to respond quickly to instances of poverty and hardship (Balance at the year end £1,499). The balance is considered adequate.
- Mission Outreach Fund (Formerly Youth Forum and Special Project Fund) – These funds are for circuit outreach work. The Collier Row Mission Outreach Project was started on 14 January 2018. The Mission Outreach Project management team included Revd D Jebb, Revd K Bell, Pamela Coles, Joan Pugsley and Jonathan Coles.

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 Circuit has its funds in a deposit account with 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. In addition, it is our policy to hold a manse reserve fund sufficient to meet foreseeable major expenditure. The six month reserve policy is temporarily suspended due to the Covid pandemic as mentioned on Page 2.

5 Trustees Responsibilities

For each financial year ending 31 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 - Romford 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

ROMFORD METHODIST CIRCUIT

TRUSTEES' ANNUAL REPORT

FOR THE YEAR ENDED 31 AUGUST 2022

6 Structure, governance and management

6.1 Structure

The Romford 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 19 November 2009.

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 Romford 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, Essex and Thurrock by:

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

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 and the Circuit Finance and Property 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.

ROMFORD METHODIST CIRCUIT**TRUSTEES' ANNUAL REPORT****FOR THE YEAR ENDED 31 AUGUST 2022**

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:

Gidea Park, Harold Wood, Hornchurch, Romford, Upminster, Rainham, Brentwood, South Ockendon, Farmlands and Havering Road.

7 Reference and Administration Details

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

7.2 The Romford Methodist Circuit is registered as a charity with the Charity Commission in England and Wales. The organisation's Charity No is 1132795.

7.3 The address of the Circuit for correspondence changed during the year to Circuit Mission Outreach Centre, Clockhouse Lane, Romford, RM5 3QP. The name of the person to whom correspondence should be addressed was Revd D Jebb, the Circuit Chair (from 1 September 2022 Revd Dr E Jackson).

7.4 The managing trustees that served during the year were:

Revd D Jebb, Revd R Asif, Revd K Bell, Revd J Ribeiro, Deacon S Rigby

In addition there were some 45 lay managing trustees. A full list of trustees is available on the Charity Commission website.

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. Trustee training was held on 28 November 2017.

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 from year ended 31 August 2016.

28/3/2023

Approved by the managing trustees on and signed on their behalf by:



.....
Revd Dr E Jackson

Circuit Chair

ROMFORD METHODIST CIRCUIT**INDEPENDENT AUDITORS' REPORT****TO THE TRUSTEES OF THE ROMFORD METHODIST CIRCUIT**

Opinion

We have audited the financial statements of Romford Methodist Circuit (the 'charity') for the year ended 31 August 2022 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 2021, 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.

ROMFORD METHODIST CIRCUIT

INDEPENDENT AUDITORS' REPORT

TO THE TRUSTEES OF THE ROMFORD METHODIST CIRCUIT

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.

To identify risks of material misstatement due to fraud ("fraud risks") we assessed events or conditions that could indicate an incentive or pressure to commit fraud or provide an opportunity to commit fraud. Our risk assessment procedures included:

- Obtaining an understanding of the legal and regulatory frameworks applicable to the charity.
- Obtained an understanding of how the charity is complying with those legal and regulatory frameworks by making enquiries to the trustees.
- The susceptibility of the charity's financial statements to material misstatement caused by fraud or other irregularities were assessed with the following procedures:
 - Identifying and assessing the design effectiveness of controls which trustees have in place to prevent and detect fraud
 - Understanding how those charged with governance considered the potential for override of controls and management biases
 - Identifying and testing journal entries, in particular any journal entries posted with unusual account combinations

Potential fraud risks that had been identified throughout the planning and commencement of the audit were communicated to the audit team.

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. 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

Clay Ratnage Strevens & Hills

Date:

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

ROMFORD METHODIST CIRCUIT

STATEMENT OF FINANCIAL ACTIVITIES

FOR THE YEAR ENDED 31 AUGUST 2022

| | Notes | General Fund (Unrestricted) | Circuit Model Trust Fund (Unrestricted) | Designated Funds (Unrestricted) | Other Funds (Restricted) | Total 2021-22 | Total 2020-21 |
|--|-------|--------------------------------|---|---------------------------------------|-----------------------------|------------------|------------------|
| | | £ | £ | £ | £ | £ | £ |
| Income | | | | | | | |
| 1 Donations & Legacies | | 502 | - | - | 2,801 | 3,303 | 3,815 |
| 2 Interest and Investment Income | | 247 | 3,493 | 297 | 359 | 4,396 | 441 |
| 3 Other income | 3 | 13,559 | - | - | 24,643 | 38,202 | 15,579 |
| 4 Assessment on Churches | 2 | 209,878 | - | - | - | 209,878 | 229,564 |
| 5 Contributions from Circuit Model Trust Funds | | - | - | - | - | - | - |
| 6 Connexional Advance & Property Fund | | - | - | - | - | - | - |
| 7 Capital Receipts | | - | 1,327,024 | - | 9,761 | 1,336,785 | - |
| 8 Grants (including trfs from DAF) | | - | - | - | 30,000 | 30,000 | - |
| 9 Manse Rent Received | | - | - | 32,875 | - | 32,875 | 59,550 |
| 10 Total Income | | 224,186 | 1,330,517 | 33,172 | 67,564 | 1,655,439 | 308,949 |
| Expenditure | | | | | | | |
| 11 Grants and Donations | 4 | - | 5,060 | - | 2,222 | 7,282 | 9,000 |
| 12 Salaries and associated costs | 5 | 178,821 | - | - | 26,736 | 205,557 | 156,186 |
| 13 Property (incl Ins., C tax, utilities etc) | 6 | 22,106 | - | 34,866 | 19,845 | 76,817 | 51,415 |
| 14 Office Expenses (Admin., tel. travel etc.) | 7 | 9,751 | - | - | 524 | 10,275 | 6,843 |
| 15 District assessment | | 49,624 | - | - | - | 49,624 | 49,624 |
| 16 Depreciation | | 236 | - | - | 1,260 | 1,496 | 2,930 |
| 17 Other Expenditure (incl training) | 8 | 36,259 | 8 | 4,730 | 3,613 | 44,610 | 38,383 |
| 18 Capital levy on sale of Manse and church building | 9 | - | 672,635 | - | - | 672,635 | - |
| 19 Audit | 10 | 4,560 | - | - | - | 4,560 | 3,600 |
| 20 Total Expenditure | | 301,357 | 677,703 | 39,596 | 54,200 | 1,072,856 | 317,981 |
| 21 Net Income/(Expenditure) | | (77,171) | 652,814 | (6,424) | 13,364 | 582,583 | (9,032) |
| 22 Transfers between funds | 17 | (322,959) | 325,000 | (3,791) | 1,750 | - | - |
| 23 Sub Total | | (400,130) | 977,814 | (10,215) | 15,114 | 582,583 | (9,032) |
| 24 Gains/(losses) on sale of Manse | | - | 149,612 | - | - | 149,612 | - |
| 25 Gains/(losses) on revaluation fixed assets | | 1,355,096 | - | - | - | 1,355,096 | - |
| 26 Gains/(losses): on investment assets | | - | (11,776) | - | - | (11,776) | - |
| 27 Net investment in funds | | 954,966 | 1,115,650 | (10,215) | 15,114 | 2,075,515 | (9,032) |
| 28 Transfer of balances from Aveley Church | | 811,648 | - | - | - | 811,648 | - |
| 29 Total funds brought forward from last year | | 4,422,809 | 307 | 110,325 | 1,336,884 | 5,870,325 | 5,879,357 |
| 30 Total funds carried forward at end of year | | 6,189,423 | 1,115,957 | 100,110 | 1,351,998 | 8,757,488 | 5,870,325 |

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

Balance brought forward from last year

Offerings/Gifts - received for External Organisations

Offerings/Gifts - passed to External Organisations

Balance still to be paid

| | |
|---|---|
| - | - |
| - | - |
| - | - |
| - | - |

The notes on pages 10 to 15 form part of these accounts.

ROMFORD METHODIST CIRCUIT

BALANCE SHEET

AS AT 31 AUGUST 2022

| Notes | General Fund (Unrestricted) | Circuit Model Trust Fund (Unrestricted) | Designated Funds (Unrestricted) | Other Funds (Restricted) | Total 2022 | Total 2021 |
|-------|--------------------------------|---|---------------------------------------|-----------------------------|---------------|---------------|
| | £ | £ | £ | £ | £ | £ |

Tangible Fixed Assets

| | | | | | | | |
|------------------------------|----|------------------|----------------|----------|------------------|------------------|------------------|
| Manse and other fixed assets | 11 | 6,200,473 | - | - | 1,250,512 | 7,450,985 | 5,551,772 |
| | | | | | | | |
| Investment properties | | - | - | - | - | - | - |
| | | | | | | | |
| Investments | | - | 478,209 | - | - | 478,209 | - |
| Total fixed assets | | 6,200,473 | 478,209 | - | 1,250,512 | 7,929,194 | 5,551,772 |

Current Assets

| | | | | | | | |
|---|-------|---------------|----------------|----------------|----------------|----------------|----------------|
| Debtors and Prepayments | 12 | 23,489 | - | - | 725 | 24,214 | 42,511 |
| | | | | | | | |
| Central Finance Board and Trustees for Methodist Church Purposes deposits etc | 13/14 | 70,022 | 642,808 | 69,249 | 101,699 | 883,778 | 327,828 |
| Cash at Bank and in hand | | 2,005 | | 30,861 | 24,556 | 57,422 | 40,707 |
| Total current assets | | 95,516 | 642,808 | 100,110 | 126,980 | 965,414 | 411,046 |

| | | | | | | | |
|--|----|---------|-------|--|--------|---------|--------|
| Creditors and Accruals (due in under one year) | 15 | 106,566 | 5,060 | | 25,494 | 137,120 | 92,493 |
|--|----|---------|-------|--|--------|---------|--------|

| | | | | | | | |
|----------------------------------|--|----------|---------|---------|---------|---------|---------|
| Net current (liabilities)/assets | | (11,050) | 637,748 | 100,110 | 101,486 | 828,294 | 318,553 |
|----------------------------------|--|----------|---------|---------|---------|---------|---------|

| | | | | | | | |
|--|--|------------------|------------------|----------------|------------------|------------------|------------------|
| Total assets less current liabilities | | 6,189,423 | 1,115,957 | 100,110 | 1,351,998 | 8,757,488 | 5,870,325 |
|--|--|------------------|------------------|----------------|------------------|------------------|------------------|

Long term liabilities

| | | | | | | | |
|--------------------------------------|--|---|---|---|---|---|---|
| Grants Payable | | - | - | - | - | - | - |
| Other liabilities due after one year | | - | - | - | - | - | - |

| | | | | | | | |
|-------------------|--|------------------|------------------|----------------|------------------|------------------|------------------|
| Net assets | | 6,189,423 | 1,115,957 | 100,110 | 1,351,998 | 8,757,488 | 5,870,325 |
|-------------------|--|------------------|------------------|----------------|------------------|------------------|------------------|

Funds of the Circuit

| | | | | | | | |
|---|----|------------------|------------------|----------------|------------------|------------------|------------------|
| General Fund (Unrestricted) | | 6,189,423 | | | | 6,189,423 | 4,422,809 |
| Circuit Model Trust Fund (Unrestricted) | | | 1,115,957 | | | 1,115,957 | 307 |
| Designated Funds (Unrestricted) | | | | 100,110 | | 100,110 | 110,325 |
| Total Unrestricted funds | | | | | | 7,405,490 | 4,533,441 |
| Other Funds (Restricted) | | | | | 1,351,998 | 1,351,998 | 1,336,884 |
| Total Restricted funds | | | | | | 1,351,998 | 1,336,884 |
| Total Funds | 17 | 6,189,423 | 1,115,957 | 100,110 | 1,351,998 | 8,757,488 | 5,870,325 |

The notes on pages 10 to 15 form part of these accounts.

28/3/2023

Approved by the managing trustees on and signed on their behalf by:


.....
Revd Dr E Jackson

Circuit Chair

ROMFORD METHODIST CIRCUIT**NOTES TO THE ACCOUNTS****FOR THE YEAR ENDED 31 AUGUST 2022**

1 Accounting framework and accounting policies**i Accounting framework**

The financial statements have been prepared in accordance with Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland issued in October 2019, the Financial Reporting Standard applicable in the United Kingdom and Republic of Ireland (FRS 102), the Charities Act 2011 and UK Generally Accepted Accounting Practice.

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 notes 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 FRS102 SORP 2019

These accounts are compliant with FRS 102 and with the FRS 102 SORP 2019.

vi Going concern

Based on the monetary assets and human resources available at 31 August 2021, the trustees believe that the Circuit is a going concern.

vii 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.

viii Ministerial oversight and pastoral care of the eleven local churches in the Circuit

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.

ix 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.

ROMFORD METHODIST CIRCUIT**NOTES TO THE ACCOUNTS****FOR THE YEAR ENDED 31 AUGUST 2022**

x 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.

xi VAT

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

xii 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.

xiii 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.

xiv 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.

xv Cashflow statement

The Circuit has not prepared a cashflow statement, despite the income for the year exceeding £500,000, due to the one-off nature of the capital receipt.

ROMFORD METHODIST CIRCUIT**NOTES TO THE ACCOUNTS****FOR THE YEAR ENDED 31 AUGUST 2022****2 Assessment on Churches**

Three of the member churches (Hornchurch, South Ockendon and Brentwood) were unable to pay the assessments in full as a result of financial difficulties. Consequently, £58,373 of the total amount due remains outstanding at 31 August 2022 (£44,165 at 31 August 2021). The unpaid assessments have been fully provided and have caused an additional unpaid assessments charge to the SOFA of £23,883 as shown in Note 8.

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. Having regard to the financial difficulties caused by the pandemic, the Circuit agreed to a reduction of 20% in the level of assessment commencing with February 2021, while encouraging member Churches to continue to the same level of assessment if their circumstances permitted. The amounts shown below therefore represent the higher of the reduced assessment due and the actual receipts. Churches in the Circuit are as follows:

| Church Name | 2021-22 | 2020-21 |
|-----------------------------|----------------|----------------|
| Romford Contribution | 28,000 | 31,500 |
| South Ockendon Contribution | 3,670 | 4,129 |
| Aveley Contribution | - | 4,572 |
| Farmlands Contribution | 7,766 | 7,064 |
| Rainham Contribution | 9,561 | 9,058 |
| Havering Road Contribution | 15,779 | 15,365 |
| Gidea Park Contribution | 16,013 | 18,015 |
| Harold Wood Contribution | 20,421 | 20,420 |
| Brentwood Contribution | 26,632 | 33,292 |
| Hornchurch Contribution | 32,888 | 37,001 |
| Upminster Contribution | 49,148 | 49,148 |
| | 209,878 | 229,564 |

3 Other income

| | 2021-22 | 2020-21 |
|--|----------------|----------------|
| Mast and hall hire Circuit Mission Outreach Centre - Formerly Collier Row Church | 24,643 | 15,529 |
| Rental income Circuit Mission Outreach Centre | 10,546 | - |
| Upminster manse expenses reimbursed by Newham Methodist Church | 2,918 | - |
| Miscellaneous income | 95 | 50 |
| | 38,202 | 15,579 |

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

| | 2021-22 | 2020-21 |
|--------------------------|----------------|----------------|
| Miscellaneous grants | 2,222 | - |
| Upminster repairs grants | 5,060 | 9,000 |
| | 7,282 | 9,000 |

5 Salaries and associated costs

| | 2021-22 | 2020-21 |
|--|----------------|----------------|
| Gross Pay | 123,003 | 108,003 |
| Employer's National Insurance Contribution | 11,546 | 9,248 |
| Employer's pension contribution to the defined benefit scheme | 32,163 | 25,527 |
| Lay staff Gross Pay | 13,600 | 11,258 |
| Lay staff Employer's National Insurance | 394 | 338 |
| Lay staff employer's pension contribution to the defined contribution scheme | 686 | 675 |
| Apprentice levy | 685 | 657 |
| Payroll and pension admin charges | 480 | 480 |
| Contribution to pension scheme | 23,000 | - |
| | 205,557 | 156,186 |

Gross salaries paid to five ministers and two lay staff in the year.

ROMFORD METHODIST CIRCUIT**NOTES TO THE ACCOUNTS****FOR THE YEAR ENDED 31 AUGUST 2022****5 Salaries and associated costs (Continued)****Payment to Trustees**

It is Circuit policy to offer to reimburse members of the Circuit Meeting 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 Ministers, 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. During the year, the Circuit paid £1,151 (2021 - £990) to Mr T Pugsley, a trustee, for repair work carried out at various Manses and to the Collier Row premises.

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

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. The MMPS is in deficit but a plan for removal of the deficit is being implemented. It would be difficult to determine the liability that could fall on the London District and no attempt has been made to attempt this valuation. The lay workers are enrolled in a defined contribution scheme managed by The Pension Trust.

During the year the Circuit made an exceptional contribution to the Methodist Scheme Reserve of £23,000.

| 6 Property costs | 2021-22 | 2020-21 |
|--|----------------|----------------|
| Manse repairs | 34,418 | 25,690 |
| Insurance and utilities | 15,964 | 14,961 |
| Council tax | 15,889 | 12,133 |
| Provision for doubtful debt recovered - rent | - | (1,369) |
| CMOP share of lost rent | 10,546 | - |
| | <u>76,817</u> | <u>51,415</u> |

It should be noted that the Circuit chair and ministerial team are required to occupy the Circuit manses. Circuit pays for the Manse and project centre 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 four Manses which are let out.

| 7 Office expenses | 2021-22 | 2020-21 |
|--------------------------|----------------|----------------|
| Telephone | 4,557 | 3,826 |
| Travel | 4,310 | 1,748 |
| Postage and stationery | 888 | 530 |
| Software | 356 | 709 |
| Bank charges | 164 | 30 |
| | <u>10,275</u> | <u>6,843</u> |

| 8 Other expenditure | 2021-22 | 2020-21 |
|--|----------------|----------------|
| Preachers fees and expenses | 1,419 | 1,077 |
| Removal costs | 6,143 | 5,254 |
| Ministers' relocation allowance | 600 | 1,200 |
| Training and conference | 177 | - |
| Sundries | 2,576 | 980 |
| Levy on capital receipts and other charges | 7 | 8 |
| Professional fees and survey costs | 5,200 | 6,959 |
| Mission Outreach Fund Activities and Resources | 3,455 | 3,076 |
| Loan interest | 1,150 | - |
| Provision for bad debts (unpaid assessments) | 23,883 | 19,829 |
| | <u>44,610</u> | <u>38,383</u> |

| | 2021-22 | 2020-21 |
|--|----------------|----------------|
| 9 Capital levy on sale of manse and church building | <u>672,635</u> | <u>-</u> |

ROMFORD METHODIST CIRCUIT**NOTES TO THE ACCOUNTS****FOR THE YEAR ENDED 31 AUGUST 2022**

| 10 Fees for examination or audit of the accounts | 2021-22 | 2020-21 |
|---|----------------|----------------|
| Auditors' fees | 2,052 | 1,583 |
| Other fees (e.g.: advice, accountancy services) | 2,508 | 2,017 |
| | <u>4,560</u> | <u>3,600</u> |

11 Total Tangible Fixed Assets

| | Other Fixed Assets | Land and Buildings (Other) | Land and Buildings (Manse) | Total |
|-----------------------------|-----------------------------------|---|---|------------------|
| Cost or valuation | | | | |
| Balance at 1st Sept 2021 | 1,772 | 1,250,000 | 4,300,000 | 5,551,772 |
| Additions in the year | 709 | 800,000 | 79,505 | 880,214 |
| Contribution received | - | - | (9,601) | (9,601) |
| Depreciation | (1,496) | - | - | (1,496) |
| Revaluations in the year | - | - | 1,355,096 | 1,355,096 |
| Disposals in year | - | - | (325,000) | (325,000) |
| Balance at 31st August 2022 | <u>985</u> | <u>2,050,000</u> | <u>5,400,000</u> | <u>7,450,985</u> |

The Land and Buildings were revalued at 31 August 2022 and agreed by the Trustees. 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 to be held for the long term investment purposes of the Circuit.

12 Debtors and prepayments

| | 2021-22 | 2020-21 |
|---------------------------------------|----------------|----------------|
| Prepayments and accrued income | | |
| Stipends paid in advance | 14,436 | 13,755 |
| Council tax and utilities | 1,214 | 977 |
| Rent receivable | 725 | 3,105 |
| Insurance | 2,732 | - |
| Church assessment due | 4,268 | 18,315 |
| Building expenses - Initial | - | 6,359 |
| Contribution to manse running costs | 839 | - |
| Total | <u>24,214</u> | <u>42,511</u> |

13 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.

14 Central Finance Board (CFB) and cash at bank

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

ROMFORD METHODIST CIRCUIT**NOTES TO THE ACCOUNTS****FOR THE YEAR ENDED 31 AUGUST 2022****15 Creditors and accrued expenses**

| Creditors | 2021-22 | 2020-21 |
|---|-----------------------|----------------------|
| Expenses reimbursement | 439 | 1,295 |
| Audit and accountancy fees | 4,560 | 3,600 |
| Loan repayable in less than 12 months | 52,500 | - |
| Donations payable | 5,440 | - |
| | <u>62,939</u> | <u>4,895</u> |
| Accruals and deferred income | | |
| Deferred income for activity next year | 72,471 | 83,099 |
| Surveys due at year end | 810 | 810 |
| Council tax | - | 706 |
| Contribution received from Newham Circuit (sharing a manse) | - | 1,597 |
| Other accrued property expenses | 482 | 1,386 |
| Loan interest | 418 | - |
| Total of creditors and accrued expenses | <u><u>137,120</u></u> | <u><u>92,493</u></u> |

16 Grant commitments

There were no future commitments at 31 August 2022.

17 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 | | 2021-22 | 2020-21 |
|---|---|------------------|------------------|
| 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 | 6,189,423 | 4,422,809 |
| Circuit Model Trust Fund - 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. Of this balance £814,192 was designated for the purposes of mission activity within the Circuit | 1,115,957 | 306 |
| Designated Funds - Unrestricted | Manse Fund for the maintenance of manses | 75,110 | 85,325 |
| | Other - to assist member Churches | 25,000 | 25,000 |
| Mission Outreach Fund - Restricted (Formerly Youth Forum/ Special Project Fund) | Circuit Mission Outreach | 3,537 | 3,537 |
| | Collier Row Mission Outreach Project | 1,346,962 | 1,331,999 |
| Circuit Benevolent Fund - Restricted | To help meet the exceptional needs of presbyters and deacons Circuit lay employees and their dependents within the Romford 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. | 1,499 | 1,349 |
| | | <u>8,757,488</u> | <u>5,870,325</u> |

17 Transfer between funds

| | 2021-22 | 2020-21 |
|---|----------------|----------------|
| Property surplus transfer to general fund | 2,041 | 11,317 |
| Rainham manse carrying amount to CMTF | <u>325,000</u> | <u>-</u> |

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.

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

Signature of Treasurer

Thomas Smith

Name

Tom E J Smith FCA CTA

Address

Romford Methodist Circuit, Trinity Methodist Church,
Angel Way, Romford RM1 1JH

Date

24/3/2023

Presentation to the Circuit Meeting for approval.

I confirm that the Accounts will be presented to the Circuit Meeting on 23 March 2023 for approval.

Signature of the Chair of the meeting

Rev. Dr Jackson

Name of the Chair of the meeting

Rev Dr E Jackson

Date

28/3/2023