

LAMBETH CIRCUIT METHODIST CHURCH

Charity registration number - 1175488

REPORT AND ACCOUNTS

31 AUGUST 2021

LAMBETH CIRCUIT METHODIST CHURCH

FINANCIAL STATEMENTS FOR THE YEAR ENDED 31, AUGUST 2021

CHARITY INFORMATION

Charity Registration number- 1175488

Principal address	Lambeth Circuit Office c/o Clapham Methodist Church Nelson's Row London SW4 7JR
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Bankers -	HSBC Plc Wimbledon Hill Road Wimbledon London. SW19 7NF
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CAF Bank Limited
25 Kings Hill Avenue
Kings Hill
West Malling
Kent ME19 4JQ

CENTRAL FINANCE BOARD
9, Bonhill Street,
London. EC2A 4PE

Auditors	Adomako Basoah & Co. 113 Parchmore Road, Thornton Heath. Surrey. CR7 8LZ
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LAMBETH CIRCUIT METHODIST CHURCH

FINANCIAL STATEMENTS FOR THE YEAR ENDED 31, AUGUST 2021

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LAMBETH CIRCUIT METHODIST CHURCH TRUSTEES REPORT AND ACCOUNTS FOR THE YEAR ENDED 31, AUGUST 2021

The Trustees present their report together with the Audited financial statements for the year ended for the year ended 31, August 2021

BASIS OF ACCOUNTS PREPARATION

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 (FRS 102) (Second Edition)" and the Financial Reporting Standard applicable in the United Kingdom and Republic of Ireland (FRS 102) and the Charities Act 2011 and UK Generally Accepted Practice as it applies from 1 January 2015

The financial statements have been prepared to give a "true and fair" view and have departed from the Charities (Accounts and Reports) Regulations 2008 only to the extent required to provide a "true and fair view". This departure has involved following "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 (FRS 102) (Second Edition)" rather than the Accounting and Reporting by Charities : Statement of Recommended Practice effective from 1, April 2005 which has since been withdrawn".

The financial statements have been prepared in accordance with the accounting policies set out in Note 2 to these accounts, and in accordance with the governing document of the Circuit.

GOVERNING DOCUMENT AND OBJECTIVE

The governing document for the circuit is the Deed of Union (1932) and the Methodist Church Act (1976).

The Purpose 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 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 subsidiary or ancillary to The Methodist Church.

In striving to achieve its objectives, the Trustees give careful consideration to the Charity Commission's general guidance on public benefit.

We confirm that the Circuit is a public benefit entity as defined by FRS 102.

**LAMBETH CIRCUIT METHODIST CHURCH
TRUSTEES REPORT AND ACCOUNTS
FOR THE YEAR ENDED 31, AUGUST 2021 (Continued)**

TRUSTEES

The Trustees of the Circuit are selected from given office holders of the Methodist Church

REFERENCE AND ADMINISTRATIVE DETAILS

The Circuit is managed on day to day basis by the Superintendent minister, the ministers in the Circuit and the Circuit Stewards.

The Circuit Meeting Members who are also trustees are

District Chair	Revd Nigel Cowgill
Superintendent Minister	Revd Andrew Dart
Circuit Ministers	Revd Kristin Markay Revd Lena Ali Revd Dr Andrew Lyons Revd Eleanor Jackson Revd Rita King
Minister resident in the Circuit	Revd Andrew Goodhead
Supernumerary residing in Circuit	Revd Gordon Ashworth Revd Graham Thomas Revd Dani Wright
Circuit Stewards	Nancy Acquaah Comfort Babawale Daniel Sackey Christine Annor Raymonde Chintoh Clement Cofie Nana Hamoa Dormon Vivian Korley Eva Kyei Kofi Kyei Patience Oluwa Elizabeth Oyeledun

**LAMBETH CIRCUIT METHODIST CHURCH
TRUSTEES REPORT AND ACCOUNTS
FOR THE YEAR ENDED 31, AUGUST 2021**

Circuit Treasurer	Kojo Amoah-Arko
Assistant Treasurer	Opu Lawson
Circuit Meeting Secretary	Arabella Hyde
Local Preachers' Secretary	Elizabeth Oyeledun
Property Group Co-Ordinator	Robert Smyth
Safeguarding Co-Ordinator	Sandra Taylor
Young Peoples' Representative	Janet Oppong/Danielle Young
Local Church Representatives:	
Streatham	Tina Oblitey Carl Opare-Addo Tina Rawlings Jacob Arkaah Pat Ashworth
Tulse Hill	Christine Annor Kwadwo Asamoah-Boadu Agnes Baiden Carmen Gamet Rose Trevor Hyde
Brixton Hill	Kathy Rennalls Janet Oppong Robert Smyth Enley Taylor Kofi Kyei Eva Kyei Nike Musa
Mostyn Road	Francisca Gaspar Nana Hamoa Dormon Akuba Forson
Railton Road	Comfort Babawale Temitope Tayo Jennifer Davis Andy Kalamuso

**LAMBETH CIRCUIT METHODIST CHURCH
TRUSTEES REPORT AND ACCOUNTS
FOR THE YEAR ENDED 31, AUGUST 2021**

Clapham

Solomon Quaye
Dorothy Blincoe
Antonia Buamah
Sharon Bryan
Regina Carrena
Ola Fadugba
Fiona Owusu

Stockwell

Rebecca Ekan
Leticia Quayson
Alice Aduku
Nathaniel Beury
Lorna Simpson

Springfield

Kola Ajao
Harriet Nsowah
Elenor Buaku
Ben Johnson

LMSM's & Vauxhall Mission

Ursula Ovenden
Alice Achola-Omara
David Vilares Ferrer
Barbara Afful

BANKERS AND AUDITORS

Bankers

HSBC Bank Plc
CAF Bank Limited
Central Finance Board of the Methodist Church

Auditors

Adomako Basoah & Co
Chartered Certified Accountants
113 Parchmore Road
Thornton Heath.
Surrey. CR7 8LZ

**LAMBETH CIRCUIT METHODIST CHURCH
TRUSTEES REPORT AND ACCOUNTS
FOR THE YEAR ENDED 31, AUGUST 2021**

STRUCTURE, GOVERNANCE AND MANAGEMENT

The Circuit is managed by a leadership team made up of the ministers, the Circuit stewards and local church representatives. The Circuit ensures that incoming stewards are well equipped by arranging for them to attend training and seminars organised by the District and the Circuit for that purposes.

The Circuit Leadership team meets periodically to discuss finance, property and other matters pertaining to the life of the Circuit and to make recommendations to the Circuit Meeting.

The Circuit Meeting also meets at least twice a year to consider recommendations and receive reports from and to the Methodist Conference, London District Synod, the Circuit Leadership Team and the Circuit Stewards, and conducts other business as appropriate.

FUNCTIONS OF THE CIRCUIT

Mission statement

The Circuit's mission statement is "to be open to God, open to Life and open to the world".

The main function of the Circuit is to provide the support mechanism to the local churches within the Circuit. Careful consideration of the Charity Commission's general guidance on public benefit has been borne in mind in reviewing the functions of the Circuit and in planning its activities. The trustees consider the current activities as detailed in this report deliver public benefit.

The Circuit is responsible for the following:

- * To provide ministerial oversight and pastoral care for the 9 local churches in the Circuit
- * To Support the ministerial team of the presbyteral ministers.
- * To maintain the manses and to manage the investment properties.
- * To support local churches in providing place for worship

MAIN GOALS FOR THE YEAR

The main goals for the year were:

- * To identify priorities for further use and application of funds at the disposal of the Circuit
- * to use its resources effectively to further its mission
- * to develop its work among the young people
- * to investigate ways of working together to achieve the objectives of the circuit

The Trustees were able to achieve the goals as set at the beginning of the year

**LAMBETH CIRCUIT METHODIST CHURCH
TRUSTEES REPORT AND ACCOUNTS
FOR THE YEAR ENDED 31, AUGUST 2021**

ACHIEVEMENTS AND PERFORMANCE

FINANCIAL REVIEW

In furtherance of its goals, the Circuit continued to support the youth project in partnership with the Accension Trust. This is the 60-40 project which takes place at former Kings Acre church premises. It is called the 60-40 project because in partnership with the Accension Trust, the Circuit bears 40% of the costs. The project employs a youth worker who works with the young people in the circuit.

During the year, the Circuit continued to maintain its manses at the levels required by the Methodist Church.

The Circuit recorded a surplus of £1,216,094 (2020 deficit - £167,848) before revaluation gains for the year. The main reason was the disposal of Lambeth mission St Mary church building site. As part of the deal £2,500,000 was paid into the Circuit Model Trust funds

Reserves

The balance of the unrestricted funds at 31 August 2021 was £11,173,788 (2020 - £8,039,819) This includes the value of the Fixed Assets of £8,970,017 thereby leaving a net liquid balance of £2,210,910 for the general running of the Circuit.

Merger with Clapham Circuit

Following discussion with the Old Clapham Circuit, the circuit merger became a reality and was approved by the June 2020 Methodist conference

The new Circuit commenced on 1st September 2020. As a result of the merger, the Circuit adopted the merger accounting principle in preparing the accounts for the year ended 31 August 2021.

PLANS FOR THE FUTURE

The Trustees continued to explore ways of working with other neighbouring Circuit. In this regards it continues to manage 76 Chestnut Road for the benefit of the Circuit and Southwark Circuit

**LAMBETH CIRCUIT METHODIST CHURCH
TRUSTEES REPORT AND ACCOUNTS
FOR THE YEAR ENDED 31, AUGUST 2021**

Reserve Policy

The Trustees endeavour to maintain sufficient Reserves to ensure that the Circuit is on a "going concern" basis at all times.

The Circuit General Fund (Unrestricted fund) balance at the end of the year was £11,179,788

The value of the Circuit properties (both tangible fixed assets and fixed assets Investment) included in the general fund figure of £11,179,788 is £8,970,017

Our reserves policy is to hold at least 6 month's expenditure. With the current level of annual expenditure (£1.670 M) the expected level of Reserves should be £835K, compared to the actual readily available reserves (Circuit General Fund balance less properties values) of £2.216 M. Even though the reserves are in excess of the recommended level, the trustees consider that it is not excessive due to the programme of refurbishment that are currently being planned for the investment properties and the manses.

Risk Analysis

The Trustees have examined the principal areas of their operations and considered what major risks could arise in each of these areas. In the opinion of the Trustees, resources and review systems have been established which, in the normal conditions, should allow the risks identified by them to be mitigated to an acceptable level in their day to day operations.

Going concern and the impact of Covid-19

The trustees consider that the Circuit has adequate financial resources to continue in operation for the foreseeable future.

The outbreak of Covid-19 virus across the world represented significant event after the year. The effect of the pandemic was that most of the Circuit's administration and the delivery of its objects were done on line. Financially as the churches were not able to meet in person, their ability to meet their annual assessments was severely curtailed.

To reduce the impact caused by the pandemic, the Circuit has relied on its investments at TMCP

The trustees therefore consider that the going concern basis remains a reasonable basis for the preparation of the Circuit accounts.

**LAMBETH CIRCUIT METHODIST CHURCH
TRUSTEES REPORT AND ACCOUNTS
FOR THE YEAR ENDED 31, AUGUST 2021**

Post Balance Sheet Events

Except for the effect of the covid-19 pandemic mentioned above, the Trustees are not aware of any post balance sheet events which could materially affect these financial statements.

STATEMENT OF TRUSTEES RESPONSIBILITIES

The Trustees are responsible for preparing the Trustees' Report and the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Acceptable Accounting Practice)

The law applicable to charities in England & Wales requires the Trustees to prepare financial statements for each financial year which give a "true and fair view" of the state of affairs of the charity and of the incoming resources and application of resources of the charity for that year. In preparing these financial statements the Trustees are required to:

- > select suitable accounting policies and then apply them consistently
- > observe the methods and principles in the Charities SORP
- > make judgements and estimates that are reasonable and prudent
- > state whether applicable accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements
- > prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charity will continue to operate.


The trustees are responsible for keeping sufficient accounting records that disclose with reasonable accuracy at any time the Financial position of the Circuit and enable them to ensure that the accounts comply with the Charities Act of 2011, the appropriate Charity (Accounts and Reports) Regulations and the provisions of the trust deed. They are also responsible for safeguarding the assets of the Circuit and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

In so far as the trustees are aware;

- > There is no relevant audit information of which the Circuit's auditor is unaware; and
- > the trustees have taken all steps that they ought to have to make themselves aware of any relevant audit information and to establish that the auditor is aware of that information.

This Report was approved by the Circuit Trustees on their behalf by :

Arabella Hyde



20/7/2023, and signed on


Kojo Amoah-Arko

INDEPENDENT AUDITORS' REPORT TO THE TRUSTEES OF LAMBETH CIRCUIT METHODIST CHURCH

REPORT ON THE FINANCIAL STATEMENTS

OPINION

We have audited the financial statements of Lambeth Circuit Methodist Church. (The Circuit) for the year ended 31, August 2021, which comprise of the Statement of Financial Activities, the Balance Sheet, and the related notes to the financial Statement, 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, "Financial Reporting Standard applicable in the United Kingdom and the Republic of Ireland" (United Kingdom Generally Accepted Accounting Practice)

In our opinion, the financial statements :

- > give a true and fair view of the Circuit's state of affairs as at 31, August 2021 and of its incoming resources and application of resources for the year then ended
- > have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice
- > have been prepared in accordance with the requirements of the Charities Act 2011.

BASIS FOR 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 Circuit 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 responsibilities of the trustees with respect to going concern are described in the relevant sections of this report.

**INDEPENDENT AUDITORS' REPORT TO THE TRUSTEES OF LAMBETH CIRCUIT
METHODIST CHURCH** (Continued)

OTHER INFORMATION

The other information comprises the information included in the annual report other than the financial statements and our auditor's report thereon.

The Trustees are responsible for the other information contained within the annual report.

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.

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.

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 Report) Regulations 2008 require us to report to you, if in our opinion :

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

RESPONSIBILITIES OF THE TRUSTEES

As explained more fully in the Trustees' Responsibilities Statement set out on page 6, the trustees are responsible for the preparation of the 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 Circuit'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 Circuit or to cease operations, or have no realistic alternative but to do so.

**INDEPENDENT AUDITORS' REPORT TO THE TRUSTEES OF LAMBETH CIRCUIT
METHODIST CHURCH**

(Continued)

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

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We designed procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below :

- > As part of an audit in accordance with ISAs (UK), we exercise professional judgement and maintain professional scepticism throughout the audit.
- > At the commencement of the audit, we obtained an understanding of the legal and regulatory framework applicable to the Circuit, and how the Circuit is complying with that framework.
- > We assessed the susceptibility of the Circuit's financial statements to material misstatement, including how fraud might occur
- > Our engagement partner's assessment of whether the engagement team collectively had the appropriate competence and capabilities to identify or recognize non-compliance with laws and regulations.
- > all matters about non-compliance with laws and regulations and fraud which were detected by the engagement team were to be communicated to the engagement partner
- > Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

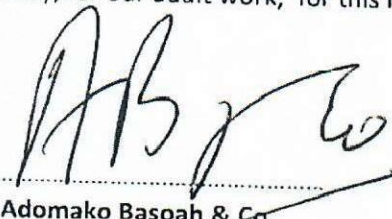
A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at :<https://www.frc.org.uk/auditorresponsibilities>. This description forms part of our auditor's report.

**INDEPENDENT AUDITORS' REPORT TO THE TRUSTEES OF LAMBETH CIRCUIT
METHODIST CHURCH**

(Continued)

USE OF OUR REPORT

This report is made solely to the Circuit Trustees, as a body, in accordance with Part 4 of the Charities (Accounts and Reports) regulations 2008. Our audit work has been undertaken so that we might state to the Circuit 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 Circuit and the Circuit trustees as a body, for our audit work, for this report, or for the opinions we have formed.


.....
Adomako Basoah & Co.
Senior Auditor

20/07/..... 2023
113, Parchmore Road
Thornton Heath
Surrey. CR7 8LZ

ADOMAKO BASOAH & CO is eligible for appointment as Auditor of the Circuit by virtue of its eligibility for appointment as auditor of a company under section 1212 of the Companies Act 2006

LAMBETH CIRCUIT METHODIST CHURCH
STATEMENT OF FINANCIAL ACTIVITIES FOR THE YEAR ENDED 31 AUGUST 2021

INCOMING RESOURCES					
	Note	Restricted	Unrestrict.	2021	2020
		£	£	Total	Total
				£	£
Charitable Activities	3	-	291,863	291,863	304,180
Investment income	3	16	100,760	100,776	116,713
Other Income	3	-	2,500,100	2,500,100	1,226
				-	
		16	2,892,723	2,892,739	422,119
RESOURCES EXPENDED					
Raising of funds	4	9	1,324,568	1,324,577	76,380
Charitable activities					
Support	4		277,854	277,854	317,625
Premises cost	4		41,088	41,088	37,831
Governance			6,625	6,625	6,632
Others	4	-	26,500	26,500	151,499
TOTAL RESOURCES USED		9	1,676,636	1,676,645	589,967
NET SURPLUS FOR THE YEAR	5	7	1,216,087	1,216,094	(167,848)
before revaluation adjustments					
Gains on revaluation of					
Fixed assets	6	-	470,017	470,017	-
Prior year adjustment	7	-	1,447,865	1,447,865	-
				-	
BALANCE BROUGHT FORWARD		7,132	8,039,819	8,046,951	8,214,796
BALANCE CARRIED FORWARD		7,139	11,173,788	11,180,927	8,046,948

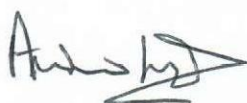
There are no further recognised gains other than the deficit for the above financial year.
The notes to the financial statements form an integral part of these financial statements.

**LAMBETH CIRCUIT METHODIST CHURCH
BALANCE SHEET AS AT 31 AUGUST 2021**

	Note	£	2021 £	£	2020 £
FIXED ASSETS	9				
Tangible fixed assets			5,550,000		3,988,557
Investments			3,420,017		3,063,578
CURRENT ASSETS					
Investments	10	2,000,981		907,878	
Debtors	11	217,305		92,378	
Bank and cash balances	12	129,261		124,411	
			<u>2,347,546</u>	<u>1,124,667</u>	
CREDITORS: Amounts falling due within one year	13	136,636		129,851	
			<u>2,210,910</u>		994,816
			<u>11,180,927</u>		<u>8,046,951</u>
FUNDS					
Unrestricted Funds	14		11,173,788		8,039,819
Restricted Fund	14		7,139		7,132
			<u>11,180,927</u>		<u>8,046,951</u>

The notes on pages 17 to 32 form an integral part of these financial statements.

Approved by the Circuit Meeting on 20/7/2023 and signed on its behalf



Revd Dr. Andrew Lyons
Acting Superintendent



K Amoah-Arko
Circuit Treasurer

LAMBETH CIRCUIT METHODIST CHURCH
CASHFLOW STATEMENT FOR THE YEAR ENDED 31 AUGUST 2021

	£	£
Operating Surplus		1,213,319
Add:		
Increase in debtors	(124,927)	
Increase in short term investments	-	
Increase in creditors	6,785	
		<hr/> (118,142)
Net cashflow from operating activities		<hr/> 1,095,177
Cashflow Statement		
Net cashflow from operating activities		1,095,177
Return on investments		2,775
Changes in net unds		<hr/> 1,097,952
RECONCILIATION OF NET CASHFLOW TO MOVEMENT IN NET LIQUID FUNDS		
Increase in cash		4,849
Increase in TMCP Trust funds- Liquid resources		1,093,103
		<hr/> 1,097,952

LAMBETH CIRCUIT METHODIST CHURCH

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31, AUGUST 2021

. BASIS OF ACCOUNTING

1.1 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 (FRS 102) (Second Edition)" and the Financial Reporting Standard applicable in the United Kingdom and Republic of Ireland (FRS 102) and the Charities Act 2011 and UK Generally Accepted Practice as it applies from 1 January 2015.

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The financial statements have been prepared in accordance with the accounting policies set out in Note 2 to these accounts, and in accordance with the governing document of the Circuit.

1.2 The Circuit constitutes a public benefit entity as defined by FRS 102

1.3 No changes to accounting estimates have occurred in the reporting period.

1.4 No material prior year errors have been identified in the reporting period.

2. ACCOUNTING POLICIES.

INCOMING RESOURCES

2.1 Recognition of Income

Income are recognised and included in the Statement of Financial Activities (SOFA) when:

- > The Circuit becomes entitled to the resources;
- It is more likely than not that the trustees will receive the resource ; and
- > The monetary value can be measured with sufficient reliability.

2.2 Offsetting

There has been no offsetting of assets and liabilities, or income and expenses, unless required or permitted by the FRS 102 or SORP.

LAMBETH CIRCUIT METHODIST CHURCH

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31, AUGUST 2021

2.3 Grants and Donations

Grants and Donations are only included in the SoFA when the general income recognition criteria as stated above are met.

2.4 Volunteer Help

The value of any voluntary help received is not included in the accounts.

2.5 Settlement of Insurance Claims

Insurance claims are only included in the SoFA when the general income recognition criteria are met, and are included as an item of other income in the SOFA

2.6 Income from Interest, Royalties and Dividends

This is included in the accounts when receipt is probable and the amount receivable can be measured reliably.

2.7 Investment gains and losses

This includes any realised or unrealised gains or losses on the sale of investments and any gain or loss resulting from revaluing investments to market value at the end of the financial year.

2.8 Rental Income

Rental income are only included in the SoFA when the general income recognition criteria are met.

APPLICATION OF RESOURCES.

2.9 Liability Recognition

Liabilities are recognised where it is more likely than not that there is a legal or constructive obligation committing the Circuit to pay out resources and the amount of the obligation can be measured with reasonable certainty.

2.10 Grants.

Grants and donations are accounted for when paid.

2.11 Costs directly related to the work of the circuit.

The district assessment and ministerial stipends are accounted for when due.

LAMBETH CIRCUIT METHODIST CHURCH

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31, AUGUST 2021

FIXED ASSETS.

2.12 Freehold land and buildings

Freehold land and buildings are accounted for at original Cost or valuation basis.

Tangible Fixed Assets

These are the manses managed by the Circuit. The Circuit manages five Manses

Fixed Asset Investments

These are the properties managed by the Circuit with the view to generate income.

In the year under review, there was one such property, and one closed to worship church building.

The freehold land and buildings mentioned above are shown in these accounts at deemed valuations, being that property's insurance reinstatement value, as notified by Methodist Insurance Company Plc. Changes in the values of the properties as notified by the Methodist Insurance Company Plc are reflected in these accounts on five-year basis

2.13 CAPITALISATION

All tangible Fixed Assets and Fixed Assets Investments whose costs are in excess of £1,000 in the year concerned are capitalised. Otherwise such costs are written off in the year of the expenditure.

2.14 DEPRECIATION.

Depreciable tangible freehold building values are depreciated at a rate calculated to write off the cost, less residual value over their expected useful lives.

No Depreciation is provided on land values.

No Depreciation is provided on Investment properties. They are stated at market value

Rate of depreciation on tangible freehold buildings as the trustees believe that the market value exceed the book value.

2.15 Tangible fixtures , fittings and office equipments.

All tangible fixtures, fittings and Equipments used by the circuit are written off as and when incurred.

LAMBETH CIRCUIT METHODIST CHURCH

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31, AUGUST 2021

OTHER ACCOUNTING POLICIES

2.16 Funds

2.16.1 Unrestricted funds represent funds which are expendable at the discretion of the Circuit in the furtherance of its objects and which have not been designated for other purposes.

2.16.2 Restricted funds can only be used for specified purposes. The purpose of any restricted fund is noted in the financial statements.

2.17 Consolidation

The Circuit oversees the work of ministers and lay workers in churches within the Circuit, but does not have control over those churches, ministers, or the lay workers. For this reason, the financial statements of the churches within the Circuit are not consolidated into these financial statements.

2.18 Going Concern

At the time of approving the financial statements, the trustees have a reasonable expectation that the Circuit has adequate resources to continue in operational existence for the foreseeable future. Thus the trustees have therefore continued to adopt the going concern basis in preparing the Circuit's financial statements.

2.19 Employment Benefits

The cost of any unused holiday entitlement is recognised in the period in which the employee's services are received.

2.20 Taxation

In the opinion of the trustees, the Circuit is exempt from the United Kingdom Taxation on its incoming resources for the year.

2.21 Accounting estimates and judgements

In the application of the Circuit's accounting policies, the trustees are required to make judgements, estimates, and assumptions about carrying amount of assets and liabilities that are not readily apparent from other resources. The estimates and associated assumptions are based on historic experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised where the revision affects only that period, or in the period of the revision and future periods where the revision affects both current and future periods.

The main assumption concerning the future of the Circuit is that the assessment income will continue to be sufficient to meet the costs of stipends, salaries and manse maintenance. The annual budget, as approved by the Circuit meeting, includes sums necessary for covering these costs. This is then allocated among each church in the Circuit, hence the income is dependent upon the Churches' ability to meet the assessments.

LAMBETH CIRCUIT METHODIST CHURCH

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31, AUGUST 2021

2.22 Financial Instruments

The Circuit only has financial assets and liabilities of a kind that qualify as basic financial instruments. Basic financial instruments are initially recognised at transaction value and subsequently measured at their settlement value.

2.23 Apportionment Of Costs Between Activities

Governance and Other Costs are apportioned between Charitable Activities and Expenditure to raise Funds on the basis of each activity's income in the year in relation to each other. This policy excludes exceptional and non-recurring items.

3 INCOMING RESOURCES

	Restricted Funds	Unrestrict. Funds £	2021 Total Funds £	2020 Total Funds £
3.1 Charitable Activities income				
Circuit assessments		291,863	291,863	304,180
3.2 Investment income				
Central Finance Board Interest	-	95	95	289
TMCP Interest	16	2,664	2,680	7,568
Rental Income		98,001	98,001	108,856
	16	100,760	100,776	116,713
3.3 Other income				
Others	-	100	100	1,226
Sale of Lambeth Mission	-	2,500,000	2,500,000	-
	-	2,500,100	2,500,100	1,226
Total income	16	2,892,723	2,892,739	422,119

LAMBETH CIRCUIT METHODIST CHURCH
NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31, AUGUST 2021

	Restricted Funds £	Unrestrict. Funds £	2021 Total Funds £	2020 Total Funds £
4. RESOURCES EXPENDED				
4.1 EXPENDITURE ON RAISING FUNDS				
Properties Repairs and Maintenance		1,920	1,920	5,671
Rent Collection		6,360	6,360	6,863
TMCP- levy	9	54,658	54,667	58,737
TMCP - levy on sale of Lambeth Mission		804,916	804,916	-
Professional fees- Sale of Lambeth Mission		437,705	437,705	-
Legal Fees- Chestnut Road		760	760	-
Bad debt provision		9,208	9,208	-
Audit Fees		1,650	1,650	900
Accountancy Fees		-	-	360
TMCP Charges		558	558	603
Legal Fees- General			-	133
Other Professional Charges			-	215
Telephone		1,047	1,047	871
Post, Print and Stationery		985	985	688
Youth Expenses		2,015	2,015	200
Sundry expenses		2,786	2,786	1,139
	9	1,324,568	1,324,577	76,380

**4.2 EXPENDITURE ON CHARITABLE
ACTIVITIES**
4.2.1 SUPPORT COST

District Assessment		65,248	65,248	65,568
Stipends, Pension and NIC		177,711	177,711	185,501
Salaries and NIC		34,137	34,137	38,331
Grants and Donations		-	-	23,546
Ministers' travelling expenses		758	758	4,679
	-	277,854	277,854	317,625

LAMBETH CIRCUIT METHODIST CHURCH
NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31, AUGUST 2021

	Restricted Funds £	Unrestrict. Funds £	2021 Total Funds £	2020 Total Funds £
4.2.2 PREMISES COST				
4.2.2.1 Premises Expenses				
Repairs to Manses		13,328	13,328	11,177
Manses Utilites		19,216	19,216	19,521
Insurance		8,544	8,544	7,133
	-	41,088	41,088	37,831
4.2.2.2 Governance costs				
Audit Fees		4,950	4,950	2,700
Accountancy Fees		-	-	1,080
TMCP Charges		1,675	1,675	1,808
Legal Fees		-	-	399
Other Professional Charges		-	-	645
	-	6,625	6,625	6,632
4.2.2.3 Others				
Telephone		3,141	3,141	2,614
Post, Print and Stationery		2,956	2,956	2,063
Youth Expenses		6,045	6,045	600
Sundry expenses		8,358	8,358	3,416
Bad debts- Churches		6,000	6,000	142,806
	-	26,500	26,500	151,499

LAMBETH CIRCUIT METHODIST CHURCH**NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31, AUGUST 2021****5. SURPLUS/DEFICIT FOR THE YEAR**

		2021 £	2020 £
The deficit for the year was arrived at after charging			
Auditors	Fees	6,600	3,600
	Other services	-	1,440
Legal fees		1,140	532
		<hr/>	<hr/>

6. GAINS ON REVALUATION OF FIXED ASSETS

Revaluation of fixed assets- Manses	250,000	-
Revaluation of investment properties	220,017	-
	<hr/>	<hr/>
	470,017	
	<hr/>	<hr/>

7. PRIOR YEAR ADJUSTMENTS

Revaluation loss on fixed assets investments	(373,034)	-
Surplus on revaluation of manses	1,820,899	-
	<hr/>	<hr/>
	1,447,865	-
	<hr/>	<hr/>

8. PAYMENT TO LAY EMPLOYEES

Salaries	30,853	35,146
Employers National insurance	1,926	1,860
Pension contribution	1,358	1,325
	<hr/>	<hr/>
	34,137	38,331
	<hr/>	<hr/>

Average number of employees

1

1

LAMBETH CIRCUIT METHODIST CHURCH**NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31, AUGUST 2021****9. FIXED ASSETS****9.1 TANGIBLE FIXED ASSETS**

	Freehold Land & Buildings £
COST OR VALUATION	
As at 1 September 2020	3,988,557
Transfers	(509,456)
Revaluation surplus	2,070,899
As at 31 August 2021	<hr/> 5,550,000
DEPRECIATION	
As at 1 September 2020 and 31 August 2021	<hr/> -
NET BOOK VALUE	
As at 31 August 2021	<hr/> 5,550,000
As at 31 August 2020	<hr/> 3,988,557

LAMBETH CIRCUIT METHODIST CHURCH**NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31, AUGUST 2021****9.2 FIXED ASSETS INVESTMENTS**

	Freehold Land & Buildings £
COST OR VALUATION	
As at 1 September 2020	3,063,578
Transfers	509,456
Revaluation adjustment	(153,017)
	<hr/> 3,420,017 <hr/>
NET BOOK VALUE	
As at 31 August 2021	<hr/> 3,420,017 <hr/>
As at 31 August 2020	<hr/> 3,063,578 <hr/>

No depreciation has been provided in respect of tangible fixed assets for the year as they are of the opinion that the maintenance programmes to which these properties are subjected to ensure that the estimated residual values are not less than the stated values

10. INVESTMENTS

	2021 £	2020 £
Sale of property - Trust 15175	22,378	22,348
De-Bourcier Bequest- Trust 8976	3,108	3,104
Clapham model trust fund	-	19,064
De-Bourcier Bequest-8976B /8976A	16,249	16,249
Bernard Searle Bequest- Trust 17694	1,556	1,554
Circuit Model Trust - Trust 22136	1,957,689	845,558
	<hr/> 2,000,981 <hr/>	<hr/> 907,878 <hr/>

LAMBETH CIRCUIT METHODIST CHURCH**NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31, AUGUST 2021**

	2021 £	2020 £
11. DEBTORS		
Circuit Assessments from churches	178,045	51,422
Loan to Churches	22,000	11,000
Prepayments	17,260	29,956
	<u>217,305</u>	<u>92,378</u>

Basic financial assets, including other debtors and prepayments are initially recognised at transaction price, unless the arrangement constitutes a financing transaction, where the the future receipts discounted at a market rate of interest. Such assets are subsequently carried at amortised cost using the effective interest method, less any impairment.

12. BANK AND CASH BALANCES

HSBC Current account	53,047	44,356
Central Finance Board of the Methodist Church-Deposit	76,214	80,055
	<u>129,261</u>	<u>124,411</u>

Cash and cash equivalent includes cash in hand, deposits held at call with banks, other short term liquid investments with original maturities of three months or less, and bank overdrafts. Bank overdrafts are shown within borrowings in current liabilities.

LAMBETH CIRCUIT METHODIST CHURCH**NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31, AUGUST 2021****13. CREDITORS: Amounts falling due within one year**

	2021	2020
	£	£
Rents received in advance	4,370	4,370
Other creditors	26,102	44,588
Loans	60,000	60,000
Accruals	46,164	20,893
	<hr/>	<hr/>
	136,636	129,851
	<hr/>	<hr/>

Basic financial liabilities, including trade and other creditors, loans from third parties and loans from related parties are initially recognised at transaction price, unless the arrangement constitutes a financing transaction, where the debt instrument is measured at the present value of the future payments discounted at a market rate of interest. Such instruments are subsequently carried at amortised cost using the effective interest method, less any impairment.

LAMBETH CIRCUIT METHODIST CHURCH
NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31, AUGUST 2021

14. FUNDS

RESTRICTED FUNDS

	01-Sep-20 Receipts		Payments	Transfers	31-Aug-21
Ministerial Training Funds	4,032	11	6		4,037
Benevolent Funds	3,100	5	3		3,102
	<u>7,132</u>	<u>16</u>	<u>9</u>	<u>-</u>	<u>7,139</u>

UNRESTRICTED FUNDS

General funds	8,039,819	2,892,723	1,676,636	1,917,882	11,173,788
Total funds	<u>8,046,951</u>	<u>2,892,739</u>	<u>1,676,645</u>	<u>1,917,882</u>	<u>11,180,927</u>

The Ministerial Training funds is set up to provide training and development for and local preachers in the Circuit

The Benevolent Fund relates to money raised for the relief of poverty and distress in the Circuit

General funds are money raised for the general running of the Circuit

15. ANALYSIS OF FUND BALANCES BETWEEN THE NET ASSETS

	Unrestrict. £	Restricted £	Total £
Tangible fixed assets	8,970,017	-	8,970,017
Investments	1,997,881	3,100	2,000,981
Current assets	342,534	4,032	346,566
Current liabilities	(136,636)	-	(136,636)
	<u>11,173,795</u>	<u>7,132</u>	<u>11,180,927</u>

LAMBETH CIRCUIT METHODIST CHURCH

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31, AUGUST 2021

16. RELATED PARTY TRANSACTIONS

TRUSTEES REMUNERATIONS AND BENEFITS

All the Ministers serving in the Circuit are members of the Circuit Meeting

17. TRANSACTION WITH RELATED PARTIES

During the year, four Trustees received stipends in the sum of £177,711, (2020 - £185,501), and expenses (relating to travel, telephone broadband and other costs) of £4,943 (2020 - £8,263).

Although the Circuit pays the ministerial stipends, the Ministers are not employed by the Circuit. Ministers are employed by Conference, but it is the responsibility of the Circuit to pay them.

There were no other related parties transactions for the year ended 31, August 2021

Connected organisations include the Methodist Connexion, Churches within the Circuit, other Methodist Districts in Great Britain, CFB, and TMCP. All these entities have their own trustees and autonomous administration such that the Circuit has no material influence over them. They are, therefore not considered related parties.

18. POST BALANCE SHEET EVENTS

There has been no post balance sheet event which could materially affect these financial statements

However, as a result of the Covid-19 pandemic, the churches attendance has gone down and the activities of the churches tenants have also been drastically reduced. Hence the churches' ability to pay their respective future circuit assessments, and the tenants' ability to meet their future rent payment obligations are in doubt.

However the "going concern" of the circuit is not threatened, as the circuit has set up an interim Finance committee to monitor the finances of the individual churches to ensure that wherever possible, there is a sharing of resources amongst the churches. In the short term, the circuit intends to rely on its reserves with the TMCP to meet its immediate financial obligations.

LAMBETH CIRCUIT METHODIST CHURCH**NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31, AUGUST 2021****19. Volunteer Contribution**

Every wing of the Methodist Church (Local Churches, Circuits, Districts, Connexion) in the United Kingdom is heavily reliant on volunteers who contribute their skills, time, money and their resources in the furtherance of the work of the church. Principally, this contribution is by serving on committees of the Circuit that deal with mission, manses, finance, policy, grants, training developments, etc etc.

The contribution of volunteers is not included within the income of the Circuit.

We are grateful to all of them for their help and commitments

20. Ministers' manse costs

The Circuit is required to provide accommodation for each Minister and his/her family. The Circuit bears the costs of repairs, maintenance, building insurance, Council Tax and water charges on the properties . These costs are not shown separately as benefit-in-kind for the Ministers as HMRC does not seek to tax these receipts in the hands of the Ministers. Similarly. these costs are not disclosed as related parties' transactions in these accounts.