

# **LAMBETH CIRCUIT METHODIST CHURCH**

Charity Registration number - 1175488

**FINANCIAL STATEMENTS FOR THE YEAR ENDED 31, AUGUST 2022.**

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

## **CHARITY INFORMATION**

Principal address

Lambeth Circuit Office  
c/o Clapham Methodist Church  
Nelson's Row  
London  
SW4 7JR

Bankers

HSBC Plc  
Wimbledon Hill Road  
Wimbledon  
London  
SW19 7NF

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.  
45, Tindale Close  
Sanderstead  
South Croydon  
Surrey. CR2 0RT

# **LAMBETH CIRCUIT METHODIST CHURCH**

Charity Registration number - 1175488

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

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## **LAMBETH CIRCUIT METHODIST CHURCH**

### **TRUSTEES REPORT AND ACCOUNTS FOR THE YEAR ENDED 31 AUGUST 2022**

The Trustees present their report together with the Audited financial statements for the year ended 31, August 2022

#### **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and Reporting by Charities : Statement of Recommended Practice effective from 1, April 2005 which has since been withdrawn".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 OBJECTIVES**

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 2022 (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 and the Circuit Stewards.

The Circuit Meeting Members who are also trustees are:

<b>District Chair</b>	Revd Nigel Cowgill
<b>Superintendent Minister</b>	Revd Andrew Dart
<b>Acting Superintendent Minister</b>	Revd Dr Andrew Lyons
<b>Circuit Ministers</b>	Revd Kristin Markay Revd Lena Ali Revd Eleanor Jackson Revd Rita King
<b>Ministers resident in the Circuit</b>	Revd Andrew Goodhead Revd. Graham Thomas
<b>Supernumerary residing in Circuit</b>	Revd Gordon Ashworth
<b>Circuit Stewards</b>	Nancy Acquah Alice Achola-Omara Comfort Babawale Daniel Sackey Christine Annor Raymonde Chintoh Clement Cofie Nana Hamoa Dormon Vivian Korley Patience Oluwa Elizabeth Oyeledun Victoria Odofin Abigail Tagoe
<b>Circuit Treasurer</b>	Kojo Amoah-Arko
<b>Assistant Treasurer</b>	Opuwali Lawson
<b>Circuit Meeting Secretary</b>	Arabella Hyde
<b>Local Preachers' Secretary</b>	Elizabeth Oyeledun
<b>Property Group Co-Ordinator</b>	Robert Smyth
<b>Safeguarding Co-Ordinator</b>	Sandra Taylor
<b>Young Peoples' Representative</b>	Janet Oppong/Danielle Young

## **LAMBETH CIRCUIT METHODIST CHURCH**

### **TRUSTEES REPORT AND ACCOUNTS FOR THE YEAR ENDED 31 AUGUST 2022 (CONTINUED)**

#### **REFERENCE AND ADMINISTRATIVE DETAILS (Continued)**

##### **Local Church Representatives:**

###### **Streatham**

Carl Opare-Addo  
Tina Rawlings  
Jacob Arkaah  
Pat Ashworth

###### **Tulse Hill**

Christine Annor  
Kwadwo Asamoah-Boadu  
Emmanuel Bentsi-Abban  
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

###### **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

**LAMBETH CIRCUIT METHODIST CHURCH**  
**TRUSTEES REPORT AND ACCOUNTS FOR THE YEAR ENDED 31 AUGUST 2022 (CONTINUED)**

**REFERENCE AND ADMINISTRATIVE DETAILS (Continued)**

**Springfield**

Kola Ajao  
Harriet Nsowah  
Elenor Buaku  
Ben Johnson

**LMSM's & Vauxhall Mission**

Ursula Ovenden  
Alice Achola-Omara  
David Vilares Ferrer  
Barbara Afful

**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 received 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 6 presbyteral ministers.
- \* To maintain 5 manses and to manage 3 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 2022 (CONTINUED)**

#### **ACHIEVEMENTS AND PERFORMANCE**

##### **Review of past performance**

In furtherance of its goals, the Circuit continued to develop the youth project in partnership with the Accension Trust. This resulted in the establishment of the 60-40 project which takes place at 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 deficit of £260,422 ( 2021 Surplus - £1,216,094 ) before revaluation gains for the year. The main reason was the surplus on the sale of Lambeth Mission property which realised £2,500,000 in 2021.

##### **Reserves**

The balance of the unrestricted funds at 31 August 2022 was £10,913,357 ( 2021 - £11,173,788 ). This includes the value of the Fixed Assets of £8,970,000 thereby leaving a net liquid balance of £1,943,357 for the general running of the Circuit.

#### **PLANS FOR THE FUTURE**

On 1st September 2020, the Lambeth Circuit merged with the Clapham Circuit to form a Lambeth wide Circuit. The circuit combines all the Methodist churches in the London Borough of Lambeth. Following the merger, the circuit has embarked on a programme of exploring initiatives involving collaboration with other ecumenical churches in the furtherance of its objectives.

##### **Reserve Policy**

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

Excluding the value of the Circuit properties of £8,970,000, the balance of the Circuit General Fund ( Unrestricted fund ) at the year end was £1,913,357.

Our reserves policy is to hold at least 6 month's expenditure. With the current level of annual expenditure ( £656K ) the expected level of Reserves should be £328K, compared to the actual readily available reserves ( Circuit General Fund balance less properties values ) of £1,943K.

Even though the current reserves are far in excess of the recommended level, the trustees do not consider the level as excessive as there are mission objectives that will require the use of such funds

##### **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.

## LAMBETH CIRCUIT METHODIST CHURCH

### TRUSTEES REPORT AND ACCOUNTS FOR THE YEAR ENDED 31 AUGUST 2022 (CONTINUED)

#### 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.

Following the gradual easing of the Covid-19 restrictions, there has been an increase in the church attendance. The new circuit has therefore began to form strategic groups in the running of the circuit. This covers the areas of property, finance, mission and administration. This will ensure that the mission life of the circuit is revived which will increase the congregational collections.

In the meantime, the Circuit will continue to rely on the investment income from properties and withdrawals from the investments at TMCP.

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

#### Post Balance Sheet Events

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.

#### APPROVAL

This Report was approved by the Circuit Trustees on 21<sup>st</sup> FEBRUARY 2024, and signed on their behalf by :

Arabella Hyde



Circuit Meeting Secretary

## **INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF THE LAMBETH CIRCUIT METHODIST CHURCH**

### **REPORT ON THE FINANCIAL STATEMENTS**

#### **UNQUALIFIED OPINION**

We have audited the financial statements of The Lambeth Circuit Methodist Church ( the charity ) for the year ended 31, August 2022, which comprise of the Statement of Financial Activities, the Balance Sheet, and notes to the financial Statements, including a summary of significant accounting policies.

The financial reporting framework that has been applied in their preparation is applicable Law and United Kingdom Accounting Standards, including Financial Reporting standard 102, "The Financial Reporting Standard applicable in the 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 state of the Charity's affairs as at 31, August 2022 and of its incoming resources and application of resources for the year then ended
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Charities Act 2011

#### **BASIS FOR UNQUALIFIED 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 Standards, 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 unqualified 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 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.

# LAMBETH CIRCUIT METHODIST CHURCH

## STATEMENT OF FINANCIAL ACTIVITIES FOR THE YEAR ENDED 31 AUGUST 2022

	Note	Unrestricted	Restricted	Total	2021
		£	£	£	£
<b>INCOMING RESOURCES</b>					
Charitable Activities	3.1	289,080	0	289,080	291,863
Investment income	3.2	105,342	22	105,364	100,776
Other Income	3.3	<u>859</u>	<u>0</u>	<u>859</u>	<u>2,500,100</u>
		<b><u>395,281</u></b>	<b><u>22</u></b>	<b><u>395,303</u></b>	<b><u>2,892,739</u></b>
<b>RESOURCES EXPENDED</b>					
Expenditure on Raising Funds	4.1.4	116,202	4	116,206	25,274
Expenditure on Charitable Activities	4.2.3	504,363	9	504,372	1,637,013
Others	4.3	<u>35,147</u>	<u>0</u>	<u>35,147</u>	<u>14,358</u>
TOTAL RESOURCES USED		<u>655,712</u>	<u>13</u>	<u>655,725</u>	<u>1,676,645</u>
NET (DEFICIT)/ INCOME FOR THE YEAR Before Recognised Gains		(260,431)	9	(260,422)	1,216,094
<b>GAINS ON REVALUATION OF FIXED ASSETS FOR THE CIRCUIT'S USE</b>					
Revaluation Gains on Properties	5	0	0	0	250,000
<b>GAINS ON REVALUATION OF FIXED ASSETS INVESTMENTS</b>					
Revaluation Gains on Properties	6	0	0	0	220,017
<b>PRIOR YEAR ADJUSTMENTS</b>					
Tangible Fixed Assets	7.1	0	0	0	1,820,899
Fixed Assets Investments	7.2	0	0	0	-373,034
BALANCE BROUGHT FORWARD		<u>11,173,788</u>	<u>7,139</u>	<u>11,180,927</u>	<u>8,046,951</u>
BALANCE CARRIED FORWARD		<u>10,913,357</u>	<u>7,148</u>	<u>10,920,505</u>	<u>11,180,927</u>

All activities are derived from continuing operations

There are no further recognised (losses)/ gains other than the (deficit)/income for the above financial years.

The notes to the financial statements form an integral part of these financial statements.

**LAMBETH CIRCUIT METHODIST CHURCH**  
**BALANCE SHEET AS AT 31 AUGUST 2022**

<b>FIXED ASSETS</b>		<b>unrestricted</b>	<b>Restricted</b>	<b>T O T A L</b>	<b>2021</b>
	<b>Note</b>	<b>£</b>	<b>£</b>	<b>£</b>	<b>£</b>
Tangible Fixed Assets	8.1	5,550,000	0	5,550,000	5,550,000
Investments	8.2	<u>3,420,000</u>	<u>0</u>	<u>3,420,000</u>	<u>3,420,017</u>
<b>Total Fixed Assets</b>		<b><u>8,970,000</u></b>	<b><u>0</u></b>	<b><u>8,970,000</u></b>	<b><u>8,970,017</u></b>
<b>CURRENT ASSETS</b>					
Investments	9	1,496,112	0	1,496,112	2,000,980
Debtors	11	300,060	0	300,060	217,305
Bank and cash balances	12	<u>235,273</u>	<u>7,148</u>	<u>242,421</u>	<u>129,261</u>
		<b><u>£ 2,031,445</u></b>	<b><u>7,148</u></b>	<b><u>2,038,593</u></b>	<b><u>2,347,546</u></b>
<b>CREDITORS: Amounts falling due within one year</b>	13	<b><u>88,088</u></b>	<b><u>0</u></b>	<b><u>88,088</u></b>	<b><u>136,636</u></b>
<b>TOTAL NET CURRENT ASSETS</b>		<b><u>1,943,357</u></b>	<b><u>7,148</u></b>	<b><u>1,950,505</u></b>	<b><u>2,210,910</u></b>
<b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>		<b><u>10,913,357</u></b>	<b><u>7,148</u></b>	<b><u>10,920,505</u></b>	<b><u>11,180,927</u></b>
<b>FUNDS</b>					
	14				
Restricted Funds	14.1		7,148	7,148	7,139
Unrestricted Funds	14.2	<u>10,913,357</u>		<u>10,913,357</u>	<u>11,173,788</u>
		<b><u>10,913,357</u></b>	<b><u>7,148</u></b>	<b><u>10,920,505</u></b>	<b><u>11,180,927</u></b>

The notes to the financial statements form an integral part of these financial statements.

Approved by the Trustees on 21 February 2024  
and signed on their behalf by :



Revd Dr. Andrew Lyons  
Acting Superintendent Minister



Kojo Amoah-Arko  
Circuit Treasurer



## **LAMBETH CIRCUIT METHODIST CHURCH**

### **NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 AUGUST 2022**

#### **1. 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.

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.

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 SORP or FRS 102

##### **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

**LAMBETH CIRCUIT METHODIST CHURCH**

**NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 AUGUST 2022 ( continued )**

**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.

**FIXED ASSETS**

**2.12 Freehold land and buildings**

Freehold land and buildings are accounted for at original Cost or subsequent 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 were two such property, and one closed-to-worship church building.

The freehold land and buildings mentioned above are shown in these accounts at valuation conducted by a professional valuer in 2021

**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.

**LAMBETH CIRCUIT METHODIST CHURCH**

**NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 AUGUST 2022 ( continued )**

**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 - 2.5% on straight line basis.

**2.15 Tangible fixtures, fittings and office equipment**

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

**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 churches within the Circuit, but does not have control over those churches, or ministers, . 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.

**LAMBETH CIRCUIT METHODIST CHURCH**

**NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 AUGUST 2022 ( continued )**

The main assumption concerning the future of the Circuit is that the assessment income and income from the rental properties will continue to be sufficient to meet the costs of stipends, salaries manse maintenance , and district assessments. 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.

**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.

**2.26 Apportionment Of Costs Between Activities**

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

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 Church's ability to meet the assessment.

**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.

**LAMBETH CIRCUIT METHODIST CHURCH**

**NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31, AUGUST 2022 (Continued)**

**3 INCOMING RESOURCES**

**3.1 Charitable Activities income**

	Unrestricted Funds	Restricted Funds	TOTAL Fund 2022	2 Unrestricted Fund	0 Restricted Fund	2 1 Total Fund 2021
	£	£	£	£	£	£
Circuit assessments	<u>289,080</u>	<u>0</u>	<u>289,080</u>	<u>291,863</u>	<u>0</u>	<u>291,863</u>
<b>3.2 Investment income</b>						
Central Finance Board Interest	581	0	581	95	0	95
TMCP Interest	7,761	22	7,783	2,664	16	2,680
Rental Income	<u>97,000</u>	<u>0</u>	<u>97,000</u>	<u>98,001</u>	<u>0</u>	<u>98,001</u>
	<u>105,342</u>	<u>22</u>	<u>105,364</u>	<u>100,760</u>	<u>16</u>	<u>100,776</u>
<b>3.3 Other income</b>						
Sale of Lambeth Mission Property	0	0	0	2,500,000	0	2,500,000
Others	<u>859</u>	<u>0</u>	<u>859</u>	<u>100</u>	<u>0</u>	<u>100</u>
	<u>859</u>	<u>0</u>	<u>859</u>	<u>2,500,100</u>	<u>0</u>	<u>2,500,100</u>

**4 RESOURCES EXPENDED**

	Unrestricted Funds	Restricted Funds	Total	Unrestricted Funds	Restricted Funds	Total
	£	£	£	£	£	£
<b>4.1 EXPENDITURE ON RAISING FUNDS</b>						
<b>4.1.1 DIRECT SPENDING</b>						
Properties Repairs and Maintenance	90,553	0	90,553	1,920	0	1,920
Rent Collection	6,360	0	6,360	6,360	0	6,360
Insurance	2,012	0	2,012	0	0	0
Legal Fees	800	0	800	760	0	760
Professional fees	2,640	0	2,640	0	0	0
Bad Debt	0	0	0	9,208	0	9,208
Council Tax, Light and Heat	<u>2,138</u>	<u>0</u>	<u>2,138</u>	<u>0</u>	<u>0</u>	<u>0</u>
	<u>104,503</u>	<u>0</u>	<u>104,503</u>	<u>18,248</u>	<u>0</u>	<u>18,248</u>
<b>4.1.2 SUPPORT FOR EXPENDITURE TO RAISE FUNDS</b>						
Governance costs						
Audit Fees	1,122	0	1,122	1,050	0	1,050
Accountancy Fees	641	0	641	600	0	600
Book-keeping charges	1,632	0	1,632	0	0	0
Bank Charges	64	0	64	0	0	0
T M C P Charges	<u>1,511</u>	<u>4</u>	<u>1,515</u>	<u>556</u>	<u>2</u>	<u>558</u>
	<u>4,970</u>	<u>4</u>	<u>4,974</u>	<u>2,206</u>	<u>2</u>	<u>2,208</u>
<b>4.1.3 OTHERS</b>						
Telephone	922	0	922	1,047	0	1,047
Post, Print and Stationery	1,367	0	1,367	985	0	985
Sundry Expenses	3,080	0	3,080	2,786	0	2,786
Subscription	826	0	826	0	0	0
Staff Training	107	0	107	0	0	0
IT and Website Expenses	<u>427</u>	<u>0</u>	<u>427</u>	<u>0</u>	<u>0</u>	<u>0</u>
	<u>6,729</u>	<u>0</u>	<u>6,729</u>	<u>4,818</u>	<u>0</u>	<u>4,818</u>
<b>4.1.4 SUMMARY OF EXPENDITURE ON RAISING FUNDS</b>						
Direct Spending	104,503	0	104,503	18,248	0	18,248
Support for raising funds						
Governance	4,970	4	4,974	2,206	2	2,208
Others	<u>6,729</u>	<u>0</u>	<u>6,729</u>	<u>4,818</u>	<u>0</u>	<u>4,818</u>
	<u>116,202</u>	<u>4</u>	<u>116,206</u>	<u>25,272</u>	<u>2</u>	<u>25,274</u>

**LAMBETH CIRCUIT METHODIST CHURCH**

**NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31, AUGUST 2022 ( Continued )**

	Unrestricted Funds £	Restricted Funds £	Total 2022 £	2 Unrestricted Funds £	0 Restricted Funds £	2 1 Total 2021 £
<b>4.2 EXPENDITURE ON CHARITABLE ACTIVITIES</b>						
<b>4.2.1 DIRECT SPENDING</b>						
District Assessment	65,248	0	65,248	65,248	0	65,248
Stipends, Pension and NIC	204,375	0	204,375	177,711	0	177,711
Salaries and NIC	26,091	0	26,091	25,984	0	25,984
Circuit Administration	8,369	0	8,369	8,153	0	8,153
Ministers' travelling expenses	<u>2,503</u>	<u>0</u>	<u>2,503</u>	<u>758</u>	<u>0</u>	<u>758</u>
	<u>306,586</u>	<u>0</u>	<u>306,586</u>	<u>277,854</u>	<u>0</u>	<u>277,854</u>
<b>4.2.2 SUPPORT FOR CHARITABLE ACTIVITIES</b>						
<b>4.2.2.1 Premises Expenses</b>						
Repairs to Manses	3,269	0	3,269	13,328	0	13,328
Manses Utilities	12,918	0	12,918	19,216	0	19,216
Quinquinal Report	2,340	0	2,340	0	0	0
Insurance	<u>6,892</u>	<u>0</u>	<u>6,892</u>	<u>8,544</u>	<u>0</u>	<u>8,544</u>
	<u>25,219</u>	<u>0</u>	<u>25,219</u>	<u>41,088</u>	<u>0</u>	<u>41,088</u>
<b>4.2.2.2 Governance costs</b>						
Audit Fees	3,078	0	3,078	3,150	0	3,150
Accountancy Fees	1,759	0	1,759	1,800	0	1,800
Book-Keeping Charges	4,476	0	4,476	0	0	0
TMCP Charges	4,147	9	4,156	1,668	7	1,675
Bank Charges	177	0	177	0	0	0
Legal Fees	3,600	0	3,600	0	0	0
Other Professional Charges	<u>0</u>	<u>0</u>	<u>0</u>	<u>437,705</u>	<u>0</u>	<u>437,705</u>
	<u>17,237</u>	<u>9</u>	<u>17,246</u>	<u>444,323</u>	<u>7</u>	<u>444,330</u>
<b>4.2.2.3 Others</b>						
DAF Contribution	138,077	0	138,077	54,667	0	54,667
TMCP Levy on sale of property	0	0	0	804,916	0	804,916
Telephone	2,531	0	2,531	3,142	0	3,142
Post, Print and Stationery	3,750	0	3,750	2,956	0	2,956
Youth Expenses	4,260	0	4,260	8,060	0	8,060
Ascension Trust Project	5,520	0	5,520	0	0	0
Apprenticeship levy	<u>1,183</u>	<u>0</u>	<u>1,183</u>	<u>0</u>	<u>0</u>	<u>0</u>
	<u>155,321</u>	<u>0</u>	<u>155,321</u>	<u>873,741</u>	<u>0</u>	<u>873,741</u>
<b>4.2.3 SUMMARY OF EXPENDITURE ON CHARITABLE ACTIVITIES</b>						
Direct Spending	306,586	0	306,586	277,854	0	277,854
Support for charitable activities						
Premises Expenses	25,219	0	25,219	41,088	0	41,088
Governance	17,237	9	17,246	444,323	7	444,330
Others	<u>155,321</u>	<u>0</u>	<u>155,321</u>	<u>873,741</u>	<u>0</u>	<u>873,741</u>
	<u>504,363</u>	<u>9</u>	<u>504,372</u>	<u>1,637,006</u>	<u>7</u>	<u>1,637,013</u>
<b>4.3 OTHER</b>						
Sundry Expenses	8,452	0	8,452	8,358	0	8,358
Subscription	2,267	0	2,267	0	0	0
Payroll Costs	960	0	960	0	0	0
Staff Training	295	0	295	0	0	0
IT and Website Expenses	1,173	0	1,173	0	0	0
Bad Debts	<u>22,000</u>	<u>0</u>	<u>22,000</u>	<u>6,000</u>	<u>0</u>	<u>6,000</u>
Total Other expenditure	<u>35,147</u>	<u>0</u>	<u>35,147</u>	<u>14,358</u>	<u>0</u>	<u>14,358</u>

**LAMBETH CIRCUIT METHODIST CHURCH**  
**NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31, AUGUST 2022 ( Continued )**

**5. GAINS ON REVALUATION OF FIXED ASSETS FOR THE CIRCUIT'S OWN USE**

	2022	2021
	£	£
Revaluation gains on properties	<u>0</u>	<u>250,000</u>

**6. GAINS ON REVALUATION OF FIXED ASSETS INVESTMENTS**

	2022	2021
	£	£
Revaluation gains on properties	<u>0</u>	<u>220,000</u>

**7. PRIOR YEAR ADJUSTMENT**

	2022	2021
	£	£
Revaluation Gains (Deficit ) on Properties		
7.1 Tangible Fixed Assets	<u>0</u>	<u>1,820,899</u>
7.2 Fixed Assets Investments	<u>0</u>	<u>-373,034</u>

**LAMBETH CIRCUIT METHODIST CHURCH**  
**NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 AUGUST 2022 ( continued )**

**8. FIXED ASSETS**

**8.1 TANGIBLE FIXED ASSETS**

	Freehold Land & Buildings £
<b>COST OR VALUATION</b>	
As at 1 September 2021 and 31, August 2022	<u>5,550,000</u>
<b>DEPRECIATION</b>	
As at 1 September 2021 and 31 August 2022	<u>-</u>
<b>NET BOOK VALUE</b>	
As at 31 August 2022	<u>5,550,000</u>
As at 31 August 2021	<u>5,550,000</u>

**8.2 FIXED ASSETS INVESTMENTS**

	Freehold Land & Buildings £
<b>COST OR VALUATION</b>	
As at 1 September 2021 and 31, August 2022	<u>3,420,000</u>
<b>NET BOOK VALUE</b>	
As at 31 August 2022	<u>3,420,000</u>
As at 31 August 2021	<u>3,420,000</u>

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

**9. INVESTMENTS**

	2022 £	2021 £
The following funds are held by TMCP on behalf of the Circuit		
Sale of Property - Trust 15175	22,420	22,378
De-Bourcier Bequest - Trust 8976	4,322	4,322
De-Bourcier Bequests - 8976A	3,114	3,109
De-Bourcier Bequests - 8976B	11,948	11,926
Bernard Searle Bequest - Trust 17694	1,559	1,556
Circuit Model Trust - Trust 22136	<u>1,452,749</u>	<u>1,957,689</u>
	<b><u>1,496,112</u></b>	<b><u>2,000,980</u></b>

T M C P Investments are held at cost less accumulated impairment losses.



**LAMBETH CIRCUIT METHODIST CHURCH**

**NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 AUGUST 2022 ( continued )**

<b><u>13. CREDITORS: Amounts falling due within one year</u></b>	<b>2022</b>	<b>2021</b>
	<b>£</b>	<b>£</b>
Local Churches Assessments received in advance	4,219	4,370
Amounts due to other Methodist Circuit	-	26,102
Due to other Methodist Circuit	60,000	60,000
Sundry Creditors	13,402	23,984
Accruals and other Creditors	<u>10,467</u>	<u>22,180</u>
	<b><u>88,088</u></b>	<b><u>136,636</u></b>

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.

**14. FUNDS**

<b>14.1 RESTRICTED FUNDS</b>	<b>2022</b>	<b>2021</b>
	<b>£</b>	<b>£</b>
Balance Brought Forward 01/09/2021	7,139	7,132
Incoming Resources	22	16
Resources Expended	<u>-13</u>	<u>-9</u>
Balance Carried Forward 31/08/2022	<b><u>7,148</u></b>	<b><u>7,139</u></b>

**14.1.2 DETAILED RESTRICTED FUNDS**

	Ministerial Training	Benevolent Fund	TOTAL 2022	2020 Ministerial Training	2021 Benevolent Fund	Total 2021
	£	£	£	£	£	£
Bal. Brought Forward	4,037	3,102	7,139	4,032	3,100	7,132
Receipts	15	7	22	11	5	16
Payments	<u>-9</u>	<u>-4</u>	<u>-13</u>	<u>-6</u>	<u>-3</u>	<u>-9</u>
Bal. Carried Forward	<b><u>4,043</u></b>	<b><u>3,105</u></b>	<b><u>7,148</u></b>	<b><u>4,037</u></b>	<b><u>3,102</u></b>	<b><u>7,139</u></b>

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

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

**LAMBETH CIRCUIT METHODIST CHURCH**  
**NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 AUGUST 2022 ( continued )**

**14.2 UNRESTRICTED FUNDS**

	2022	2021
	£	£
Balance Brought Forward	11,173,788	8,039,819
Incoming Resources	395,281	2,892,723
Resources Expended	-655,712	-1,676,636
Revaluation Surplus properties for the Circuit's use	0	250,000
Revaluation Surplus Fixed Assets Investment	0	220,017
Prior-Year Adjustment	<u>0</u>	<u>1,447,865</u>
<b>BALANCE CARRIED FORWARD</b>	<b><u>10,913,357</u></b>	<b><u>11,173,788</u></b>

**15 DETAILS OF CERTAIN ITEMS OF EXPENDITURE**

	2022	2021
	£	£
Audit Fees	4,200	4,200
Accountancy Fees	<u>2,400</u>	<u>2,400</u>
	<b><u>6,600</u></b>	<b><u>6,600</u></b>

**16. PAID EMPLOYEES**

	2022	2021
	£	£
Salaries	23,820	22,700
Employers National Insurance	1,354	1,926
Pension Contribution	<u>917</u>	<u>1,358</u>
	<b><u>26,091</u></b>	<b><u>25,984</u></b>
Average number of employees	<u>1</u>	<u>1</u>

No employee received emoluments in excess of £60,000 per annum.

**LAMBETH CIRCUIT METHODIST CHURCH**

**NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 AUGUST 2022 ( continued )**

**17. APPORTIONMENT OF SUPPORT COSTS AMONGST ACTIVITIES.**

	Charitable Activities	Expenditure to raise funds	Total	2020 Charitable Activities	2021 Expenditure to raise funds	Total
<b>GOVERNANCE</b>	£	£	£	£	£	£
Audit	3,078	1,122	4,200	3,150	1,050	4,200
Accountancy	1,759	641	2,400	1,800	600	2,400
Book-keeping charges	4,476	1,632	6108	0	0	0
Bank charges	177	64	241	0	0	0
T M C P Charges	4,156	1,515	5,671	1,668	7	1,675
	<u>13,646</u>	<u>4,974</u>	<u>18,620</u>	<u>6,618</u>	<u>1,657</u>	<u>8,275</u>
<b>OTHERS</b>	£	£	£	£	£	£
Telephone	2,531	922	3,453	3,142	1047	4,189
Post, Print and stationery	3,750	1,367	5,117	2,956	985	3,941
Sundry Expenses	8,452	3,080	11,532	8,358	2786	11,144
Subscription	2,267	826	3,093	0	0	0
Staff training	295	107	402	0	0	0
IT and Website costs	<u>1,173</u>	<u>427</u>	<u>1,600</u>	<u>0</u>	<u>0</u>	<u>0</u>
	<u>18,468</u>	<u>6,729</u>	<u>25,197</u>	<u>14,456</u>	<u>4,818</u>	<u>19,274</u>

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

**18. CAPITAL COMMITMENT**

At the year-end date, the Circuit had an outstanding capital commitment of £160,572

The capital commitment arises from the refurbishment work at the Circuit's property situated at 76, Chestnut Road, London SE27 9LE

**19. RELATED PARTY TRANSACTIONS**

**19.1 TRUSTEES REMUNERATIONS AND BENEFITS**

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

No trustee received any remuneration nor benefits.

## **LAMBETH CIRCUIT METHODIST CHURCH**

### **NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 AUGUST 2022 ( continued )**

#### **19.2 TRANSACTIONS WITH RELATED PARTIES**

During the year, four Trustees received stipends in the sum of £204,375 (2021 - £177,711 ), and expenses ( relating to travel, telephone broadband and other costs ) of £2,906 ( 2021 - £758 ).

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 2022.

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 significant influence over any of them, nor they over the Circuit. They are, therefore not considered related parties.

#### **20. POST BALANCE SHEET EVENTS**

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

#### **21. VOLUNTEER CONTRIBUTIONS**

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 committee of the Circuit that deal with mission, manse, 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 for their help and commitments

#### **22. 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