



**Circuit  
Accruals Accounts  
2021-22**

**THE METHODIST CHURCH  
STANDARD FORM OF ACCOUNTS  
ACCRUALS BASIS  
for the year ended 31 August 2022**

<b>Forest Circuit</b>	Circuit no <b>35/33</b>
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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 - till 31/07/22**

**Revd Sue Creighton**

**Revd Stephanie Njeru**

**Circuit Stewards**

**Dallion Roye**

**Lincoln Fearon**

**Circuit Treasurer**

**Florestine Corbett**

**Circuit Finance Group Convenor**

**Hannah Roberts**

# FOREST METHODIST CIRCUIT

## TRUSTEES' ANNUAL REPORT

### FOR THE YEAR ENDED 31 AUGUST 2022

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#### 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 2022*

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### **3 Review of progress and achievements**

#### **3.1 The Forest Circuit Annual Report**

The major aspect of the 21-22 Connexional year for the Forest Circuit was the urgent need to escalate the Mission and Strategy Review of the Circuit. In March 2021 a "Mission and Strategy Statement of Intent" document reported that the Forest Circuit was unsustainable for the future in its present form and that difficult questions needed to be addressed. Mission Questionnaires were sent out to all churches for discussion and return by September 2021

Following the news that Rev Hilary Cheng would "step down" in July 2022 and consultation with Rev Jongi Zihle the Circuit meeting was informed that the Forest Circuit would not be entering stationing process in 2021 to replace her. However the Circuit meeting was reminded that the stationing process begins in May 2022 and there could be 3 ministerial appointments to fill in 2022 for 2023

Mission Questionnaires completed by churches were reviewed by the Circuit Leadership team (CLT) alongside staffing options and resources available from September 2022. Resulting proposals were issued at the start of January and pastoral conversations held with churches significantly impacted by the proposals, i.e. those recommended to close or join with other churches. The proposals were then formally agreed at the Circuit Meeting in March 2022. The outcome of the proposals has been very difficult for those churches recommended to close or join with others. Some have been more accepting of the situation than others, but some conversations are still in progress well into 2022-23, as this report is being written. Services in 22-23 are on the plan for North Chingford, South Chingford and Cann Hall, though this is only possible monthly.

In August 2022 Wanstead Church held a final service filling the church with many old friends returning to give thanks for the church's mission in Wanstead. The closure and decisions about the future of Wanstead church building have yet to be formalised.

In July a wonderful service was held saying farewell to Rev Hilary Cheng and her husband, Leo Cheng. Both had contributed so much to the Circuit and introduced many puppet characters to help the Congregations consider their lives and mission.

A second Manse was sold, with proposals made for the majority of funds to be used to employ Lay staff to support the Circuit Mission. Posts of Pastoral worker and Facilities Manager were advertised with consideration being given to the employment of a Mission Co-ordinator at a later stage. A Pastoral worker was employed to start in September 2022. The post of Facilities Manager is to be re-advertised in early 2023.

The early stationing consultations resulted in Rev Tony Malcolm deciding to seek an appointment elsewhere for pastoral reasons, the re-invitation of Rev Sue Creighton for five years from 2023 and the re-invitation of Rev Oseias da Silva for 2 years from 2023. The Circuit is therefore seeking a replacement superintendent from Sept 2023.

Once again the Circuit is grateful to the Circuit Stewards for their commitment to Circuit support, and to the Circuit Finance Group for their financial management and oversight.

#### **3.2 Plans for future years**

Conversations continue with all churches on their future and the implementation of the Circuit Mission Strategy. The future of Church buildings no longer being used for Methodist Worship will also be addressed.

A further manse will become available following the decision not to replace Rev Hilary Cheng. Professional advice will be sought to inform consideration of whether to sell the property or prepare the property for rental.

All churches will face considerably difficulty in the coming year from much higher utilities bills. Impact on the churches cannot fail to have an impact on the Circuit, which therefore needs to be monitored.

# FOREST METHODIST CIRCUIT

## TRUSTEES' ANNUAL REPORT (CONTINUED)

### *FOR THE YEAR ENDED 31 AUGUST 2022*

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#### 4 Financial Review

**Total Income** in the year was £310,657. The General fund income was £306,502 of which £283,632 was due from church assessments and £22,720 was the net rental of the Hollywood Way Property. A further £4,305 was interest received. All churches were able to pay the year's assessment within a few weeks of the EOY. In addition some churches with outstanding debt to the Circuit paid some or all of their outstanding debt. The outstanding church debtors were reduced from £178,194 to £68,666.

**The total expenditure** in the year was £743,625. From the General fund the expenditure was £356,658 giving a net deficit of £50,156 in the General fund. This general fund deficit was not unexpected. The budget for the year had included a subsidy from reserves to reduce the total assessments requested of churches. A further £432,583 was paid in levies from the Reserves fund mainly to the Connexion Priority Fund & District largely as a result of the sale of the manses.

The sale of a residential property in August 2021 relieved the immediate financial pressure on the Forest Circuit. A second residential property no longer needed as a manse was sold in February 2022 for £975,000, (£960,476 net sale proceeds). The Circuit received £600,286, 60% of the final proceeds of sale after costs and £360,190, 40% was paid to the Connexional Priority Fund, in line with Methodist Conference procedures.

The Circuit has insufficient regular income to cover the cost of additional Lay staff. Increasing the Income from Assessments is not possible at this time. Under Standing order 917, Model Trust Funds can be used to support the personnel serving in the circuit. Employment is a commitment. Therefore to ensure such funds will be available to pay employed staff salaries, expenses etc. for approximately 5 years. £183,555 has been drawn down from reserves and placed in a separate designated Lay Workers Fund. As further new staff are employed additional funds should be moved to the Lay Workers Fund.

With the CAF bank account operating effectively for the year, the HSBC bank account was closed.

There are still some churches with significant financial challenges, which will be exacerbated by much increased utility bills in the coming 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. Circuit Trustees must be mindful 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 2022

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#### 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 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. In addition Funds have being designated to pay the salary & expenses of a lay worker for the Circuit for 5 years. Plans are also in place to employ a second Lay worker. Once a second person is employed funds will be designated for this post also.

##### 5.2 Explanation and reserves level.

Fixed Assets: (Designated)

The Circuit currently has 6 residential properties. Five of the properties are used as manses for ministers stationed in the Circuit. 1 Property is being let. Valuation of the properties is £4,770,000. Remaining fixed assets of £941 are for depreciating equipment.

Current Assets:

Lay Worker Fund (Designated): £183,555 to pay the salary & expenses of a pastoral worker for 5 years from September 2022.

General Fund (unrestricted) £997,373. This includes approximately £68,000 of outstanding amounts due from 2 churches, for which repayment plans have been discussed and are being monitored. A more realistic value currently therefore is £929,000 approx.

Whilst the Circuit's difficult financial position has been alleviated, it must be emphasised that careful management is required to ensure Trustee responsibilities are met, funds are used effectively and financial stability is maintained.

##### 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 2022

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#### 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 2022*

10	Trustees of the Circuit	Date Retired as Trustee	Appointed since 1 September 2021
	Revd Hilary Cheng	31/08/22	
	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		
	Janet Tweedale		
	Graham Burgess		
	Christine Okpattah		
	Gary Ian Marshall		
	Sheila Elizabeth Wintergill	24/02/22	
	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		
	Robert Amey		
	Hannah Roberts		
	Bernard Mansell		
	Carole Merriman		
	Jean Norton		
	Hazel Mathews		
	Pat Ovenden		
	Kathleen Poole		
	Michael Higgins		
	Andronica Mugenbe		
	Phyllis Lloyd		
	Millicent Freeman		28/02/22
	Jojo N Monney		27/02/22

# FOREST METHODIST CIRCUIT

## TRUSTEES' ANNUAL REPORT (CONTINUED)

### FOR THE YEAR ENDED 31 AUGUST 2022

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#### 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 are 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 2022

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#### 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 2022 that they re appointed Clay Ratnage Strevens & Hills. They have been auditors to the Circuit for 13 years.

#### Approval

4/4/2023

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

*Rev Tony Malcolm*

.....  
**Revd Anthony Guy Malcolm**  
**Circuit Superintendent & Chair of Trustees**

**FOREST METHODIST CIRCUIT****STATEMENT OF FINANCIAL ACTIVITIES****FOR THE YEAR ENDED 31 AUGUST 2022**

	Notes	General Fund (Unrestricted)	Reserves Funds (Designated)	Lay Workers Fund (Designated)	Manse Valuation (Designated)	Circuit Benevolent fund (Restricted)	Total 2021-22	Total 2020-21
		£	£	£	£	£	£	£
<b>Incoming Resources</b>								
1	Donations & Legacies	3	-	-	-	-	-	-
2	Interest and Investment Income	4	150	4,155	-	-	4,305	287
3	Manse Rent Received (net)	5	22,720	-	-	-	22,720	22,643
4	Assessment on Churches	2	283,632	-	-	-	283,632	351,652
6	Capital Receipts		-	-	-	-	-	-
7	Grants received (E.g. from DAF)		-	-	-	-	-	-
8	Other income		-	-	-	-	-	-
9	<b>Total Incoming Resources</b>		<b>306,502</b>	<b>4,155</b>	-	-	<b>310,657</b>	<b>374,582</b>
<b>Resources Expended</b>								
11	Grants and Donations	6	450	-	-	560	1,010	21,073
12	Salaries and associated costs	7	203,737	-	-	-	203,737	194,362
13	Property (incl Ins., C tax, utilities etc)	8	45,330	-	-	-	45,330	71,640
14	Connexional Assessment & MTF Levy		72,393	360,190	-	-	432,583	371,760
15	District Assessment & Levy		10,331	24,937	-	-	35,268	14,894
16	Depreciation		470	-	-	-	470	470
17	Office Expenses incl Investment Managment costs(Admin., tel. travel etc.)	9	14,462	1,280	-	-	15,742	14,594
18	Other Expenditure (incl admin fees)	10	5,033	-	-	-	5,033	2,272
19	Accountancy & Audit	11	4,452	-	-	-	4,452	4,236
20	Capital Expended		-	-	-	-	-	-
21	<b>Total Resources Expended</b>		<b>356,658</b>	<b>386,407</b>	-	560	<b>743,625</b>	<b>695,301</b>
22	<b>Net Incoming/(Outgoing) Resources</b>		<b>(50,156)</b>	<b>(382,252)</b>	-	(560)	<b>(432,968)</b>	<b>(320,719)</b>
23	Transfers between funds		10,781	(194,336)	183,555	-	-	-
24	<b>Sub Total</b>		<b>(39,375)</b>	<b>(576,588)</b>	<b>183,555</b>	<b>(560)</b>	<b>(432,968)</b>	<b>(320,719)</b>
25	Gains/(losses) on disposal of Manse		-	960,476	-	(950,000)	10,476	(28,237)
26	Gains/(losses) on revaln fixed assets		-	-	-	-	-	50,000
27	Gains/(losses): on investment assets		-	-	-	-	-	-
28	<b>Net investment in funds</b>		<b>(39,375)</b>	<b>383,888</b>	<b>183,555</b>	<b>(950,000)</b>	<b>(422,492)</b>	<b>(298,956)</b>
29	Total funds brought forward from last year		202,924	449,936	-	5,720,000	1,292	6,374,152
30	<b>Total funds carried forward at end of year</b>		<b>163,549</b>	<b>833,824</b>	<b>183,555</b>	<b>4,770,000</b>	<b>732</b>	<b>6,374,152</b>

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

	-
2,187	-
	-
2,187	-

The notes on the following pages form part of these accounts.

**FOREST METHODIST CIRCUIT****BALANCE SHEET****AS AT 31 AUGUST 2022**

	Notes	General Fund (Unrestricted) £	Reserves Funds (Designated)	Lay Workers Fund (Designated) £	Manse Valuation (Designated) £	Circuit Benevolent fund (Restricted) £	Total 2022 £	Total 2021 £
<b>Tangible Fixed Assets</b>								
Manse and other property	13	941	-	-	4,770,000	-	4,770,941	5,721,411
Investment properties		-	-	-	-	-	-	-
Investments with TMCP		-	-	-	-	-	-	-
<b>Total fixed assets</b>		<b>941</b>	<b>-</b>	<b>-</b>	<b>4,770,000</b>	<b>-</b>	<b>4,770,941</b>	<b>5,721,411</b>
<b>Current Assets</b>								
Debtors and Prepayments	14	83,692	-	-	-	-	83,692	194,131
Trustees for Methodist Church Purposes - Interest Accounts	15	-	833,824	-	-	-	833,824	449,156
Central Finance Board Deposits	16	95,992	-	183,555	-	-	279,547	31,846
Cash at Bank and in hand	16	41,532	-	-	-	732	42,264	31,296
<b>Total current assets</b>		<b>221,216</b>	<b>833,824</b>	<b>183,555</b>	<b>-</b>	<b>732</b>	<b>1,239,327</b>	<b>706,429</b>
<b>Current Liabilities</b>								
Creditors (due in under 1 year)	17	58,608	-	-	-	-	58,608	53,688
<b>Total current liabilities</b>		<b>58,608</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>58,608</b>	<b>53,688</b>
<b>Net current (liabilities)/assets</b>		<b>162,608</b>	<b>833,824</b>	<b>183,555</b>	<b>-</b>	<b>732</b>	<b>1,180,719</b>	<b>652,741</b>
<b>Total assets less current liabilities</b>		<b>163,549</b>	<b>833,824</b>	<b>183,555</b>	<b>4,770,000</b>	<b>732</b>	<b>5,951,660</b>	<b>6,374,152</b>
<b>Long term liabilities</b>								
Liabilities due after 1 year		-	-	-	-	-	-	-
<b>Net assets</b>		<b>163,549</b>	<b>833,824</b>	<b>183,555</b>	<b>4,770,000</b>	<b>732</b>	<b>5,951,660</b>	<b>6,374,152</b>
<b>Funds of the Circuit</b>								
General Fund (Unrestricted)	21	163,549					163,549	203,704
Reserves & Projects (Designated)			833,824				833,824	449,156
Manse Fund (Designated)				183,555	4,770,000		4,953,555	5,720,000
<b>Total Unrestricted funds</b>		<b>163,549</b>	<b>833,824</b>	<b>183,555</b>	<b>4,770,000</b>		<b>5,950,928</b>	<b>6,372,860</b>
Benevolent Fund (Restricted)						732	732	1,292
<b>Total Funds</b>		<b>163,549</b>	<b>833,824</b>	<b>183,555</b>	<b>4,770,000</b>	<b>732</b>	<b>5,951,660</b>	<b>6,374,152</b>

The Notes on pages 14 to 22 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 2022

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#### 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.

# FOREST METHODIST CIRCUIT

## NOTES TO THE ACCOUNTS

### ***FOR THE YEAR ENDED 31 AUGUST 2022***

---

**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 data justify the payment of further instalments of that grant. such committments are noted as contingent liabilities and included within the circuit Advance Fund or other relevant designated fund in these accounts.

**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 2022

#### 2 Assessment from Churches

Forest Circuit assessments due from Churches to the Circuit for the year 2021-22 were as follows. The Circuit Finance Group continued to review the method of apportionment of the assessments across churches in the circuit and make recommendations for changes.

<u>Church Name</u>	<u>2021-22</u>	<u>2020-21</u>
Cann Hall	16,192	11,559
South Chingford	18,092	17,755
North Chingford	14,119	19,004
Shern Hall	42,172	53,522
Loughton	67,269	72,095
Woodford	9,223	18,714
Winchester Road	33,965	33,965
Leytonstone	30,555	37,167
Leyton Trinity	22,457	35,860
Wanstead	14,777	16,012
Lighthouse	14,811	35,999
Loughton Trinity (Debden) - incorporated into Loughton church from Sept 2020	-	-
	<u>283,632</u>	<u>351,652</u>

Building on the assessment approach of 20-21, the Circuit Finance Group gave further consideration to the assessment apportionment. A calculation was again drafted using a number of factors, such as church capita, but also a factor to reflect a church's ability to pay. This was a church's total funds as a percentage of the combined churches' total funds. However with churches still suffering financial from the impact of the covid pandemic, the assessment calculation what ever percentages were used could be seen to be difficult for most churches. It was therefore suggested that as two Manses were being sold, the circuit could usefully use recently released capital to reduce the assessment. An amount of £35,000 was agreed on the understanding that this would be a one off application of funds.

#### 3 Donations Received

	<u>2021-22</u>	<u>2020-21</u>
Pastoral & Benenvolent Fund	-	-
General Fund	-	-
<b>Total Donations &amp; legacies</b>	<u>-</u>	<u>-</u>

#### 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>2021-22</u>	<u>2020-21</u>
General Fund	U	CFB & CAF	150	29
Forest Model Trust Fund	U	TMCP	4,155	258
<b>Total Interest &amp; Investment Income</b>			<u>4,305</u>	<u>287</u>

# FOREST METHODIST CIRCUIT

## NOTES TO THE ACCOUNTS

### FOR THE YEAR ENDED 31 AUGUST 2022

#### 5 Income from investment Properties - Manse Rent Received

Manse Rental	<u>Gross</u>	<u>Agents Fees</u>	<u>2021-22</u>	<u>2020-21</u>
Hollywood Way	26,400	(3,680)	22,720	22,643
<b>Total Interest &amp; Investment Income</b>			<u>22,720</u>	<u>22,643</u>

#### 6 Grants, donations and related Support costs

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

	<u>2021-22</u>	<u>2020-21</u>
<u>Grants from Circuit Model Trust Fund</u>	-	-
Loughton - Digital Services Facilities	-	5,000
Dalit Project - paid via Loughton	-	10,000
Lighthouse - expansion of communal area	-	5,023
Debden Trinity	-	-
<b>Total Grants from Model Trust fund Reserves</b>	<u>-</u>	<u>20,023</u>
 Benevolent Fund Grants	560	500
General donations	450	550
<b>Total</b>	<u>1,010</u>	<u>21,073</u>

# FOREST METHODIST CIRCUIT

## NOTES TO THE ACCOUNTS

### FOR THE YEAR ENDED 31 AUGUST 2022

7	Salaries and associated costs	2021-22	2020-21
	Gross Stipends Paid - 5 ministers	133,037	131,017
	Employer's National Insurance contribution	12,492	12,006
	Employer's pension contribution to defined contribution scheme	34,734	34,330
	Stipend administration charge and apprenticeship Levy	951	717
	Circuit Administrator's Gross Pay - Part time	13,960	14,861
	Employer's National Insurance contribution re Administrator	707	877
	Employer's pension contribution re Circuit Administrator (back (Pension contributions had not been correctly set up at start of employment.)	7,787	-
	Payroll administration charge and apprenticeship Levy	69	554
	<b>Total cost</b>	<b>203,737</b>	<b>194,362</b>

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](http://www.methodist.org.uk).

8	Property costs	2021-22	2020-21
	<u>Manse Costs</u>		
	Repairs, Maintenance and Renewals	20,154	12,176
	Insurance and Utilities	9,820	9,814
	Council tax	14,551	15,438
	Professional Fees and Survey costs	805	2,160
		<u>45,330</u>	<u>39,588</u>
	Circuit Property Valuation Survey *	-	-
	<b>Total</b>	<b>45,330</b>	<b>39,588</b>
	Manse Renovation costs	-	32,052
		<u>45,330</u>	<u>71,640</u>

\* 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 2022

9	Office expenses & investment management fees	2021-22	2020-21
	<b><u>Office expenses &amp; other ministerial costs</u></b>		
	Printing, postage and stationery	3,086	3,181
	Telephones & Broadband	5,979	7,167
	Travel & Parking	3,133	1,678
	Ministerial Worship Resources & Support	2,264	2,445
	<b>Total</b>	<b>14,462</b>	<b>14,471</b>
	<b><u>Investment management</u></b>		
	During the year the Circuit paid the following amounts to TMCP as custodians of the Trust Funds		
	Circuit Model Trust Fund	1,280	123
	<b>Total</b>	<b>1,280</b>	<b>123</b>
	<b><u>Office expenses &amp; other ministerial costs</u></b>	<b>Total</b>	<b>Total</b>
		<b>15,742</b>	<b>14,594</b>
10	<b>Other Expenditure</b>	<b>2021-22</b>	<b>2020-21</b>
	<b><u>General Fund (U) Other items</u></b>		
	Training	605	1,025
	Preachers fees and expenses	1,419	-
	Youth Work	850	-
	Health checks	1,213	-
	Bank charges & Auditor's letter	176	84
	Sundries	500	(337)
	Accountancy guidance during year	270	-
	Removal Costs	-	1,500
	<b>Total</b>	<b>5,033</b>	<b>2,272</b>
	<b>Total Other Expenditure &amp; Training</b>	<b>5,033</b>	<b>2,272</b>
11	<b>Fees for Accountancy and audit of the Accounts</b>	<b>2021-22</b>	<b>2020-21</b>
	Auditor's Fee	2,226	2,118
	Other Fees (e.g. advice, accountancy services)	2,226	2,118
		<b>4,452</b>	<b>4,236</b>
12	<b>Manse Valuations</b>		
	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 2022****13 Tangible Fixed assets**

	Land	Buildings	Total Land & Buildings	Equipment & Software	Furniture	Total Equipment & Furniture	Total Assets
<b>Cost or Valuation</b>							
<i>Balance at 31st Aug 2021</i>			5,720,000	11,247	-	11,247	5,731,247
Additions in the year	-	-	-	-	-	-	-
revaluations in the year	-	-	-	-	-	-	-
less: disposals in year	-	-	(950,000)	-	-	-	(950,000)
Transfers between categories	-	-	-	-	-	-	-
<i>Balance at 31st Aug 2022</i>	-	-	4,770,000	11,247	-	11,247	4,781,247

**Accumulated depreciation**

	Land	Buildings	Total Land & Buildings	Equipment & Software	Furniture	Total Equipment & Furniture	Total
<b>Changes</b>	Not Depreciated						
<i>Balance at 31st Aug 2021</i>	-	-	-	9,836	-	9,836	9,836
Depreciation charge for the year	-	-	-	470	-	470	470
revaluations in the year	-	-	-	-	-	-	-
less: disposals in year	-	-	-	-	-	-	-
<i>Balance at 31st Aug 2022</i>	-	-	-	10,306	-	10,306	10,306

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 2021</i>	-	-	5,720,000	1,411	-	1,411	5,721,411
<i>Balance at 31st Aug 2022</i>	-	-	4,770,000	941	-	941	4,770,941

# FOREST METHODIST CIRCUIT

## NOTES TO THE ACCOUNTS

### FOR THE YEAR ENDED 31 AUGUST 2022

#### 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, but these have reduced during the year.

			2021-22	2020-21
<b>Amount outstanding from churches at Year End</b>				
Leytonstone	Assessments	Paid	-	36,942
Cann Hall	Assessments	Paid	-	2,890
Leyton (Trinity)	Assessments		14,360	15,860
Lighthouse	Assessments		44,306	99,502
Lighthouse	Loan / Transfer 2016		10,000	10,000
Shern Hall	Boiler Loan	Repaid Aug 2022	-	13,000
Total			68,666	178,194
<b>Prepayments and accrued income</b>				
Council tax & Utilities			2,433	1,006
Stipend			12,543	14,931
Other sundry debtors			50	-
Total			15,026	15,937
Total (net)			83,692	194,131

#### 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 Windsor 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 of sale 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 2022

#### 17 Creditors and accrued expenses

	2021-22	2020-21
<b>Creditors:</b>		
Other Creditors unpaid as at EOY	-	250
Audit & accountancy Fees & bank audit letter	4,466	4,236
Expenses reimbursement	787	217
Property related expenses	1,064	-
Pension Back payments	7,787	-
Grant to Dailit via Loughton, committed 2011	-	10,000
Grant to Lighthouse committed 2016	-	5,024
Connexional Funds & received for others unpaid	2,446	600
Total creditors	16,550	20,327
<b>Pre receipts</b>		
Assessments	42,058	33,361
Rent in Advance	-	-
Total accruals	42,058	33,361
Total of creditors and accrued expenses	58,608	53,688

It is expected that all sums accrued at 31 Aug 2022 would be paid during the year to 31 Aug 2023.

#### 18 Capital commitments and contingent liabilities

18.1	<b>Capital commitments at end of year amounted to:</b>	2021-22	2020-21
		-	-
		-	-

#### 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 no lease commitments at the end of August:

# FOREST METHODIST CIRCUIT

## NOTES TO THE ACCOUNTS

### FOR THE YEAR ENDED 31 AUGUST 2022

#### 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	<b>Unrestricted Funds (U)</b>		
	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	<b>Designated Funds (D)</b>		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 designated fund.
	Circuit Model Trust Reserves	D1	To support the funding of projects in the Circuit
	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.
	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.
	Lay Worker Fund	D4	A fund set up, setting aside sufficient funds to employ specific lay staff for a designated number of years. E.g. A Pastoral Worker for 5 years.
21.1.3	<b>Restricted Funds (R )</b>		
	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 2022

#### 21.2 Fund Balances and Movements

Fund Name		Opening Balance	Incoming Resources	Resources Expended	Gains on revaluation	Transfer	Closing Balance
		£	£	£	£		£
<b>21.2.1 Unrestricted Funds</b>							
General Fund (excluding manse fund)	U	202,924	306,502	(356,658)	-	10,781	163,549
<b>Designated Funds</b>							
Circuit Model Trust Reserves	D1	449,936	4,155	(386,407)	960,476	(194,336)	833,824
Manse Value Fund	D2	5,720,000	-	-	(950,000)	-	4,770,000
Manse Refurbishment Fund	D3	-	-	-	-	-	-
Lay Worker Fund	D4	-	-	-	-	183,555	183,555
<b>Total Designated</b>	-	<b>6,169,936</b>	<b>4,155</b>	<b>(386,407)</b>	<b>10,476</b>	<b>(10,781)</b>	<b>5,787,379</b>
<b>Total Unrestricted &amp; Designated</b>		<b>6,372,860</b>	<b>310,657</b>	<b>(743,065)</b>	<b>10,476</b>	<b>-</b>	<b>5,950,928</b>
<b>21.2.2 Restricted Funds</b>							
Forest Circuit Pastoral & Benevolent Fund	R1	1,292	-	(560)	-	-	732
<b>Total Restricted Funds</b>		<b>1,292</b>	<b>-</b>	<b>(560)</b>	<b>-</b>	<b>-</b>	<b>732</b>
<b>Total Funds</b>		<b>6,374,152</b>	<b>310,657</b>	<b>(743,625)</b>	<b>10,476</b>	<b>-</b>	<b>5,951,660</b>
		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	Adjustments
	£	£	£
Donor: Churches within the Forest Circuit - assessments	283,632	-	-
Donor / Donee: Churches within the Forest Circuit (grants). - Wanstead, Trinity Debden.	-	-	-
Donor / Donee: the London District (levies / grants)	-	(35,268)	-
Donee: Methodist Church Fund via the London District.	-	(432,583)	-
<b>Total</b>	<b>283,632</b>	<b>(467,851)</b>	<b>-</b>

FOREST METHODIST CIRCUIT

FOR THE YEAR ENDED 31 AUGUST 2022

DECLARATIONS

Finance Group Convenor

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.

Circuit Finance Group Convenor	<div>Hannah Roberts</div>	Date	<div>20/3/2023</div>
Name	<div>Hannah Roberts</div>		
Address	<div>45 Byron Avenue, London, E18 2HH</div>		

Presentation to the District Council for approval.

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

23rd March 2023

Signature of the Chair of the meeting	<div>Rev Tony Malcolm</div>
Name of the Chair of the meeting	<div>Revd Anthony Guy Malcolm</div>
Date	<div>4/4/2023</div>

# FOREST METHODIST CIRCUIT

## INDEPENDENT AUDITORS' REPORT

***FOR THE YEAR ENDED 31 AUGUST 2022***

### TO THE TRUSTEES OF THE FOREST METHODIST CIRCUIT

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We have audited the financial statements of the Forest 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 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 2022 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 other information. The other information comprises the information included in the trustees' annual report, other than the financial statements and our auditors'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 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

*FOR THE YEAR ENDED 31 AUGUST 2022*

### TO THE TRUSTEES OF THE FOREST METHODIST CIRCUIT

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

We have nothing to report in respect of the following matters 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.

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.

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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](http://www.frc.org.uk/auditors-responsibilities). This description forms part of our auditor's report.

*Clay Ratnage Strevens & Hills*

**Clay Ratnage Strevens & Hills  
Chartered Accountants  
& Statutory Auditor  
Suite D, The Business Centre  
Farringdon Avenue  
Romford  
Essex RM3 8EN**

4/4/2023

Date .....

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