



**Circuit  
Accruals Accounts  
2022-23**

**THE METHODIST CHURCH  
STANDARD FORM OF ACCOUNTS  
ACCRUALS BASIS  
for the year ended 31 August 2023**

<b>Forest Circuit</b>	<b>Circuit no 35/33</b>
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<b>Registered Charity - Registration number</b>	<b>1134384</b>
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<b>Circuit Superintendent Minister and Chair of Trustees</b>	<b>The Revd Michael Long from 1st September 2023</b>
	<b>The Revd Anthony Guy Malcolm till 31st August 2023</b>
<b>Circuit Ministers</b>	<b>Revd Oseias Da Silva</b>
	<b>Revd Sue Creighton</b>
	<b>Revd Stephanie Njeru</b>
<b>Circuit Stewards</b>	
	<b>Florestine Corbett from 1st July 2023</b>
	<b>Samuel Ebdon from 28th September 2023</b>
	<b>Eric Aidoo from 28th September 2023</b>
	<b>Dallion Roye till 31st March 2023</b>
	<b>Lincoln Fearon till 30th September 2022</b>
<b>Circuit Finance Group Convenor</b>	
	<b>Hannah Roberts</b>
<b>Circuit Treasurer</b>	<b>Florestine Corbett till 30th June 2023</b>

# FOREST METHODIST CIRCUIT

## TRUSTEES' ANNUAL REPORT

### FOR THE YEAR ENDED 31 AUGUST 2023

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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 eleven 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).

#### 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 local churches in the circuit
- the support of a ministry team of presbyteral ministers and supernumerary ministers
- and the maintenance of manses and other property in the trusteeship of the Circuit

##### 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 2023*

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

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

The year was one of many changes, some difficult decisions, some sad farewells, but also some hope for a renewed focus in 23-24.

Trinity Debden Methodist Church (MC) is now a class of Loughton MC. It is currently self funding, but grants may need to be applied for from the Circuit should significant property work be needed.

Wanstead church closed and became the responsibility of the Circuit meeting from the 1<sup>st</sup> September 2022. A decision is yet to be made on the future of the building. A fellowship coffee morning group continue to meet in the church welcome area till a decision is made.

In September 2022, Shern Hall Methodist Church reopened after major flood damage. It had taken over a year to refurbish, but activity, worship, ministry and hope has been restored at the church.

North Chingford Methodist Church, with great sadness, took the decision to cease to worship from August 2023. A final uplifting service was held at the church with representatives from churches across the Circuit and many old friends returning from afar to share happy memories. The building becomes the responsibility of the Circuit from 1<sup>st</sup> September 2023.

In line with the agreed Mission and Strategy for the Circuit, Zak Njeru, the new lay pastoral worker joined the Circuit in September 2022, but it took longer to find someone to fill the role of Property and Facilities Manager. Reinart Van Zyl was appointed in July 2023.

The Circuit said a sad farewell to Rev Tony Malcolm in July 2023, who moved to a new Circuit in the Midlands, but then Forest was blessed with the appointment of a new superintendent, Rev Mike Long from Notting Hill in September 2023.

Two Circuit Stewards stepped down in the year. Lincoln Fearon in September 2022 and Dallion Roye in March 2023. They were thanked for their considerable work particularly given the lack of other stewards to share the load. Flo Corbett relinquished her remaining financial responsibilities as Circuit Treasurer in June 2023, but remained a Circuit Steward. Her financial responsibilities being taken on by the Circuit Finance Group Coordinator Hannah Roberts. To support the Circuit in the absence of circuit stewards with finance and property knowledge, the Circuit meeting agreed in June 2023 that the Circuit Finance Group bank authorisers should share the decision making responsibility for the Circuit and become part of the Circuit Leadership team for Property & Financial decisions. John Millar previously of Cambridge Park MC & Loughton MC passed away in the year and left a financial legacy, from which the Circuit benefits. A new designated Circuit fund has been established in his name. Churches from across the Circuit are invited to apply for a grant from the fund for work in line with the agreed mission and ministry criteria.

Financial awareness training was held for Church trustees at Shern Hall and Leytonstone.

# FOREST METHODIST CIRCUIT

## TRUSTEES' ANNUAL REPORT (CONTINUED)

### FOR THE YEAR ENDED 31 AUGUST 2023

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#### 3.2 Plans for future years

Conversations continue with churches on their future and the implementation of the Circuit Mission Strategy to sustain mission in the the Forest Circuit.

The future of Church buildings no longer being used for Methodist Worship needs to be addressed and a decision is awaited on whether to rent or sell the manse vacated by Rev Hilary Cheng in October 2022.

All churches are again likely to face considerably difficulty in the coming year from much higher utility bills, which may again impact their ability to pay assessment contributions to the Circuit.

The Circuit meeting was pleased to welcome Revd Mike Long as the new Superintendent to the Circuit at the beginning of September 2023. In addition the Circuit appointed Eric Aidoo and Samuel Ebdon, as new Circuit Stewards at the September 2023 Circuit meeting.

#### 4 Financial Review

**Total Income** in the year was £585,135. The General fund income was £309,113 of which £273,213 was due from church assessments and £23,232 was the net rental of the Hollywood Way Property. A further £12,668 was interest received. All churches were able to pay the year's assessment by the end of the year. In addition, the outstanding debt from churches was reduced from £68,666 to £55,703.

The new John Millar fund received £250,276. £243,000 was received before 31st August 2023 and the final remainder amount of £7,276 was received in November 2023.

**The total expenditure** in the year was £530,559. The General fund expenditure was £328,381 giving a net deficit for the fund of £19,268. 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.

In addition to the £15,862 Manse repairs and maintenance from the General Fund, £31,537 was spent in the year from reserves on manse renovations at 2 Manses.

Grants were made from reserves of £15,000 to Lighthouse MC to assist with urgent maintenance work and to Loughton MC from the John Millar Fund towards their Café mission project.

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. till approximately 2027. £275,934 was drawn down from reserves and added to the Lay employment fund. As further new staff are employed additional funds may need to be moved to the Lay employment fund.

**Wanstead church finances** and fixed assets have been added into the Circuit Accounts, for the time being into separate designated funds. Assets received were made up of £19,264 current assets and the value of the church building (Capital Assets) of £2,786,000. A further £1,864 was received in the year from outstanding rent due to the church. £10,274 was spent in the year on maintaining the property e.g. on Insurance and Utilities.

**North Chingford** assets will be incorporated into the Circuit Accounts as of 1<sup>st</sup> September 2023.

There are still churches in the Circuit 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. 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 2023

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#### 5 Reserves policy and level

##### 5.1 Reserves Policy

The Circuit needs to maintain a current assets operating reserve approximately equal to 6 months of annual expenditure in order to allow for any urgent work to its Manses and pay ministers stipends, should Circuit income be impacted. A commitment has been made from Capital reserves to pay the salary & expenses of two lay workers for the Circuit till approximately 2027.

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 has also taken responsibility for Wanstead Methodist Church. The future of the building is yet to be decided.

##### 5.2 Explanation and reserves level.

Fixed Assets: (Designated)

The Circuit currently has 6 residential properties. Four of the properties are used as manses for ministers stationed in the Circuit. 1 Property is being let, and consideration is being given to whether to let or sell the sixth manse. Total valuation of the properties is £4,770,000. Wanstead Methodist Church, approximate value is £2,786,000. Remaining fixed assets of £471 are for depreciating equipment.

Current Assets:

The total Circuit unrestricted current assets amount to £1,254,798. This includes: £55,703 of debts due from Circuits which are being paid off over a number of years; £420,785 designated to pay the salary & expenses of lay pastoral workers till approximately 2027; and a legacy of £250,276 designated for mission grants. This leaves £528,034. Which is well in excess of 16 months reserves.

##### 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 Circuit 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 2023*

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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 2023***

<b>10</b>	<b>Trustees of the Circuit</b>	<b>Date Retired as Trustee</b>	<b>Appointed since 1 September 2023</b>
	Revd Oseias da Silva		
	Revd Sue Creighton		
	Rev Michael Long		01/09/23
	Revd Anthony Guy Malcolm	31/08/23	
	Revd Stephanie Njeru		
	Revd Jongikaya Zihle		
	Revd Armstrong Fummey		
	Dallion Roye	31/03/23	
	Lincoln Fearon	20/09/23	
	Florestine Corbett		
	Janet Tweedale		
	Graham Burgess		
	Christine Okpattah	31/08/23	
	Gary Ian Marshall		
	Jill Geddes	31/08/23	
	Martin Howarth		
	Sharon Heather		
	Stephen Murray		
	Patricia Bott	31/08/23	
	Gordon Trevor Lumer	31/08/23	
	Loyl Marcia Brandt		
	Elvena Bernita Brumant		
	Joseph Kusi	31/08/22	
	Leslie Stowe		
	Pat Evans		
	Robert Amey	31/08/22	
	Hannah Roberts		
	Bernard Mansell	31/08/22	
	Carole Merriman		
	Jean Norton		
	Hazel Mathews		
	Pat Ovenden		
	Kathleen Poole		
	Michael Higgins		
	Andronica Mugombe		
	Phyllis Lloyd		
	Millicent Freeman		
	Jojo N Monney		
	Eunice Edwards		
	Stella Heskey		01/09/23
	Eric Aidoo		28/09/23

# FOREST METHODIST CIRCUIT

## TRUSTEES' ANNUAL REPORT (CONTINUED)

### FOR THE YEAR ENDED 31 AUGUST 2023

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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)

The Circuit Meeting is the trustee body, and consists of office holders and 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.

Day to day management of the Forest Circuit is undertaken by the Circuit Leadership team, supported by the Circuit Finance Group. The Local Preachers' meeting, exercises oversight over those authorised to worship.



# FOREST METHODIST CIRCUIT

## TRUSTEES' ANNUAL REPORT (CONTINUED)

### FOR THE YEAR ENDED 31 AUGUST 2023

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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 Michael Long, 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 **September 2023** that they re appointed Clay Ratnage Strevens & Hills. They have been auditors to the Circuit for 14 years.

#### Approval

The report was approved by the trustees on 21st March 2024 and signed on their behalf by:

*Michael M Long*

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**Revd Michael Long**  
**Circuit Superintendent & Chair of Trustees**

**FOREST METHODIST CIRCUIT****STATEMENT OF FINANCIAL ACTIVITIES****FOR THE YEAR ENDED 31 AUGUST 2023**

	Notes	General Fund (Unrestricted)	Reserves, & Investment Funds (Designated)	Lay Workers Fund (Designated)	Manse / Church Valuation (Designated)	Circuit Benevolent fund (Restricted)	Total 2022-23	Total 2021-22
		£	£	£	£	£	£	£
<b>Incoming Resources</b>								
1 Donations & Legacies	3	-	250,276	-	-	-	250,276	-
2 Interest and Investment Income	4	12,668	23,982	-	-	-	36,650	4,305
3 Manse Rent Received (net)	5	23,232	-	-	-	-	23,232	22,720
4 Assessment on Churches	2	273,213	-	-	-	-	273,213	283,632
6 Capital Receipts		-	-	-	-	-	-	-
7 Grants received (E.g. from DAF)		-	-	-	-	-	-	-
8 Other income (Closed church)		-	1,764	-	-	-	1,764	-
<b>9 Total Incoming Resources</b>		<b>309,113</b>	<b>276,022</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>585,135</b>	<b>310,657</b>
<b>10 Resources Expended</b>								
11 Grants and Donations	6	450	65,000	-	-	500	65,950	1,010
12 Salaries and associated costs	7	173,675	-	38,704	-	-	212,379	203,737
13 Property (incl Ins., C tax, utilities etc)	8	37,769	41,811	-	-	-	79,580	45,330
14 Connexional Assessment & CPF Levy		64,884	-	-	-	-	64,884	432,583
15 District Assessment & DAF Levy		15,344	53,787	-	-	-	69,131	35,268
16 Depreciation		470	-	-	-	-	470	470
17 Office Expenses incl Investment Management costs(Admin., tel. travel etc.)	9	15,894	2,376	-	-	-	18,270	15,742
18 Other Expenditure (incl admin fees)	10	15,208	-	-	-	-	15,208	5,033
19 Accountancy & Audit	11	4,687	-	-	-	-	4,687	4,452
20 Capital Expended		-	-	-	-	-	-	-
<b>21 Total Resources Expended</b>		<b>328,381</b>	<b>162,974</b>	<b>38,704</b>	<b>-</b>	<b>500</b>	<b>530,559</b>	<b>743,625</b>
<b>22 Net Incoming/(Outgoing) Resources</b>		<b>(19,268)</b>	<b>113,048</b>	<b>(38,704)</b>	<b>-</b>	<b>(500)</b>	<b>54,576</b>	<b>(432,968)</b>
23 Transfers between funds		-	(275,934)	275,934	-	-	-	-
<b>24 Sub Total</b>		<b>(19,268)</b>	<b>(162,886)</b>	<b>237,230</b>	<b>-</b>	<b>(500)</b>	<b>54,576</b>	<b>(432,968)</b>
25 Gains/(losses) on disposal of Manse		-	-	-	-	-	-	10,476
26 Gains/(losses) on revaln fixed assets		-	-	-	-	-	-	-
27 Gains/(losses): on investment assets		-	-	-	-	-	-	-
<b>28 Net investment in funds</b>		<b>(19,268)</b>	<b>(162,886)</b>	<b>237,230</b>	<b>-</b>	<b>(500)</b>	<b>54,576</b>	<b>(422,492)</b>
<b>29 Transfer of Balances from Wanstead Methodist Church to the Circuit</b>		<b>-</b>	<b>19,265</b>	<b>-</b>	<b>2,786,000</b>	<b>-</b>	<b>2,805,265</b>	<b>-</b>
30 Total funds brought forward from last year		163,549	833,824	183,555	4,770,000	732	5,951,660	6,374,152
<b>31 Total funds carried forward at end of year</b>		<b>144,281</b>	<b>690,203</b>	<b>420,785</b>	<b>7,556,000</b>	<b>232</b>	<b>8,811,501</b>	<b>5,951,660</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
2,187	-
-	2,187

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

# FOREST METHODIST CIRCUIT

## BALANCE SHEET

AS AT 31 AUGUST 2023

	Notes	General Fund (Unrestricted)	Reserves Funds (Designated)	Lay Workers Fund (Designated)	Property Valuation (Designated)	Circuit Benevolent fund (Restricted)	Total 2023	Total 2022
		£		£	£	£	£	£
<b>Tangible Fixed Assets</b>								
Manse and other property	13	471	-	-	3,295,000	-	3,295,471	4,770,941
Investment properties	13	-	-	-	4,261,000	-	4,261,000	-
Investments with TMCP		-	-	-	-	-	-	-
<b>Total fixed assets</b>		<b>471</b>	<b>-</b>	<b>-</b>	<b>7,556,000</b>	<b>-</b>	<b>7,556,471</b>	<b>4,770,941</b>
<b>Current Assets</b>								
Debtors and Prepayments	14	75,156	7,276	-	-	-	82,432	83,692
Trustees for Methodist Church Purposes - Interest Accounts	15	13,074	502,663	-	-	-	515,737	833,824
Central Finance Board Deposits	16	92,957	226,703	420,785	-	-	740,445	279,547
Cash at Bank and in hand	16	31,311	3,561	-	-	232	35,104	42,264
<b>Total current assets</b>		<b>212,498</b>	<b>740,203</b>	<b>420,785</b>	<b>-</b>	<b>232</b>	<b>1,373,718</b>	<b>1,239,327</b>
<b>Current Liabilities</b>								
Creditors (due in under 1 year)	17	68,688	50,000	-	-	-	118,688	58,608
		-	-	-	-	-	-	-
<b>Total current liabilities</b>		<b>68,688</b>	<b>50,000</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>118,688</b>	<b>58,608</b>
<b>Net current (liabilities)/assets</b>		<b>143,810</b>	<b>690,203</b>	<b>420,785</b>	<b>-</b>	<b>232</b>	<b>1,255,030</b>	<b>1,180,719</b>
<b>Total assets less current liabilities</b>		<b>144,281</b>	<b>690,203</b>	<b>420,785</b>	<b>7,556,000</b>	<b>232</b>	<b>8,811,501</b>	<b>5,951,660</b>
<b>Long term liabilities</b>								
liabilities due after 1 year		-	-	-	-	-	-	-
<b>Net assets</b>		<b>144,281</b>	<b>690,203</b>	<b>420,785</b>	<b>7,556,000</b>	<b>232</b>	<b>8,811,501</b>	<b>5,951,660</b>
<b>Funds of the Circuit</b>								
General Fund (Unrestricted)	21	144,281					144,281	163,549
Reserves & Projects (Designated)			690,203	420,785			1,110,988	833,824
Manse Fund (Designated)					7,556,000		7,556,000	4,953,555
<b>Total Unrestricted funds</b>							8,811,269	5,950,928
Benevolent Fund (Restricted)						232	232	732
<b>Total Funds</b>		<b>144,281</b>	<b>690,203</b>	<b>420,785</b>	<b>7,556,000</b>	<b>232</b>	<b>8,811,501</b>	<b>5,951,660</b>

The Notes on pages 13 to 23 form part of these accounts.

*Michael J Long*

.....  
 Revd Mike Long  
 Circuit Superintendent and Chair of Trustees

# FOREST METHODIST CIRCUIT

## STATEMENT OF CASH FLOWS

**AS AT 31 AUGUST 2023**

	<b>Total Funds</b>	<b>Prior year funds</b>
	£	£

**Cash flows from operating activities:**

Net income/(expenditure) for the reporting period (as per the statement of financial activities)	2,859,841	(422,492)
<b>Adjustments for:</b>		
Depreciation charges	470	470
(Gains)/losses on investments and fixed asset revaluation	-	-
Dividends, Interest and rents from investments	(36,650)	(4,305)
Loss/(profit) on the sale of fixed assets	-	(10,476)
Property transferred to Circuit	(2,786,000)	-
(Increase)/decrease in stocks	-	-
Decrease in debtors	1,260	110,439
Increase in creditors	60,080	4,920
<b>Net cash provided by/(used in) operating activities</b>	<b>99,001</b>	<b>(321,444)</b>

**Cash flows from investing activities:**

Dividends, interest and rents from investments	36,650	4,305
Proceeds from the sale of property, plant & equipment	-	960,476
Purchase of property, plant and equipment	-	-
Proceeds from sale of investments	-	-
<b>Net cash provided by (used in) investing activities</b>	<b>36,650</b>	<b>964,781</b>

**Cash flows from financing activities:**

Repayment of borrowing	-	-
Cash inflows from new borrowing	-	-
Receipt of endowment	-	-
<b>Net cash provided by (used in) financing activities</b>	<b>-</b>	<b>-</b>

<b>Change in Cash and Cash equivalents in the reporting period</b>	<b>135,651</b>	<b>643,337</b>
<b>Cash and Cash equivalents at the beginning of the reporting period</b>	<b>1,155,635</b>	<b>512,298</b>
Change in Cash and Cash equivalents due to exchange rate movements	-	-
<b>Cash and Cash equivalents at the end of the reporting period</b>	<b>1,291,286</b>	<b>1,155,635</b>
Cash in hand (at bank,- HSBC,CFB, TMCP)	1,291,286	1,155,635
Notice deposits (less than 3 months)	-	-
Overdraft repayable on demand	-	-
<b>Total cash and equivalents</b>	<b>1,291,286</b>	<b>1,155,635</b>

# FOREST METHODIST CIRCUIT

## NOTES TO THE ACCOUNTS

### ***FOR THE YEAR ENDED 31 AUGUST 2023***

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#### **1 Accounting framework and accounting policies**

##### **i Accounting framework**

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

##### **ii Public benefit entity**

The circuit meets the definition of a public benefit entity under FRS 102. Assets and liabilities are initially recognised at historical cost or transaction value unless otherwise stated in the relevant accounting policy 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 Circuit's financial position and activities.

##### **iv Content**

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

##### **v Going concern**

Based on the monetary assets and human resources available at the end of the financial year, 31st August, the trustees believe that the Circuit is a going concern.

##### **vi Consolidation**

The Circuit oversees the work of ministers and lay workers in Churches within the Circuit, but does not have control over those Churches, 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 Circuit to pay out resources.

# FOREST METHODIST CIRCUIT

## NOTES TO THE ACCOUNTS

### FOR THE YEAR ENDED 31 AUGUST 2023

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#### 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 Circui 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. Investment properties are stated at fair value. Any realised or unrealised gains or losses are shown in the Statement of Financial Activities.

#### 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 Circuit 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 2023

#### 2 Assessment from Churches

Forest Circuit assessments due from Churches to the Circuit for the year 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>2022-23</u>	<u>2021-22</u>
Cann Hall	16,782	16,192
South Chingford	18,274	18,092
North Chingford	14,145	14,119
Shern Hall	39,610	42,172
Loughton (incorporating Trinity Debden since Sept 2020)	71,594	67,269
Woodford	9,322	9,223
Winchester Road	32,842	33,965
Leytonstone	32,954	30,555
Leyton Trinity	22,055	22,457
Wanstead	-	14,777
Lighthouse	15,635	14,811
	<u>273,213</u>	<u>283,632</u>

In line with the assessment of 21-22, 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 some churches still suffering financially from the impact of the covid pandemic, the assessment calculation what ever percentages were used could be seen to be difficult for many churches. It was therefore suggested that as two Manses had been sold, if sufficient income was not received from interest or letting of the vacant properties, the circuit could usefully again use recently released capital to reduce the assessment. An amount of £40,000 approx was agreed, on the understanding that this was not sustainable.

#### 3 Donations Received

	<u>2022-23</u>	<u>2021-22</u>
John Millar Legacy	250,276	-
<b>Total Donations &amp; legacies</b>	<u>250,276</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>2022-23</u>	<u>2021-22</u>
General Fund	U	CFB & CAF	12,668	150
Forest Model Trust Fund	U	TMCP	23,982	4,155
<b>Total Interest &amp; Investment Income</b>			<u>36,650</u>	<u>4,305</u>

# FOREST METHODIST CIRCUIT

## NOTES TO THE ACCOUNTS

### FOR THE YEAR ENDED 31 AUGUST 2023

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

Manse Rental	<u>Gross</u>	<u>Agents Fees</u>	<u>2022-23</u>	<u>2021-22</u>
Hollywood Way	26,400	-3,168	23,232	22,720
<b>Total Interest &amp; Investment Income</b>			<u>23,232</u>	<u>22,720</u>

A further residential property may no longer be needed as a Manse. A decision is awaited on whether the manse should be sold or rented.

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

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

	<u>2022-23</u>	<u>2021-22</u>
<u>Grants from Circuit Model Trust Fund</u>		
Loughton (from John Millar Fund for Café refurbishment) Accrued	50,000	-
Lighthouse (Heating & repairs) paid	15,000	-
<b>Total Grants from Model Trust fund Reserves</b>	<u>65,000</u>	<u>-</u>
 Benevolent Fund Grants	500	560
General donations	450	450
<b>Total</b>	<u>65,950</u>	<u>1,010</u>



# FOREST METHODIST CIRCUIT

## NOTES TO THE ACCOUNTS

### FOR THE YEAR ENDED 31 AUGUST 2023

7	Salaries and associated costs	2022-23	2021-22
	<b>Gross Stipends</b> Paid - 4 ministers	115,969	133,037
	Employer's National Insurance contribution	10,552	12,492
	Employer's pension contribution to defined contribution scheme	29,541	34,734
	Stipend apprenticeship Levy	534	951
	<b>Lay Staff</b> Gross Pay (Part time Administrator, Pastoral worker Full time, Property & Facilities manager Full time from July)	48,979	13,960
	Employer's National Insurance contribution re Lay Staff	4,123	707
	Employer's pension contribution re Lay staff	1,951	7,787
	Payroll administration charge and apprenticeship Levy for all lay staff	730	69
	<b>Total cost</b>	<b>212,379</b>	<b>203,737</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 Lay staff are members of the TPT Retirement Solutions Pension Scheme. The Circuit contributes 6% to their pension.

8	Property costs	2022-23	2021-22
	<u>Manse Costs</u>		
	Repairs, Maintenance and Renewals	15,862	20,154
	Insurance and Utilities	6,758	9,820
	Council tax	12,644	14,551
	Professional Fees and Survey costs	2,505	805
		<u>37,769</u>	<u>45,330</u>
	<b>Total</b>	<b>37,769</b>	<b>45,330</b>
	Manse Renovation costs from Reserves	31,537	
	Wanstead Insurance & Utility Cost	10,274	
		<u>41,811</u>	
		<b>79,580</b>	<b>45,330</b>

# FOREST METHODIST CIRCUIT

## NOTES TO THE ACCOUNTS

### FOR THE YEAR ENDED 31 AUGUST 2023

9	Office expenses & investment management fees	2022-23	2021-22
	<b><u>Office expenses &amp; other ministerial costs</u></b>		
	Printing, postage and stationery	3,487	3,086
	Telephones & Broadband	6,470	5,979
	Travel & Parking	3,295	3,133
	Ministerial Worship Resources & Support	2,642	2,264
	<b>Total</b>	<b>15,894</b>	<b>14,462</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	2,376	1,280
	<b>Total</b>	<b>2,376</b>	<b>1,280</b>
	<b><u>Office expenses &amp; other ministerial costs</u></b>	<b>Total</b>	<b>Total</b>
		18,270	15,742
10	<b>Other Expenditure</b>	<b>2022-23</b>	<b>2021-22</b>
	<b><u>General Fund (U) Other items</u></b>		
	Training	357	605
	Preachers fees and expenses	1,023	1,419
	Youth Work	350	850
	Health checks	-	1,213
	Bank charges & Auditor's letter	74	176
	Sundries	1,592	500
	Removal Costs	11,812	-
	Accountancy guidance during year	-	270
	<b>Total</b>	<b>15,208</b>	<b>5,033</b>
	<b>Total Other Expenditure &amp; Training</b>	<b>15,208</b>	<b>5,033</b>
11	<b>Fees for Accountancy and audit of the Accounts</b>	<b>2022-23</b>	<b>2021-22</b>
	Auditor's Fee	2,351	2,226
	Other Fees (e.g. accountancy services)	2,336	2,226
		<b>4,687</b>	<b>4,452</b>

# FOREST METHODIST CIRCUIT

## NOTES TO THE ACCOUNTS

### FOR THE YEAR ENDED 31 AUGUST 2023

#### 12 Manse Valuations

All Manses and churches were professionally revalued at the end of August 2020.

#### 13 Tangible Fixed assets

	Manse Property	Investment Property	Total Land & Buildings	Equipment & Software	Furniture	Total Other Property	Total Assets
Cost or Valuation	£	£	£	£	£	£	£
Balance at 31st Aug 2022	4,770,000		4,770,000	11,247	-	11,247	4,781,247
Additions in the year (Wanstead ch	-	2,786,000	2,786,000	-	-	-	2,786,000
revaluations in the year	-	-	-	-	-	-	-
less: disposals in year	-	-	-	-	-	-	-
Transfers between categories	(1,475,000)	1,475,000	-	-	-	-	-
Balance at 31st Aug 2023	3,295,000	4,261,000	7,556,000	11,247	-	11,247	7,567,247
<b>Accumulated depreciation</b>							
	Manse Property	Investment Property	Total Land & Buildings	Equipment & Software	Furniture	Total Other Property	Total
Changes	£	£	£	£	£	£	£
Balance at 31st Aug 2022	-	-	-	10,306	-	10,306	10,306
Depreciation charge for the year	-	-	-	470	-	470	470
revaluations in the year	-	-	-	-	-	-	-
less: disposals in year	-	-	-	-	-	-	-
Balance at 31st Aug 2023	-	-	-	10,776	-	10,776	10,776

NB: Years over which value is depreciated

3 3

#### Net Value

	Manse Property	Investment Property	Total Land & Buildings	Equipment	Furniture	Total Other Property	Total
	£	£	£	£	£	£	£
Balance at 31st Aug 2022	4,770,000	-	4,770,000	941	-	941	4,770,941
Balance at 31st Aug 2023	3,295,000	4,261,000	7,556,000	471	-	471	7,556,471

Two residential properties in the year were recognised as no longer needed as Manses.

- Hollywood Way Manse - this is already rented out
- The Ridgeway Manse - the Circuit Meeting have recently decided to prepare this manse for rental.

These two properties have therefore been transferred to the Property investment Fund

Wanstead church closed for worship and came under the responsibility of the Forest Circuit on 1st September 2022.

The long term use is as yet undecided. In the meantime a fellowship group meet there and it is rented to another church.

The property Valuation has been added to the Investment Fund.

# FOREST METHODIST CIRCUIT

## NOTES TO THE ACCOUNTS

### FOR THE YEAR ENDED 31 AUGUST 2023

#### 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.

		<u>2022-23</u>	<u>2021-22</u>
		£	£
<b>Amount outstanding from churches at Year End</b>			
Leyton (Trinity)	Assessments	11,361	14,360
Lighthouse	Assessments & other item	44,342	44,306
Lighthouse	Loan / Transfer 2016	-	10,000
<b>Total</b>		<b>55,703</b>	<b>68,666</b>

Leyton Trinity aim to repay the amount owed to the Circuit - by £3,000 per year till 2026.

Lighthouse aim to pay the amount owed to the Circuit by approx £3,366 over 15 years from 2023.

#### Prepayments and accrued income

Council tax & Utilities	5,927	2,433
Stipend	13,526	12,543
Other sundry debtors, e.g. remaining John Millar Payment	7,276	50
<b>Total</b>	<b>26,729</b>	<b>15,026</b>
<b>Total (net)</b>	<b>82,432</b>	<b>83,692</b>

#### 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 Manse at The Ridgeway became vacant with the retiring of Rev Hilary Cheng and a replacement minister not sought. A decision has yet to be made on whether to sell or rent the property.

In the year the Circuit Trustees took responsibility for Wanstead Methodist Church after the Church ceased to worship. A decision is yet to be made on what to do with the building.

#### 16 Central Finance Board (CFB) and cash at banks

The Circuit closed its account with HSBC plc in June 2022. 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 facilitates online banking with dual authorisation. In taking responsibility for the Assets of Wanstead Methodist Church, Wanstead's accounts at HSBC, CFB and TMCP are transferred onto the Circuit balance Sheet. In the 2023-24 connexional year the funds will be transferred to the Circuit bank accounts and the separate Bank accounts closed. CAF and HSBC are authorised institutions. The sums held on the accounts are immediately available.

The Circuit has a 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 2023

#### 17 Creditors and accrued expenses

	<u>2022-23</u>	<u>2021-22</u>
	£	£
<b>Creditors:</b>		
Other Creditors unpaid as at EOY		
Audit & accountancy Fees & bank audit letter	4,701	4,466
Expenses reimbursement	5,797	787
Property related expenses	-	1,064
Pension Back payments	210	7,787
Grant to Loughton 2023 - not yet drawn	50,000	-
Removals	600	-
Connexional Funds & received for others unpaid	-	2,446
Total creditors	61,308	16,550
<b>Pre receipts</b>		
Assessments	57,380	42,058
Rent in Advance	-	-
Total accruals	57,380	42,058
<b>Total of creditors and accrued expenses</b>	<b>118,688</b>	<b>58,608</b>

It is expected that all sums accrued at the end of year will be paid before the end of the following year.

#### 18 Capital commitments and contingent liabilities

18.1	<b>Capital commitments at end of year amounted to:</b>	<u>2022-23</u>	<u>2021-22</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 2023

#### 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

Circuit Property e.g. manses, residential property and churches which have ceased to worship, are under the management of the Circuit, but are legally owned by Trustees for Methodist Church Purposes. The value of this property if sold does not fully accrue to the Circuit. The value of these properties are shown in a separate Manse Value Fund in order to simplify and clarify the reporting and monitoring of the Circuit's more liquid assets in the General Fund.

	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
	Lay Staff Fund	D2	A fund set up, setting aside sufficient funds to employ specific lay staff staff for a designated number of years. E.g. A Pastoral Worker for 5 years.
	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.
	John Millar fund	D4	A legacy from the Late John Millar for Mission & Ministry project grants in the Circuit
	Wanstead Cash Fund	D5	A fund receiving the Cash Assets from Wanstead Church into the Circuit
	Church Valuation Fund	D6	A fund to hold the Property Assets from closing churches - as at Sept 2023 this is just Wanstead MC
	Manse Valuation Fund	D7	The freehold properties owned by the circuit used as manses for the ministers stationed in the circuit. And the properties rented out.
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 2023

#### 21.2 Fund Balances and Movements

Fund Name		Opening Balance	Incoming Resources	Resources Expended	Gains on revaluation	Transfer	Closing Balance
		£	£	£	£		£
21.2.1	<b>Unrestricted Funds</b>						
	General Fund (excluding manse fund)	U	163,549	309,113	(328,381)		144,281
	<b>Designated Funds</b>		-				-
	Circuit Model Trust Reserves	D1	833,824	23,982	(71,163)	(307,471)	479,172
	Lay Staff Fund	D2	183,555		(38,704)	275,934	420,785
	Manse Refurbishment Fund	D3	-		(31,537)	31,537	-
	John Millar Fund	D4		250,276	(50,000)		200,276
	Wanstead Fund	D5		21,029	(10,274)		10,755
	Church Value Fund	D6		2,786,000			2,786,000
	Manse Value Fund	D7	4,770,000				4,770,000
	<b>Total Designated</b>		5,787,379	3,081,287	(201,678)	-	8,666,988
	<b>Total Unrestricted &amp; Designated</b>		5,950,928	3,390,400	(530,059)	-	8,811,269
							-
21.2.2	<b>Restricted Funds</b>						-
	Forest Circuit Pastoral & Benevolent Fund	R1	732	-	(500)		232
	<b>Total Restricted Funds</b>		732	-	(500)	-	232

<b>Total Funds</b>	<b>5,951,660</b>	<b>3,390,400</b>	<b>(530,559)</b>	<b>-</b>	<b>-</b>	<b>8,811,501</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. 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	Transfers
	£	£	£
Donor: Churches within the Forest Circuit - assessments	273,213		
Donor / Donee: Churches within the Forest Circuit (grants).		(65,000)	
- Loughton / Lighthouse		(69,131)	
Donor / Donee: the London District (levies / grants)		(64,884)	
Donee: Methodist Church Fund via the London District.			2,805,265
Transfer of assets from Wanstead Methodist Church			
<b>Total</b>	<b>273,213</b>	<b>(199,015)</b>	<b>2,805,265</b>

During the year £27,250 (2022 - £Nil) was paid to Zak Njreu in relation to his lay staff contract of employment. Zak Njreu is the husband of trustee Revd Stephanie Njeru.

FOREST METHODIST CIRCUIT

FOR THE YEAR ENDED 31 AUGUST 2023

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 

Hannah Roberts

 Date 

5/4/2024

Name 

Hannah Roberts

Address 

45 Byron Avenue,  
London,  
E18 2HH

Presentation to the Circuit Meeting for approval.

I confirm that the Accounts have been presented to the Circuit Meeting on 

21 March 2024

  
and were approved.

Signature of the Chair of the meeting 

Michael Jll Long

Name of the Chair of the meeting 

Revd Michael Long

Date 

17/4/2024



# FOREST METHODIST CIRCUIT

## INDEPENDENT AUDITORS' REPORT

***FOR THE YEAR ENDED 31 AUGUST 2023***

### 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 2023 which comprise Statement of Financial Activities, the Balance Sheet, Statement of cash flows 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).

In our opinion the accounts:

- give a true and fair view of the state of the charity's affairs as at 31 August 2023 and of its incoming resources and application of resources, including income and expenditure, 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**

In auditing the financial statements, we have concluded that the trustees' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the charity's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

Our responsibilities and the responsibilities of the trustees with respect to going concern are described in the relevant sections of this report.

#### **Other information**

The other information comprises the information included in the trustees' annual report<sup>2</sup>, other than the financial statements and our auditor's report thereon. The trustees are responsible for the other information. Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

Our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the course of 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 this gives rise to a material misstatement in the financial statements themselves. 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.

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# FOREST METHODIST CIRCUIT

## INDEPENDENT AUDITORS' REPORT (CONTINUED)

### 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 in relation to which the Charities (Accounts and

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

#### **Responsibilities of trustees**

As explained more fully in the Trustees' responsibilities statement set out on page 6, the trustees are responsible for the preparation of financial statements and for being satisfied that they give a true and fair view, and for such internal control as the trustees determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

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

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

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.

## FOREST METHODIST CIRCUIT

### INDEPENDENT AUDITORS' REPORT (CONTINUED)

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

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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.

Because of the inherent limitations of an audit, there is a risk that we will not detect all irregularities, including those leading to a material misstatement in the financial statements or non-compliance with regulation. This risk increases the more that compliance with a law or regulation is removed from the events and transactions reflected in the financial statements, as we will be less likely to become aware of instances of non-compliance. The risk is also greater regarding irregularities occurring due to fraud rather than error, as fraud involves intentional concealment, forgery, collusion, omission or misrepresentation.

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

*Clay Ratnage Strevens & Hills*

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

17/4/2024

Date .....

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