



**Circuit
Accruals Accounts
2020-21**

**THE METHODIST CHURCH
STANDARD FORM OF ACCOUNTS
ACCRUALS BASIS
for the year ended 31 August 2021**

Forest Circuit	Circuit no 35/33
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Registered Charity - Registration number

1134384

**Circuit Superintendent Minister
and Chair of Trustees**

The Revd Anthony Guy Malcolm

Circuit Ministers

Revd Oseias Da Silva

Revd Hilary Cheng

Revd Sue Creighton

Revd Stephanie Njeru

Circuit Stewards

Dallion Roye

Lincoln Fearon

Circuit Treasurer

Mrs Florestine Corbett

FOREST METHODIST CIRCUIT

TRUSTEES' ANNUAL REPORT

FOR THE YEAR ENDED 31 AUGUST 2021

1 Introduction

The Forest Methodist Circuit was until 1st September 2006, one of the constituent circuits of the London North East District. On 2nd 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 the 18th February 2010 the Circuit was entered into the Register of Charities in England & Wales.

The Managing Trustees of the Forest Circuit are those members of the Circuit Meeting who have agreed to be the Circuit trustees. The Circuit Meeting meets at least 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 Circuit Leadership team (CLT) are appointed by the Circuit Meeting to act upon its behalf between Circuit Meetings, with guidance where appropriate from the Circuit Finance Group. The CLT comprises, the Circuit Superintendent Minister, the Ministerial Staff team, the Circuit Stewards and the Circuit Financial Steward (treasurer) and the Circuit Safeguarding officer

2 Objectives and Activities

2.1 Aims and organisation

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

- 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 The Forest Circuit Vision

The Circuit's current mission statement is "The Forest Circuit is committed to further God's Kingdom by enabling and supporting the local churches in the growth of their discipleship and mission; resourcing local churches under the power of the Holy Spirit to function as effective worship, witness and community wellbeing".

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

The Vision, its wording and Implementation shall be reviewed annually. It provides for the:

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

2.3 Circuit Goals

The principal purpose of the circuit is to act as a supporting body between Churches and the District and 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. It is these that the circuit supports in their desire to provide benefit to the public.

FOREST METHODIST CIRCUIT

TRUSTEES' ANNUAL REPORT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2021

3 Review of progress and achievements

3.1 The Forest Circuit Annual Report

The year to 31st August 2021 has again been a difficult year for the Forest Circuit. The Forest Circuit ministerial team reduced by one to 5 and the circuit stewards reduced by 1 to two. Churches were once again impacted by the pandemic which then again had a knock on effect on the Circuit, pastorally and financially.

Many churches did risk assessments and made arrangements for small congregations to return to worship at the church buildings. A few churches also established online and interactive technology to link the small church congregations with those joining the service via Zoom from their homes.

The Covid-19 pandemic continues to cause much sadness, pain and disruption in the lives of the churches and congregations in the Circuit. The ministers, local preachers and lay church leadership teams continue to do their best to reach out to isolated members of the congregations and comforting grieving families.

Despite the issues caused by the pandemic, the training program for Worship Leaders and Local Preachers was able to continue via Zoom. Also a series of GDPR familiarisation courses were held via Zoom. The Circuit celebrated the acceptance of Adela Da Silva for training to the Diaconate.

Circuit Meetings during the year were again held online, which excluded some representatives without the required facilities. It is hoped that face to face meeting will soon be possible.

A Circuit Finance Group continued to meet regularly, monitoring and managing the difficult financial position of the Circuit, but also trying to liaise with churches to share information and expertise and in some cases provide assistance. However there remains financial management difficulties due to the lack of experienced treasurers and trustees.

A Circuit Strategy Development Group was established, to build on the earlier Grey / Blue sky thinking considered the previous year, exploring who we are as a Circuit and what the future might hold for the Circuit. Churches were also asked to consider their position and future, in preparation for discussion about the circuit as a whole.

The property at Hollywood Way, no longer being needed as a manse, was rented out through an agent following some necessary maintenance work.

The Circuit meeting agreed that as the manses at Hartley road and Windsor road became empty, they should be sold. These properties are no longer needed to house ministerial staff and would require considerable effort and funds to refurbish, which the circuit did not have. The sale of the Hartley Road manse was completed in July 2021. The sale of the Windsor Road manse is progressing.

The Circuit is grateful to the circuit stewards for their considerable work in relation to the Circuit manse property.

Trinity Debden became a class of Loughton Methodist Church and a group was established for its management. Loughton church however would not be able to financially support Trinity Debden should additional funds be required for capital expenditure e.g. on the building. Grants would need to be applied for from the circuit.

Following the 2019-20 audit, the auditor provided guidance on how governance should be improved in relation to Capital spend, this was shared with the Circuit Trustees, noted and proposals made for improvement.

FOREST METHODIST CIRCUIT

TRUSTEES' ANNUAL REPORT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2021

3.2 Plans for future years

The focus for 21-22 is the future of the churches in the circuit, assisting each church to consider its vision, plans and capabilities.

The Circuit leadership team has taken the lead in preparing a questionnaire, to be completed by all churches, assisting them to clarify their personnel and financial resources, and their plans to meet their vision for the future in a realistic light. The results will enable a circuit staffing level to be established and ideas considered for circuit focus for the next 5 years.

The Local Preacher and Worship leader training program will continue and more and more face to face preaching appointments are hoped for.

The Circuit Finance Group continue to monitor the finances of the Circuit and provide support and expertise to the circuit trustees, leadership team and churches as requested.

4 Financial Review

Once again it has been a difficult year financially for many churches in the Circuit. Churches have again been closed for a large part of the year due to the pandemic, so letting income has been reduced and offerings normally received at the Sunday service has also been reduced. More churches would be advised to encourage offerings to be made directly to the church bank accounts, e.g. by standing order or online banking. This reduced church income has had a knock on effect on Circuit finances.

Total Income in the year was £374,582 of which £351,652 was due from church assessments and £22,643 was received from the rental of the Hollywood Way property. However, a number of churches were not able to pay their assessments in full in the year. £91,690 (26%) of the in year assessment due was unpaid at the end of August 2021. £44,790 (12.7%) of this has since been paid, but £46,900 (13.3%) remains outstanding.

The larger part, of the outstanding assessment amount relates to Lighthouse Methodist Church, which has been impacted by a number of difficult issues in the the last few years. However considerable new effort from the church is being put into turning their situation around. A group of the Lighthouse church are in discussion with the Circuit Finance Group to explore potential ways to restructure the repayment, over a longer period. Since the end of the year, the Lighthouse church has received a significant legacy which has enabled them to repay £50,000 of the amount owed to the Circuit.

The total expenditure in the year was £695,301. giving a net deficit of £320,719. This includes the Connexional Priority Funds Levy of £302,393 paid out of the proceeds of sale of the Hartley Road Manse. With this levy excluded the expenditure for the year is £392,282 giving a net deficit of £18,326.

From the Circuit cashflow report, it could be seen that if the sale of one of the manses was not completed by November, the Circuit would have no funds to pay its essential bills such as stipends, manse expenses and District assessment. An application was therefore made to the District Advance Fund for a loan until the funds were received from the manse sale. £50,000 was granted. The funds for the sale of the manse came through in July 2021 and the loan was repaid in August 2021.

An account was opened in the name of the Circuit with the Charity Aid Foundation (CAF Bank). Through this account online facilities with dual authorisation is possible, enabling faster payment of invoices, expenses, transfers to and from the Central Finance board account etc. Thorough operational procedures around the online banking facilities were established and documented to ensure the best governance.

A further £32,052 was spent on manse renovation in the year 20-21. (19-20 £104,134). In addition to general manse maintenance.

It came to light in the year that the Circuit had agreed grant commitments from previous years which had not been paid. Minutes of Circuit meeting were checked and the amounts included in the account accruals for payment in the 21-22 financial year.

The Circuit is a vehicle for the group of churches to operate together to benefit from shared activity and costs. It does not stand alone. A failing church impacts all other churches in the circuit. From a financial standpoint, the Circuit has so far been fortunate in that it has had manses to sell. However significant financial management and forward planning is needed to prevent a repeat of last year's serious cash flow problems. Circuit Trustees should therefore be aware of the financial position of individual churches in the circuit as well as the Forest Circuit itself.

FOREST METHODIST CIRCUIT

TRUSTEES' ANNUAL REPORT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2021

5 Reserves policy and level

5.1 Reserves Policy

The Forest Circuit is required to provide a manse for each minister stationed in the Circuit as a base for work as well as home. Such manses satisfy the accommodation guidelines in CPD Book VII Part 2. The value of these properties are shown as fixed assets in a designated fund.

The Circuit also needs to maintain an operating reserve approximately equal to 6 months of annual expenditure in order to allow for any urgent work to its Manses and to avoid cash flow problems caused by late or non payment of church assessments, as occurred in 2019-20.

5.2 Explanation and reserves level.

Fixed Assets: (Designated)

The Circuit currently has 7 residential properties. 5 are now used as manses for ministers stationed in the Circuit. 1 is being let and a further property is soon to be sold. The total capital value of all these properties is £5,720,000. Remaining fixed assets of £1,411 are for depreciating equipment.

Current assets: (Unrestricted)

The unrestricted current assets amount to £651,449. However this includes approximately £100,000 of debtors for which there is currently no clear repayment date. A more realistic value therefore is £551,449. After setting aside an operating balance equivalent to approximately 6 mths annual expenditure, £169,000, the remaining reserves are £382,449. This is equivalent to 13.5 months operating expenditure.

Whilst the Circuit's difficult financial position has been alleviated for the moment, it must be emphasised that careful management is required to ensure future financial stability and effective use of charitable funds.

5.3 Restricted fund

The Circuit's Benevolent fund is the only restricted fund held at the end of the year.

6 Related Parties

The Forest Methodist Circuit is part of the London District of the Methodist church and is also accountable to the Methodist Conference. The Churches in the Forest are listed in Note 2 of the accounts.

The Forest Circuit's main source of funding is the assessments obtained from each church within the Circuit. The assessments are used to defray the cost of administering the Circuit and to pay the contributions to the expenses of the London Methodist District and to the Methodist Church Fund i.e. the Methodist Connexion.

The approach to calculating each Church's contributions to the Circuit is also discussed in Note 2 of the accounts.

7 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.

FOREST METHODIST CIRCUIT

TRUSTEES' ANNUAL REPORT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2021

8 Circuit Trustee Responsibilities

8.1 General Responsibilities include:

- formulation and promotion of policies which will advance the mission of the Forest Circuit of the Methodist Church in the local Churches in the circuit, in particular, to supervise the use of resources of personnel, property and finance and to assist Local Churches having exceptional problems,
- encouragement of ecumenical co-operation
- keeping within its purview all Church concerns not dealt with elsewhere
- constantly being aware of the public benefit guidance issued by the Charity Commission

8.2 Financial Responsibilities include:

- ensuring that sufficient accounting records are kept which disclose with reasonable accuracy at any time the financial position of the Forest Circuit of the Methodist Church and enables them to ensure that the financial statements comply with the law and Standing Orders of the Methodist Church.

- safeguarding the assets of the Circuit and hence taking reasonable steps for the prevention and detection of fraud and other irregularities.

- ensuring financial statements are prepared for each financial year ending 31st August, that give a true and fair view of the Circuits 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;
- ensure accounts 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.
- be aware that the stipend of the Ministers stationed in the Circuit is set by the Methodist Conference – currently by reference to the change over a year in the Consumer Price Index and to the annual change in the Average Weekly Earnings Index – using a formula that was agreed by the Methodist Conference for all ministers within the Connexion

8.3 The Forest Circuit Meeting

The Forest Circuit Meeting meets at least 2 times a year to deal with routine and exceptional matters. It seeks to think strategically about the work of the Circuit and carry out administrative matters for the Circuit. Its key functions have been:

- to encourage the Circuit to consider its Vision, and enable it to achieve its Goals
- to monitor the life and mission of the whole Circuit
- to identify and advocate strategic policy directions
- to oversee formal consents, authorisations and approvals
- to ensure essential appointments are made and compliances met

8.4 The Circuit Leadership Team, have been authorised by the circuit meeting to act in an executive capacity in matters requiring action and decision between meetings of the Circuit Trustees / Circuit Meetings.

9 Risk Management

The Circuit Meeting considers the various risks facing the circuit and the impact and the likelihood of issues occurring. Guidance is received from the London District of the Methodist Church and the Methodist connexion. The headings under which the risks are being categorised include:

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

FOREST METHODIST CIRCUIT

TRUSTEES' ANNUAL REPORT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2021

10	Trustees of the Circuit	Date Retired as Trustee	Appointed since 1 September 2021
	Revd Hilary Cheng		
	Revd Oseias da Silva		
	Revd Sue Creighton		
	Revd Anthony Guy Malcolm		
	Revd Stephanie Njeru		
	Revd Jongikaya Zihle		
	Revd Armstrong Fummey		
	Dallion Roye		
	Lincoln Fearon		
	Florestine Corbett		
	Malcolm Bell	31/08/21	
	Janet Tweedale		
	Graham Burgess		
	Christine Okpattah		
	Gary Ian Marshall		
	Sheila Elizabeth Wintergill	24/02/22	
	Stella Heskey	16/12/21	
	Gill Geddes		
	Martin Howarth		
	Jane Gooding	01/02/22	
	Sharon Heather		
	Stephen Murray		
	Patricia Bott		
	Gordon Trevor Lumer		
	Loyl Marcia Brandt		
	Elvena Bernita Brumant		
	Joseph Kusi		
	Leslie Stowe		
	Pat Evans		
	Shahla Zare-Azirani	31/08/20	
	Robert Amey		
	Hannah Roberts		
	Bernard Mansell		
	Carole Merriman		
	Jean Norton		
	Hazel Mathews		
	Pat Ovenden		
	Kathleen Poole		
	Michael Higgins		
	Maxine Ansah	31/08/21	
	Andronica Mugenbe		
	Phyllis Lloyd		01/09/21

FOREST METHODIST CIRCUIT

TRUSTEES' ANNUAL REPORT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2021

11 Structure, governance and management

11.1 Structure

The Forest 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 12th March 2010.

Circuits are the coordinating charities for local groups of churches; circuits pay the stipends of the ministers and circuit employed lay staff to serve the churches in the circuit; most decisions are made at or ratified by the circuit meetings. Some churches, who can afford it also employ their own lay workers, e.g. to assist with church management and administration. A District is the coordinating charity for a group of contiguous circuits and makes its decisions at half yearly synods. 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 Connexional decisions are passed to the Chair of the Districts and the appropriate officers of the District for implementation.
- 4 The District passes control down to Circuit level for local implementation by the Superintendent Minister, Ministerial staff and Circuit Stewards, and authority is delegated to the Circuit Meeting for certain matters.
- 5 The Circuit Meeting passes 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.

11.2 Purpose of the Circuit

The Circuit is an expression, over a lesser geographical area than a District, of the Connexional character of the Methodist Church. The purposes of the Methodist church are and shall be 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,
- b any charitable purposes for the time being of any connexional, District, Circuit, local or other organisation of the Methodist Church,
- c any charitable purpose for the time being of any society or institution subsidiary or ancillary to the Methodist Church,
- d any purpose for the time being of any charity being a subsidiary or ancillary of the Methodist Church.

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

- providing opportunities for Churches to work together and support each other
 - offering to Churches, resource of finance, personnel and expertise.
- The District serves the Local churches and Circuits and the Conference in the support, development and oversight of the various ministries of the church, and in programmes of training.

11.3 Governance

The Circuit operates within a statutory framework of regulation and seeks to ensure that it follows Methodist Standing Orders. It relies on the London District, Connexional Office and the Charity Commission to provide guidance on changes that could affect the Circuit.

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 Forest Circuit is undertaken by the Circuit Leadership team along with the Local Preachers meeting, and the Circuit Finance Group.

The Circuit Meeting consists of representatives of the local churches within the Circuit who are all annually appointed by Church Councils. The Circuit Superintendent is *ex officio* chair of the Circuit Meeting.

FOREST METHODIST CIRCUIT

TRUSTEES' ANNUAL REPORT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2021

12 Reference and Administration Details

- 12.1 **The full name of the Charity** is the Forest Methodist Circuit, "Forest Circuit".
- 12.2 The Forest Circuit is registered as a charity with the Charity Commission in England and Wales. The organisation's **Charity No is 1134384**.
- 12.3 The address of the Forest Circuit for correspondence is **1 Chester Road, Wanstead, London E11 2JU**. The name of the person to whom correspondence should be addressed is **Revd Anthony Guy Malcolm, the Circuit Superintendent**.
- 12.4 The trustees that served during the year are listed in section 10
- 12.5 **The Circuit's Bankers** are: HSBC and Charity Aid Foundation "CAF" Bank and the Central Finance Board of the Methodist church "CFB".
- 12.6 **Investments managed** by the District are held by Trustees for Methodist Church Purposes "TMCP".
- 12.7 **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.
- 12.8 **Auditors**
A recommendation was put to the Circuit Meeting in the **Autumn of 2020** that they re appointed Clay Ratnage Strevens & Hills. They have been auditors to the Circuit for 12 years.

Approval

28/6/2022

The report was approved by the trustees on and signed on their behalf by:

Rev Tony Malcolm

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Revd Anthony Guy Malcolm
Circuit Superintendent & Chair of Trustees

FOREST METHODIST CIRCUIT

STATEMENT OF FINANCIAL ACTIVITIES

FOR THE YEAR ENDED 31 AUGUST 2021

	Notes	General Fund (Unrestricted)	Reserves Funds (Designated)	Manse Renovation 2020 (Designated)	Manse Valuation (Designated)	Circuit Benevolent fund (Restricted)	Total 2020-21	Total 2019-20
		£	£	£	£	£	£	£
Incoming Resources								
1 Donations & Legacies	3		-	-	-	-	-	
2 Interest and Investment Income	4	29	258	-	-	-	287	440
3 Manse Rent Received (net)	5	22,643	-	-	-	-	22,643	14,274
4 Assessment on Churches	2	351,652	-	-	-	-	351,652	337,405
6 Capital Receipts		-	-	-	-	-	-	-
7 Grants received (E.g. from DAF)		-	-	-	-	-	-	-
8 Other income (Insurance Claim)		-	-	-	-	-	-	-
9 Total Incoming Resources		374,324	258				374,582	352,119
Resources Expended								
11 Grants and Donations	6	550	20,023	-	-	500	21,073	19,129
12 Salaries and associated costs	7	194,362	-	-	-	-	194,362	224,392
13 Property (incl Ins., C tax, utilities etc)	8	39,588		32,052	-	-	71,640	145,812
14 Connexional Assessment & MTF Levy		69,367	302,393	-	-	-	371,760	68,164
15 District Assessment & Levy		13,357	1,537	-	-	-	14,894	22,195
16 Depreciation		470		-	-	-	470	627
17 Office Expenses incl Investment Management costs(Admin., tel. travel	9	14,471	123	-	-	-	14,594	17,996
18 Other Expenditure (incl admin fees)	10	2,272			-	-	2,272	11,407
19 Accountancy & Audit	11	4,236		-	-	-	4,236	4,032
20 Capital Expended		-	-	-	-	-	-	-
21 Total Resources Expended		338,673	324,076	32,052		500	695,301	513,754
22 Net Incoming/(Outgoing) Resources		35,651	(323,818)	(32,052)	-	(500)	(320,719)	(161,635)
23 Transfers between funds		62,425	(80,438)	18,013	-	-		-
24 Sub Total		98,076	(404,256)	(14,039)	-	(500)	(320,719)	(161,635)
25 Gains/(losses) on disposal of Manse		-	806,763	-	(835,000)	-	(28,237)	-
26 Gains/(losses) on revaln fixed assets	12	-	-	-	50,000	-	50,000	160,833
27 Gains/(losses): on investment assets		-	-	-	-	-	-	-
28 Net investment in funds		98,076	402,507	(14,039)	(785,000)	(500)	(298,956)	(802)
29 Total funds brought forward from last year		104,848	47,429	14,039	6,505,000	1,792	6,673,108	6,673,910
30 Total funds carried forward at end of year		202,924	449,936	-	5,720,000	1,292	6,374,152	6,673,108

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 the following pages form part of these accounts.

FOREST METHODIST CIRCUIT**BALANCE SHEET****AS AT 31 AUGUST 2021**

	Notes	General Fund (Unrestricted)	Reserves Funds (Designated)	Manse Renovation (Designated)	Manse Valuation (Designated)	Circuit Benevolent fund (Restricted)	Total 2021	Total 2020
		£		£	£	£	£	£
Tangible Fixed Assets								
Manse and other property	13	1,411	-	-	5,720,000	-	5,721,411	6,506,881
Investment properties		-	-	-	-	-	-	-
Investments with TMCP		-	-	-	-	-	-	-
Total fixed assets		1,411	-	-	5,720,000	-	5,721,411	6,506,881
Current Assets								
Debtors and Prepayments	14	194,131	-	-	-	-	194,131	134,463
Trustees for Methodist Church Purposes - Interest Accounts	15		449,156	-	-	-	449,156	61,468
Central Finance Board Deposits	16	31,846		-	-	-	31,846	19,409
Cash at Bank and in hand	16	30,004		-	-	1,292	31,296	42,747
Total current assets		255,981	449,156	-	-	1,292	706,429	258,087
Current Liabilities								
Creditors (due in under 1 year)	17	53,688	-	-	-	-	53,688	91,860
		-	-	-	-	-	-	-
Total current liabilities		53,688	-	-	-	-	53,688	91,860
Net current (liabilities)/assets		202,293	449,156	-	-	1,292	652,741	166,227
Total assets less current liabilities		203,704	449,156	-	5,720,000	1,292	6,374,152	6,673,108
Long term liabilities								
liabilities due after 1 year		-	-	-	-	-	-	-
Net assets		203,704	449,156	-	5,720,000	1,292	6,374,152	6,673,108
Funds of the District								
General Fund (Unrestricted)	21	203,704					203,704	104,848
Reserves & Projects (Designated)			449,156				449,156	61,468
Manse Fund (Designated)				-	5,720,000		5,720,000	6,505,000
Total Unrestricted funds							6,372,860	6,671,316
Circ Devt & Sale of Chapel & Land						-	-	-
Benevolent Fund (Restricted)						1,292	1,292	1,792
Total Funds		203,704	449,156	-	5,720,000	1,292	6,374,152	6,673,108

The Notes on pages 14 to 37 form part of these accounts.



.....
 Revd Anthony Guy Malcolm
 Circuit Superintendent and Chair of Trustees

FOREST METHODIST CIRCUIT

NOTES TO THE ACCOUNTS

FOR THE YEAR ENDED 31 AUGUST 2021

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(s) below.

iii Basis

Assets and liabilities are initially recognised at historical cost or transaction value unless otherwise stated in the relevant accounting policy note(s) below.

These accounts have been prepared on the basis of historical cost except that investments and land and buildings are shown at their market value at the end of the year, and grants committed, but not paid are provided on the accruals basis to show a true and fair view of the District'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 the end of the financial year, 31st August, the trustees believe that the Circuit is a going concern.

vi Consolidation

The District 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 accordance with standing orders of the Methodist church 1932 Act, 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 District 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 awards 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 grants 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.

FOREST METHODIST CIRCUIT

NOTES TO THE ACCOUNTS

FOR THE YEAR ENDED 31 AUGUST 2021

x VAT

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

xi Tangible fixed assets

These are capitalised if they can be used for more than one year, and individually cost at least **£500**. The freehold properties are shown in the accounts at market valuation at the end of the financial year. The building value has been depreciated over a period of 50 years.

xii Investment Policy

The investment of surplus funds is operated through the Central Finance Board (CFB) of the Methodist Church. CFB aims to provide a 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 and in Trust funds managed by Trustees for Methodist Church Purposes (TMCP). TMCP funds are also invested with CFB.

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 Loans

Where concessionary loans (*i.e.*, free of interest) are made to (or received by) the District to further its charitable purposes, and are repayable after more than one year, they are initially recognised at the amount paid [or received], with the carrying value adjusted in subsequent years to reflect repayments and any accrued interest, adjusted for any impairment, if necessary.

Where there is objective evidence of impairment, an immediate impairment loss is recognised in the Statement of Financial Activities. Subsequent reversals of an impairment loss that objectively relate to an event occurring after the impairment loss was recognised, are recognised immediately in the Statement of Financial Activities.

xv 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 2021

2 Assessment from Churches

Forest Circuit assessments due from Churches to the Circuit for the year 2019-20 were as follows. However the annual meeting of Church Treasurers in November 2018 requested a subgroup to review the method of apportionment of the assessments across churches in the circuit and make recommendations for changes.

<u>Church Name</u>	<u>2020-21</u>	<u>2019-20</u>
Cann Hall	11,559	11,255
South Chingford	17,755	17,288
North Chingford	19,004	18,504
Sherm Hall	53,522	52,114
Loughton	72,095	70,199
Woodford	18,714	18,224
Winchester Road	33,965	33,072
Leytonstone	37,167	36,189
Leyton Trinity	35,860	34,918
Loughton Trinity (Debden) *	-	(5,000)
Wanstead	16,012	15,590
Lighthouse	35,999	35,052
* less Debden Contribution 18-19 written off	<u>351,652</u>	<u>337,405</u>

The Circuit Finance Group took on the task of considering the apportionment of the assessments. They initially considered the available criteria and recommended that for 20-21 the membership and attendance figures should continue to be used. However, from further studying the last 3 years figures, a better understanding emerged of the difficulties. In 17-18 a calculated assessment had been proposed, but this presumably had not been possible for a number of churches to meet, (i.e. Leytonstone, Sherm Hall). An alternative approach was agreed whereby other churches, due a decrease, agreed to pay the same assessment as in 16-17. This then reduced the particularly large increase needed from Sherm Hall and Leytonstone.

In 18-19 and 19-20 the deviation from the calculation was perpetuated. The calculation was not used. Generally churches received a 2% increase, except Leytonstone and Sherm Hall which received significant reductions.

In considering the 20-21 budget and assessments, the Circuit Finance Group therefore considered three further options.

1. Using revised church capita figures a number of small increases and decreases were reflected across the circuit, but significant increases would be due from Sherm Hall and Leytonstone, which currently they would find very difficult to meet.
2. A proposed blanket 2.7 % increase across all churches for another year to give time for further considerations to be included, e.g. the revised costs of 5 ministers in the Circuit instead of 6. This should also allow churches to prepare for potential increases in future.
3. Proposes an initial move towards the calculation. Suggesting a maximum of 10% increase & decrease.

The three options above were carefully considered at the Circuit Treasurers' meeting. Whilst Option 3 was considered as a possible way forward, the Circuit is still in a state of flux. The true impact of reduced costs and improved information will not be available until 21-22. With that information the Finance Group should be in a better position to devise a practical calculation to move towards and give churches more time to consider the implications.

The option accepted by the Circuit Meeting was that Option 2 is used for 20-21.

3 Donations Received

	<u>2020-21</u>	<u>2019-20</u>
Pastoral & Benovolent Fund	-	-
General Fund	-	-
Total Donations & legacies	<u>-</u>	<u>-</u>

FOREST METHODIST CIRCUIT

NOTES TO THE ACCOUNTS

FOR THE YEAR ENDED 31 AUGUST 2021

4 Interest & Investment Income

The Circuit currently holds no investments.

Funds are held on deposit at CFB, either directly or through a model Trust fund held at TMCP.

<u>Interest Received</u>	<u>Fund Type</u>	<u>Held at</u>	<u>2020-21</u>	<u>2019-20</u>
General Fund	U	CFB	29	124
Circuit Development Fund	R	CFB	0	17
Sale of Chapel and Land fund	R	TMCP	0	22
Forest Model Trust Fund	U	TMCP	258	277
Total Interest & Investment Income			287	440

5 Income from investment Properties - Manse Rent Received

<u>Manse Rental</u>	<u>Gross</u>	<u>Agents Fees</u>	<u>2020-21</u>	<u>2019-20</u>
Hollywood Way	25,283	(2,640)	22,643	22,643
Total Interest & Investment Income			22,643	22,643

The circuit had expected to have two residential properties, no longer required to be used as manses, available for rent.

The Hollywood Way property had been assigned for rental, but changing circumstances meant it needed to be used as a temporary manse for the superintendent until his appointed manse became free and could be renovated. The superintendent was able to move to his new manse in August 2020. Since then required checks and works have been carried out at the property and the property has been rented out from September 2020.

The Hartley Road property rental came to an end in June 2020 and the tenants moved out. The Circuit Meeting agreed that the property should be sold and the sale was completed in July 2021.

6 Grants, donations and related Support costs

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

	<u>2020-21</u>	<u>2019-20</u>
<u>Grants from Circuit Model Trust Fund</u>		
Wanstead - Welcome Area Project	-	8,429
Loughton - Digital Services Facilities	5,000	-
Dalit Project - paid via Loughton	10,000	-
Lighthouse - expansion of communal area	5,023	-
Debden Trinity	-	10,000
Total Grants from Model Trust fund Reserves	20,023	18,429
 Benevolent Fund Grants	 -	 -
General donations	-	700
Total	20,023	19,129

FOREST METHODIST CIRCUIT

NOTES TO THE ACCOUNTS

FOR THE YEAR ENDED 31 AUGUST 2021

7	Salaries and associated costs	2020-21	2019-20
	Gross Stipends Paid - 5 ministers	131,017	156,162
	Employer's National Insurance contribution	12,006	13,925
	Employer's pension contribution to defined contribution scheme	34,330	40,111
	Stipend administration charge and apprenticeship Levy	717	700
	Circuit Administrator's Gross Pay - Part time	14,861	12,842
	Employer's National Insurance contribution re Administrator	877	574
	Payroll administration charge and apprenticeship Levy	554	78
	Total cost	194,362	224,392

The Superintendent Minister and Ministers Stationed in the Circuit are paid a stipend, pension and expenses by the Circuit. This Stipend is that agreed annually by the Conference of the Methodist Church.

No employees received employee benefits that totalled more than £60,000. There is no accrual for holiday pay as it is immaterial; the holiday year ends on 31 August. All staff are paid at or above the living wage.

No accrual is made for ministers sabbaticals as their functions are undertaken by other ministers and delegated lay persons in the Churches and Circuit at minimal extra cost to the Circuit.

It should be noted that the Ministers stationed in the Circuit are required to occupy the Circuit manses. The council tax and water charges for the manses occupied by ministers are paid by the Circuit. HMRC does not regard this as a taxable benefit to the minister.

Payment to Trustees

The Methodist Ministers stationed in the Forest Circuit are included as trustees of the Circuit.

It is Circuit Policy to offer to reimburse local preachers and others involved in the administration of Circuit affairs for expenditure properly incurred in carrying out their duties.

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 Connexion accounts for the MMPS schemes and shows the figures in the annual Methodist Church in Great Britain accounts. The MMPS is in deficit but a plan for removal of the deficit has been proposed and is being implemented. Details of the deficits on this scheme can be found in the Annual Report and Accounts of The Methodist Church at www.methodist.org.uk.

8	Property costs	2020-21	2019-20
	<u>Manse Costs</u>	£	£
	Repairs, Maintenance and Renewals	12,176	7,615
	Insurance and Utilities	9,814	9,077
	Council tax	15,438	15,916
	Professional Fees and Survey costs	2,160	1,150
		39,588	33,758
	Circuit Property Valuation Survey *	-	7,920
	Total	39,588	41,678
	Manse Renovation costs	32,052	104,134
		71,640	145,812

* In preparation for a Mission Review of the whole circuit, the CLT agreed to a professional valuation being done of all property in the management of the churches and the circuit. To be paid for using the reserve funds.

FOREST METHODIST CIRCUIT

NOTES TO THE ACCOUNTS

FOR THE YEAR ENDED 31 AUGUST 2021

9	Office expenses & investment management fees	2020-21	2019-20
		£	£
	<u>Office expenses & other ministerial costs</u>		
	Printing, postage and stationery	3,181	3,026
	Telephones & Broadband	7,167	4,738
	Travel & Parking	1,678	6,619
	Ministerial Worship Resources & Support	2,445	3,209
	Total	14,471	17,592
	<u>Investment management</u>		
	During the year the Circuit paid the following amounts to TMCP as custodians of the Trust Funds		
	Circuit Model Trust Fund	123	399
	Sale of Chapel & land Fund	-	5
	Total	123	404
	<u>Office expenses & other ministerial costs</u>	Total	14,594
			17,996
10	Other Expenditure	2020-21	2019-20
		£	£
	<u>General Fund (U) Other items</u>		
	Training	1,025	1,125
	Preachers fees and expenses	-	500
	Payment to Treasurer	-	1,000
	Bank charges	84	
	Sundries	(337)	622
	Removal Costs	1,500	8,160
	Total	2,272	11,407
	Total Other Expenditure & Training	2,272	11,407
11	Fees for Accountancy and audit of the Accounts	2020-21	2019-20
	Auditor's Fee	2,118	2,016
	Other Fees (e.g. advice, accountancy services)	2,118	2,016
		4,236	4,032
12	Manse Valuations		
	All Manses were professionally revalued at the end of August 2020. The report showed an increase of £160,933.		

FOREST METHODIST CIRCUIT**NOTES TO THE ACCOUNTS****FOR THE YEAR ENDED 31 AUGUST 2021****13 Tangible Fixed assets**

	Land	Buildings	Total Land & Buildings	Equipment & Software	Furniture	Total Equipment & Furniture	Total Assets
Cost or Valuation	£	£	£	£	£		£
<i>Balance at 31st Aug 2020</i>			6,505,000	11,247	-	11,247	6,516,247
Additions in the year	-	-	-	-	-	-	-
revaluations in the year	-	-	50,000	-	-	-	50,000
less: disposals in year	-	-	(835,000)	-	-	-	(835,000)
Transfers between categories	-	-	-	-	-	-	-
<i>Balance at 31st Aug 2021</i>	-	-	5,720,000	11,247	-	11,247	5,731,247
Accumulated depreciation							
	Land	Buildings	Total Land & Buildings	Equipment & Software	Furniture	Total Equipment & Furniture	Total
Changes	Not Depreciated	£	£	£	£		£
<i>Balance at 31st Aug 2020</i>	-	-	-	9,366	-	9,366	9,366
Depreciation charge for the year	-	-	-	470	-	470	470
revaluations in the year	-	-	-	-	-	-	-
less: disposals in year	-	-	-	-	-	-	-
<i>Balance at 31st Aug 2021</i>	-	-	-	9,836	-	9,836	9,836

NB: Years over which value is depreciated

50

3

3

Net Value

	Land	Buildings	Total Land & Buildings	Equipment	Furniture	Total Equipment & Furniture	Total
		£	£	£	£		£
<i>Balance at 31st Aug 2020</i>	-	-	6,505,000	1,881	-	1,881	6,506,881
<i>Balance at 31st Aug 2021</i>	-	-	5,720,000	1,411	-	1,411	5,721,411

FOREST METHODIST CIRCUIT

NOTES TO THE ACCOUNTS

FOR THE YEAR ENDED 31 AUGUST 2021

14 Debtors and prepayments

Not all sums shown as debtors at the start of the year, 1st September, were received during the year. A few churches had outstanding assessments which have increased during the year.

			<u>2020-21</u>	<u>2019-20</u>
			£	£
Amount outstanding from churches at Year End				
Leytonstone	Assessments	Paid	36,942	-
Cann Hall	Assessments	Paid	2,890	-
Leyton (Trinity)	Assessments		15,860	-
Lighthouse	Assessments		99,502	63,504
Lighthouse	Loan / Transfer 2016		10,000	11,938
Shern Hall	Assessments	Paid	-	29,613
Shern Hall	Boiler Loan	Repayment Plan	13,000	13,000
			-	-
Total			178,194	118,055
Prepayments and accrued income				
Professional Fees			-	-
Council tax & Utilities			1,006	1,708
Stipend			14,931	14,700
Other sundry debtors			-	-
Total			15,937	16,408
Total (net)			194,131	134,463

15 Trustees for Methodist Church Purposes

TMCP is the legal owner and Custodian Trustee of all Methodist Model Trust property and assets, including Legacies, Endowments and Accumulated Funds. Trust property is held for and on behalf of local Managing Trustees who are responsible for the day to day management of trust property. TMCP provide guidance and require the circuits to act under TMCP direction. Thereby Managing Trustees will comply with charity law and Methodist law and policy as determined by the Methodist Conference.

In the year the Circuit meeting agreed to sell the manse at Hartley Road. The transaction went through in the year and proceeds were lodged in the Circuit's Trust at TMCP. In line with the Constitutional Practice and Discipline of the Methodist Church(CPD), a levy of 40% of proceeds was transferred to the Connexional Priority Fund.

16 Central Finance Board (CFB) and cash at bank

The Circuit has had a current account at HSBC plc for many years. In 19-20 the Circuit agreed to open an account with CAF Bank (Charities Aid Foundation), this was opened in October 2020. The account with CAF bank will facilitate online banking with dual authorisation. HSBC and CAF are authorised institutions. The sums held on the accounts are immediately available.

In addition, the Circuit has one deposit accounts at CFB. Interest earned on these CFB accounts is credited monthly; the sums deposited can be withdrawn without notice and without loss of interest.

FOREST METHODIST CIRCUIT

NOTES TO THE ACCOUNTS

FOR THE YEAR ENDED 31 AUGUST 2021

17 Creditors and accrued expenses

	<u>2020-21</u>	<u>2019-20</u>
	£	£
Creditors:		
Other Creditors unpaid as at EOY 18-19	250	2,101
Audit & accountancy Fees	4,236	4,032
Expenses reimbursement	217	878
Property related accruals	-	14,900
Property Valuation report	-	7,920
Remaining Grant to Debden Trinity	-	7,062
Grant to Dailit via Loughton, committed 2011	10,000	-
Grant to Lighthouse committed 2016	5,024	-
Connexional Funds & received for others unpaid	600	10,356
Total creditors	20,327	47,249
Pre receipts		
Assessments	33,361	44,611
Rent in Advance	-	-
Total accruals	33,361	44,611
Total of creditors and accrued expenses	53,688	91,860

It is expected that all sums accrued at 31 Aug 2021 would be paid during the year to 31 Aug 2022.

18 Capital commitments and contingent liabilities

18.1	Capital commitments at end of year amounted to:	<u>2020-21</u>	<u>2019-20</u>
		-	-
		-	-

19 Volunteer contributions

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. For the Forest Circuit directly this contribution is generally by serving on committees of the Circuit that deal with mission, manses, finance, policy, grants, training, development and governance, but there are many others who assist with the preparation and running of Circuit events. We are grateful to all of them for their help and commitment.

20 Lease commitments

The Circuit had the following lease commitments at the end of August:

Leased facility		Review Period	Payment Period	Annual Payment	Total Commitment
Printer / copier	5 year contract	21/08/2022	quarterly	1,762	3,523
Mobile phones	2 year contract	01/05/2022	monthly	734	1,223

FOREST METHODIST CIRCUIT

NOTES TO THE ACCOUNTS

FOR THE YEAR ENDED 31 AUGUST 2021

21 Circuit funds (Unrestricted, Restricted and Endowment)

The Forest Circuit of the Methodist Church 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: Unrestricted (U) General Funds held for any purpose, Designated (D) funds allocated for a specific purpose, Restricted (R) funds which are held for a narrower purpose. The Forest circuit does not hold any Endowment funds.

21.1 Fund Purpose & Type

The value of property owned by the Circuit, e.g. Manses and rental property, has been moved from the General fund to a separate Manse Value Fund in order to simplify and clarify the reporting and monitoring of the Circuit's more liquid assets.

	Fund Name	Type	Purpose of the Fund
21.1.1	Unrestricted Funds (U)		
	General Fund	U	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. (see designated funds below)
21.1.2	Designated Funds (D)		For specific purposes but not restricted by document or deed to that purpose alone. The trustees may agreed from time to time to transfer funds from a designnated
	Manse Valuation Fund	D2	The freehold properties owned by the circuit used as manses for the ministers stationed in the circuit. And the properties rented out.
	Circuit Model Trust Reserves	D1	To support the funding of projects in the Circuit
	Manse Refurbishment Fund	D3	A temporary project fund, to assist in the management and reporting of refurbishment work on Circuit property. i.e. Manses and rental property.
21.1.3	Restricted Funds (R)		
	Forest Circuit Benevolent Fund	R1	To help meet the exceptional needs of presbyters, deacons and lay employees in the Circuit, when these cannot be met by the church alone. Providing a resource from which confidential payments can be made at the discretion of the Superintendent & nominated Trustees.

FOREST METHODIST CIRCUIT

NOTES TO THE ACCOUNTS

FOR THE YEAR ENDED 31 AUGUST 2021

21.2 Fund Balances and Movements

Fund Name		Opening Balance	Incoming Resources	Resources Expended	Gains on revaluation/ disposal	Transfer	Closing Balance	
		£	£	£	£		£	
21.2.1	Unrestricted Funds							
	General Fund (excluding manse fund)	U	104,848	374,324	(338,673)	-	62,425	202,924
	Designated Funds							
	Manse Value Fund	D2	6,505,000	-	-	(785,000)	-	5,720,000
	Circuit Model Trust Reserves	D1	47,429	258	(324,076)	806,763	(80,438)	449,936
	Manse Refurbishment Fund	D3	14,039	-	(32,052)	-	18,013	-
	Total Designated		6,566,468	258	(356,128)	21,763	(62,425)	6,169,936
	Total Unrestricted & Designated		6,671,316	374,582	(694,801)	21,763	-	6,372,859
21.2.2								-
	Restricted Funds							-
	Circuit Development Fund	*	-	-	-	-	-	-
	Forest Circuit Pastoral & Benevolent Fund	R1	1,792	-	(500)	-	-	1,292
	Total Restricted Funds		1,792	-	(500)	-	-	1,292

Total Funds	6,673,108	374,582	(695,301)	21,763	-	6,374,151
	0	0	0	0	0	0

22 Connected organisations and related parties

Connected organisations include the Methodist Connexion, the District and Churches within the Circuit, CFB and TMCP. Except as reported in Note 3. All of these entities have their own trustees or directors and autonomous administration such that the Forest Circuit has no significant influence over any of them, nor they over the Forest Circuit. They are, therefore, not considered related parties.

Name of Connected Organisations	Receipts	Payments	Adjustment s
	£	£	£
Donor: Churches within the Forest Circuit - assessments	351,652		
Donor / Donee: Churches within the Forest Circuit (grants). - Wanstead, Trinity Debden.		20,023	
Donor / Donee: the London District (levies / grants)		(14,894)	
Donee: Methodist Church Fund via the London District.		(371,760)	
Total	351,652	(366,631)	-

FOREST METHODIST CIRCUIT**FOR THE YEAR ENDED 31 AUGUST 2021**

DECLARATIONS**Treasurer**

I confirm that I have prepared the accounts from the records of the Circuit and that they include all funds under the control of the Circuit Meeting.

Signature of Treasurer



Date

28/6/2022

Name

Mrs Florestine Corbett

Address

85 Norlington Road,
Leyton,
London E10 6LA**Presentation to the District Council for approval.**

I confirm that the Accounts have been presented to the Circuit Meeting on
and were approved.

16 June 2022

Signature of the Chair of
the meetingName of the Chair of the
meeting

Revd Anthony Guy Malcolm

Date

28/6/2022

FOREST METHODIST CIRCUIT

INDEPENDENT AUDITORS' REPORT

FOR THE YEAR ENDED 31 AUGUST 2021

TO THE TRUSTEES OF THE FOREST METHODIST CIRCUIT

We have audited the financial statements of the Forest Methodist Circuit (the 'charity') for the year ended 31 August 2021 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 Section 144 of the Charities Act 2011 and regulations made under Section 154 of that Act. Our audit work has been undertaken so that we might state to the charity's managing 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.

Opinion on accounts

In our opinion the accounts:

- give a true and fair view of the state of the charity's affairs as at 31 August 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;
- 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 other information. The other information comprises the information included in the trustees' annual report, other than the financial statements and our auditors' 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 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 THE FOREST METHODIST CIRCUIT

Matters on which we are required to report by exception

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

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

Responsibilities of trustees

As explained more fully in the Trustees' responsibilities statement set out on page 6, 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.

Responsibilities of auditors 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.

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 responsibility is to audit and express an opinion on the accounts in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors.

Our objectives are to obtain reasonable assurance 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 the standards will detect all misstatements. 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/auditors-responsibilities. This description forms part of our auditor's report.

Clay Ratnage Strevens & Hills

Clay Ratnage Strevens & Hills

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

Chartered Accountants

& Statutory Auditor

28/6/2022

Date

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