METHODIST CHURCH IN TOWER HAMLETS

England & Wales · Charity number 1134888

Details

Other names	METHODIST CHURCH IN TOWER HAMLETS, TOWER HAMLETS METHODIST CIRCUIT
Status	Registered
Legal form	Previously excepted
Registered	2010-03-12
Register	View on the Charity Commission register

Contact

Address	Bow Road Methodist Church 1 Merchant Street London E3 4LY
Phone	02088807301
Email	admin@mcth.org.uk
Website	www.mcth.org.uk

Activities

Objects: THE PURPOSES OF THE METHODIST CHURCH ARE AND SHALL BE DEEMED TO HAVE BEEN SINCE THE DATE OF UNION THE ADVANCEMENT OF -(A) THE CHRISTIAN FAITH IN ACCORDANCE WITH THE DOCTRINAL STANDARDS AND THE DISCIPLINE OF THE METHODIST CHURCH;(B) ANY CHARITABLE PURPOSE 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 SUBSIDUARY OR ANCILLARY TO THE METHODIST CHURCH;(D) ANY PURPOSE FOR THE TIME BEING OF ANY CHARITY BEING A CHARITY SUBSIDIARY OR ANCILLARY TO THE METHODIST CHURCH.

Activities: The provision of sacred space (buildings) for prayer and contemplation. Supporting other charities in the UK and overseas financially and with prayer.

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Classification

- **How:** Provides Services, Acts As An Umbrella Or Resource Body
- **What:** Religious Activities
- **Who:** The General Public/mankind

Geography

- **Area of benefit:** UNDEFINED. IN PRACTICE, LOCAL.
- Tower Hamlets

Finances

Period end	Income	Expenditure	Assets	Employees
2025-08-31	£781,016	£872,647	£6,377,246	9
2024-08-31	£605,695	£731,813	£6,465,724	9
2023-08-31	£435,323	£575,428	-	-
2022-08-31	£374,882	£698,332	-	-
2021-08-31	£280,923	£931,416	-	-

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Trustees

Name	Role	Appointed
Rev Jennifer Impey	Chair	2021-09-01
Cheryl Gurnham		2019-09-01
Deacon Theresa Sam		2023-09-01
Dr Keith Aldred PHD, CPFA		
Ella Sibley		2023-05-16
Evelyn Louis		2013-10-24
GLENDA ADAMS		
JEAN PATRICIA THOMAS		2012-06-27
JOHN SINGLETON		
Lily Odartey		2023-07-11
Michael Spurr		2025-09-01
Nana Abrafi		2021-09-01
Patience Yeboah		2016-11-22
Rev Dr Jonathan Dean		2025-09-01
SHEILA PATRICIA DE WINTER		
Susan Bothamley		2023-02-19
Verna Coke		2019-09-01

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METHODIST CHURCH IN TOWER HAMLETS

England & Wales - Charity number 1134888

Accounts

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2025

The Methodist Church – Tower Hamlets Circuit

(London District – Circuit No 35/09)

Charity Registration Number 1134888

Accounts for the year ended 31 August 2025

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THE METHODIST CHURCH IN TOWER HAMLETS

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THE METHODIST CHURCH IN TOWER HAMLETS

Reference and Administrative Details

Names and addresses

The address of the registered office for the Tower Hamlets Circuit for the purposes of the Methodist Church Act 1976 and any other legislation is:

The Methodist Church in Tower Hamlets
Bow Road Methodist Church
1 Merchant Street
London E3 4LY
Tel: 020 8880 7301
Web: www.mcth.org.uk

Circuit Office:
Circuit Office
1 Merchant Street
London E3 4LY
Tel: 020 8880 7301

Custodian Trustees:
Trustees for Methodist Church Purposes
Central Buildings
Oldham Street
Manchester M1 1JQ

Circuit Leadership Team:
Rev. Jenny Impey
Deacon Theresa Simons-Sam
Mrs Harriet Graham-Mensah until 18th May 2025
Ms Verna Coke
Mr Jones Ankrah until 20th May 2025
Ms Ella Sibley-Ryan from 10th September 2025
Mr Michael Spurr from 10th September 2025

Investment Managers:
Central Finance Board of the Methodist Church
Methodist Church House
25 Tavistock Place
London WC1H 9SF

Trustees for the Methodist Connexional Funds (registered)
Methodist Church House
25 Tavistock Place
London WC1H 9SF

Bankers:
CAF Bank
25 Kings Hill Avenue
Kings Hill
West Malling
Kent ME19 4JQ

Independent Auditor:
Clay Ratnage Strevens & Hills
Chartered Accountants & Statutory Auditors
Suite D, The Business Centre
Faringdon Avenue
Romford, Essex RM3 8EN

Solicitors:
Sintons LLP
The Cube
Barrack Road
Newcastle-upon-Tyne NE4 6DB

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THE METHODIST CHURCH IN TOWER HAMLETS

Trustees' Report for the year ended 31 August 2025

The Trustees present their report and the audited accounts of the charity for the year ended 31 August 2025. The Trustees have adopted the provisions of the Statement of Recommended Practice (SORP) "Accounting and Reporting by Charities" (FRS 102) in preparing the annual report and accounts of the charity.

The accounts have been prepared in accordance with the accounting policies set out in note 1 to the accounts and comply with the Circuit's governing document, the Charities Act 2011 and 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) (effective 1 January 2019).

Governance

The governing body of the Methodist Church is the Conference, which meets annually. The authority under which the Conference acts is given by the Methodist Church Act 1976.

We are governed by the Methodist Church's Constitutional Practice and Discipline and all Charity Law of the United Kingdom.

The church is governed by the Methodist Church Act 1976, the Deed of Union and the Model Trusts of the Methodist Church. The purposes of the Methodist Church are and shall be deemed to have been since the date of union the advancement of: (a) the Christian faith in accordance with the doctrinal standards and the discipline of the Methodist Church (b) any charitable purpose for the time being of any Connexional, district, circuit, local of other organisation of the Methodist Church (c) any charitable purpose for the time being of any society or institution or subsidiary or ancillary to the Methodist Church; (d) any purpose for the time being of any charity being a charity subsidiary or ancillary to the Methodist Church. In setting our objectives and planning our activities, the Circuit has given careful consideration to the Charity Commission's general guidance on public benefit and in particular to its supplementary public benefit guidance on advancing our objectives as set out above.

The Methodist Church in Tower Hamlets is part of the London District of the Methodist Church, and is a registered charity, number 1134888.

The Circuit is also registered for Gift Aid with H M Revenue & Customs under the reference XR16174.

Full Name of Charity: Methodist Church in Tower Hamlets

Registration Charity Number: 1134888

Date of Registration: 12 March 2010

Main Communication Address: Methodist Church in Tower Hamlets
Bow Road Methodist Church
1 Merchant Street
London E3 4LY

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Trustees

The full list of Trustees who served during the year and up to date of signature of the accounts were as follows:
Trustees who joined during 2024/25 are shown with an asterix (*), those who left during the year with (**) Trustees who have joined during 2025/26 are denoted with (#)

Revd Dr Jongikaya Zihle**	Dr Keith Aldred
Rev Jenny Impey	Mr Jones Ankrah**
Deacon Theresa Simons-Sam	Nana Abrafi
Ms Verna Coke	Mrs Sheila de Winter
Mrs Glenda Adams	Ms Cheryl Gurnham
Miss Jean Thomas	Mrs Lily Odartey
Mr John Singleton	Mrs Patience Yeboah
Miss Susan Bothamley	Ms Ella Sibley-Ryan
Mrs Evelyn Louis	Mr Michael Spurr#
Rev. Dr Jonathan Dean#	Mrs Harriet Graham-Mensah**

Method to recruit new Trustees

There are a number of *ex officio* trustees – a London District Chair, Presbyters and Deacons stationed to the circuit, Circuit Stewards, the secretary of the Local Preachers' Meeting together with the Treasurer and one Church Steward from each of the churches in the Circuit. These trustees will change when the post holders change. Additional members from each church are appointed by the relevant Church Council or General Church Meeting. A Secretary of the Circuit Meeting, who is a Lay Person, is appointed by the meeting. Vacancies are advertised across the Circuit.

Objective and purpose

The calling of the Methodist Church in Tower Hamlets is to respond to the gospel of God's love in Christ and to live out its discipleship in worship and mission. This is expressed through Worship, Learning and Caring, Evangelism and Service. The Circuit is committed to use its resources in a clearly focussed and intentional way to ensure an effective response to the needs of our congregations and wider community.

Activities

The mission of the Circuit is to worship God as it celebrates its diversity according to the teachings of Jesus Christ. Inspired by Jesus we will offer hope and build communities of love, through prayer, pastoral care and social ministry.

Organisational structure

The Circuit includes responsibility for the Methodist Churches at Bow Road, Bethnal Green, Poplar, and Whitechapel. The churches at Bow Road and Bethnal Green formally recognised that they were unable to fulfil their responsibilities as Managing Trustees with respect to finance and property and both congregations delegated these responsibilities to the Circuit meeting as set out under the Model Trust, section 16 (k) from 2014/15. Accordingly, these accounts include Bow Road and Bethnal Green Methodist Churches. Pastoral, worship and mission matters are discussed at General Church meetings, with at least two Church Meetings held during the year in Bethnal Green and Bow Road. Approval was given by the District for Old Ford Methodist Church to cease to meet for worship in 2022 but the building remains in use for mission.

Poplar Methodist Church has its own managing trustees but is excepted from registration as a charity by virtue of Statutory Instrument No 242 of 2014 and produces separate accounts.
The Whitechapel Mission for the Homeless and Rootless of London is registered separately with the Charity Commission (227905).

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Organisational structure (continued)

From 1st September 2025 Bow Road, Bethnal Green and Poplar congregations will come together as one church which will be known as the Tower Hamlets Methodist Church. There will be a Church Council which will have responsibility for pastoral and missional matters within the church, but the Circuit Meeting will continue to be the Trustees of the properties at Bethnal Green and Bow Road.

In addition to the above, the Circuit ran two community and mission projects as Internal Organisations. The two projects are:

- The Zacchaeus Project to support those who have long term illness, the elderly and infirm and those who care for them in Tower Hamlets. Funding over and above the amounts raised as grants and payments for the various activities of the project is now provided by Circuit investments.
- "Band for Life", providing a music workshop once a week at Bow Road Methodist Church for people who have experienced mental illness or are socially isolated. Activities were funded by grants and Circuit investments which originated from the sale of properties in previous years.

The management of these projects is undertaken by a project manager for each project, who provides a regular report to the Trustees. Each project is supported by a Steering Group which meets regularly to guide strategic direction and advise on any operational issues.

Circuit Ministers and officers

The Superintendent Minister and Chair of the Managing Trustees during 2024/25 was the Rev. Jenny Impey who had pastoral responsibility for Bethnal Green, Bow Road, Poplar and Whitechapel churches. Deacon Theresa Simons-Sam has a particular focus on Bethnal Green and supporting the Zacchaeus Project but also exercises ministry across the circuit. The Rev. Norman Grigg exercised ministry across the circuit with a focus on Bow Road from 1 September 2024 to 31st July 2025 and the circuit is grateful for the preaching and pastoral care he exercised in this time.

The Circuit benefited significantly from the voluntary ministry of a Supernumerary minister, the Rev. Cameron Kirkwood, and a student minister, Mr Eric Bediako

Verna Coke, Harriet Mensah Graham and Jones Ankrah served as Circuit Stewards during the year, The Circuit expresses its thanks to them for their voluntary service. Both Jones and Harriet resigned in May, tragically in Harriet's case because of illness and subsequent death. The circuit benefitted greatly from her prayerful, encouraging and gentle service.

In 2024/2025 there were six Local Preachers in the Circuit and four worship leaders together with a local preacher in training.

Pastoral Support within the Circuit

Pastoral support is provided by a team of pastoral visitors at Poplar and informally by members at other churches. The ministerial team also offer support.

Lay staff structure

The Circuit Administrative structure remains under review. Facilities and Property Management is currently being undertaken by the Superintendent Minister with support from existing staff and volunteers. The Circuit employs a part time Finance Manager and a part time Administrator together with three part time cleaners and a part time project manager. Three staff are employed by the Circuit to run the Zacchaeus Project. The Circuit records its gratitude to the Zacchaeus Project's Administrator who resigned during the year to pursue other opportunities

Property

The Circuit continues to review its use of its properties.

Following the change in direction on the major redevelopment of Bethnal Green in 2021, minor works are continued in 2024/2025 with a total budget of up to £500,000 designated for this work. Work in this financial year included the installation of new windows and doors. These have led to an improvement in our carbon footprint. The automatic entrance

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door to the Walter Newby Centre has improved our accessible and enhanced our welcome. An upgraded fire alarm system was installed in the premises which will enable remote monitoring.

The Circuit completed significant work on the property at Bow Road to repair part of the roof and the concrete cladding and sills. It has started work on improving the water supply to the property and upgrading the plumbing.

Old Ford continues to offer modern, energy-efficient space for the circuit, churches and other community groups.

The manse at 25 Campbell Road continued to be let to a family but notice has now been given to the tenants as the circuit has decided to sell this property, recognising it doesn't meet the energy efficiency or accessibility requirements for a good manse. The circuit will continue to search for a more suitable property for use as a second manse.: The Circuit made use of one of Hackey and Stoke Newington Circuit's manses during the year.

The Approach Road Manse continued to be occupied by a minister.

95 South Road: The significant refurbishment of this property continued during the year and the installation of a new kitchen and conservatory are almost complete.

Langthorne House (adjacent to Bow Road)
The circuit has negotiated and agreed heads of terms of an extension of the existing lease with the leaseholders to give an unexpired term of 125 years and hope that the new lease will be finalized soon.

Safeguarding

The circuit has adopted the Safeguarding Policy of the Methodist Church and reviews this annually ensuring that appropriate DBS checks are undertaken, and volunteers and employees undergo appropriate training.

Achievements and performance
During 2024/25 the Methodist Church in Tower Hamlets continued its ministry and service to the people of the Borough though the provision of worship and service opportunities in four congregations, the continued support of the homeless, elders and their carers and people with mental health issues through the Whitechapel Mission, the Zacchaeus and Band for Life projects.

The Whitechapel Mission has continued to see an increase in numbers as it serves the homeless and marginalised since 1876 offering a day centre, skills training and career advice, activity programmes and specialist support for complex needs. By encouraging each person to address the issues which caused their homelessness, the mission helps them to gain the skills and confidence to make lasting changes in their lives.

The Zacchaeus Project proved once again in 2024/2025 that it has made a significant contribution to the lives of so many older people and carers who attend its various activities. There has once again been a significant rise in the numbers of people seeking advice and support in obtaining the grants and benefits, they are entitled to. An estimated £1m of benefits and grants were claimed by members as a result of this work. A popular diet and exercise class continued with the aim of improving members health and wellbeing. Grants have been received from the London Borough of Tower Hamlets and London Cycling CAM. The London Borough of Tower Hamlets provided a grant to run two digital inclusion courses, including one with ESOL (English as a Second Language) provision. We have been pleased to welcome new volunteers to the project. A significant review of policies and procedures was undertaken during the course of the year.

The Band for Life Project, based at Bow Road, continues to develop and respond to the needs of those who attend. The group gave very well received public performances in Canary Wharf and The Space.

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Poplar Methodist Church continued to meet in the Emery Hall of the Queen Victoria Seaman's Rest. The church continued its coffee afternoon in the restaurant of the QVSR which is attended by church members and residents. There was one baptism during the year and 3 new members were welcomed.

Bethnal Green congregation attracts a wide range of visitors, a number of whom have worshipped regularly for the time they were in the area. Two new members have been welcomed.

Bow Road continues to meet weekly for worship and holds an online prayer meeting. New people continue to be drawn to the church. We thank Susan Bothamley for her service as a church steward until 31st August.

The activities of each congregation are open to all. In taking the decision to join together as one church the congregations are simply recognising that we already do much together. The Circuit Choir now meets monthly, there is an established pattern of quiet days, Advent and Lent study groups and participation in Bible Month.

Under the leadership of the Rev. Cameron Kirkwood and Deacon Theresa Simons-Sam, the Circuit once again ran a Warm Space at Bethnal Green for the winter of 2024/2025 , providing a space where people can keep warm, be provided with drinks and snacks, enjoy company or solitude, recharge phones and just relax. Attendance was lower this year as it was a warmer winter and more venues have opened up much needed and better resourced spaces.

The circuit continued to improve its provision at Bethnal Green and the Zacchaeus Project by undertaking some refurbishment, including new doubled glazed windows and doors, creating a warmer and more welcoming environment. This has also reduced our carbon footprint. This was no easy project given the church is situated in a conversation area, but working with the Council plans were ultimately agreed. The fire alarm system was also upgraded.

Whilst the Knit and Natter Group at Old Ford – a joint project between Age UK East London and the circuit came to an end, the circuit was delighted to welcome Age UK to Bow Road where they build on our own work with older people by running a lunch club and other activities 3 days per week. This now means that older people and their carers are provided with activities at Bow Road on 4 days each week.

3 women from the circuit were sponsored to attend a national Methodist Women in Britain Conference to inspire and equip them for service locally.

The Circuit churches provided vital space for community activities at each of its churches including self-help groups, dance, music, community meals and offers hospitality to 4 other churches across its premises.

Whilst the circuit may only have a formal membership of just over 100, at least 1000 each week are directly impacted by its mission and service. The Circuit expresses its thanks to the staff and volunteers who offer of their time and skill.

The circuit has agreed a new 3-year strategic plan.

Investments

The Circuit's proceeds from property sales relating to the East End Mission are classed as City Centre funds and as a result are held by the London District (Trust 20520). An amount equivalent to the interest and dividends on this fund is given to the Circuit as a grant. The grant for 2024/2025 was £100,770, An additional grant of £100,000 was received for diaconal ministry. Further grants from this trust were given to Whitechapel Mission (£100,000 to support the mission was paid directly from the District and £25,000 to support chaplaincy/pastoral provision at the Mission; to the Queen Victoria Seafarer's Mission £25,000 to support chaplaincy provision). £30,000 was also given to support the Zacchaeus Project and Band for Life. The balance held by Trust as at 31 August 2025 was £2,322,821 that includes £316,700 that has been designated for the Bethnal Green Methodist Church for premises work and a further £300,000 for diaconal ministry based at Bethnal Green.

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Trustees' Report for the year ended 31 August 2025 (continued)

The investment of surplus funds is operated via the Central Finance Board (CFB) of the Methodist Church. CFB aims to provide 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. The Restricted Fund which is mainly funds from sales of properties is managed by Trustees for Methodist Purposes (TMCP). These funds are also invested with CFB. The Trustees continue to utilise these funds for the furtherance of the Circuit's mission.

Public Benefit

The Trustees have due regard to the guidance published by the Charities Commission in accordance with its duties under section 17 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.

Financial Review

Circuit ministry and mission is funded mainly through incoming rents from the Circuit properties and interest from investments as well as the offering receipts from the churches at Bethnal Green and Bow Road, and the assessment contributions from the Poplar church.

The work of the social mission projects, including part of the ministerial costs, is dependent on the continued receipt of external grants, which continue to be supplemented from the interest from the City Centre Funds (held by the London District) and proceeds of sale of other sites.

The cost of running and maintaining the properties on a day-to-day basis is funded from the income generated from lettings and tenancies. Repairs and refurbishments are currently funded from the sale proceeds of other sites, however in general all are in good condition.

The Circuit recognises that it is drawing heavily on its reserves and is monitoring this situation and reviewing its work. It has reviewed all its contracts for services and made considerable savings. It now has a 5-year forecast and has set up a Sustainable Future Group which hopes to present some options to the Circuit Meeting in 2026.

The value of the Circuit funds as at 31 August 2025 was £6,377,246 which a decrease of £88,478 from the previous year.

Trustees' interests

The Ministers who are Trustees of the Circuit and stationed to the Circuit by the Methodist Church in Britain are Office Holders and as such are paid a stipend and are provided with a manse for them and their families to live in. Council Tax and water charges are paid by the Circuit and also an official telephone line with broadband facilities to enable them to carry out their service as Ministers. These arrangements are practiced throughout the Connexion who stipulate their terms of service.

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Risk Management

The Circuit has reviewed its risk policies and producing a Risk Register highlighting the various risks facing the Circuit, the impact and the likelihood of them happening. The main headings under which these risks have been categorised are:

- Trustees' Responsibilities
- Membership and Mission
- Resources, People and Property
- Financial
- Legal
- Safeguarding

Reserves Policy

The primary use of the Circuit fund is to support the ordained ministers, lay employees and congregations of the churches in their calling to worship, learning and caring, service and evangelism and to support of the wider community in the Borough of Tower Hamlets, through projects.

The unrestricted funds of £6,282,035 include properties in use for the purpose of the Circuit and other investments that generate income upon which the Circuit is reliant upon to sustain its core activities.

Recognising the significance of the mission of the churches and projects of the Methodist Church in Tower Hamlets and the care that would be needed in ensuring alternative provision if they needed to be wound down, the reserves policy of the Methodist Church in Tower Hamlets is to maintain a reserve of 6 months ordinary expenditure plus the underwriting of the Whitechapel mission to the tune of £100,000 and accrued redundancy costs for Circuit staff.

Commitments

All known commitments are included in the accounts.

Plans for the future

It is the intention to continue to keep under review the existing activities of the local Churches and Circuit to ensure they continue to serve their purpose in the current context. In addition, the Circuit will continue to assess the needs of the local community and, where relevant, consider the deployment of resources in extending the services currently provided to support the congregations in their mission and to the broader community. Where possible, the Circuit will apply for grants in order to develop those initiatives and ensure their sustainability into the future. In addition to its ongoing funding of the Zacchaeus Project the circuit has agreed to underwrite the Project by £33,380 the coming year if the project is unable to secure a key grant it has applied for. The Circuit has also agreed to underwrite the work of the Whitechapel Mission by £100,000.

The Circuit has applied for a grant to extend the successful Digital Inclusion initiative run by the Zacchaeus Project.

The Circuit is seeking to increase the number of volunteers across the churches and projects.

The Circuit will continue to undertake the work on the properties which have been highlighted by the Quinquennial reviews of the churches and looks make some improvements to the kitchen and church sanctuary at Bethnal Green, seeking to improve energy efficiency where possible.

It will continue to review its provision of manses for the ministers who are appointed to the circuit. In particular the Circuit will sell 25 Campbell Road and consider buying a more manageable, energy efficient manse in the area.

2025-2026 will be the first year when Bethnal Green, Bow Road and Poplar congregations come together as one church meeting on 3 sites. The new Church Council will look to see how we can work more closely together and develop our worship and mission. The Circuit looks to work with the Trustees of the Whitechapel Mission as it moves from being a local church, to new governance arrangements which more fully recognise that it is so much more than a local church and

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enable it to continue to meet the needs of the homeless in a challenging context. Once this has happened, the church will become a one church circuit and will take advantage of simplified governance arrangements.

The Circuit has set up a sustainable futures group in order to review its life and mission more fully and looks to present options to the Circuit Meeting in 2026.

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.

Auditors

The auditors, Clay Ratnage Strevens & Hills, were newly appointed at the Trustee's meeting in September 2023.

This report has been prepared by the Trustees with support of Circuit Staff, the Ministers and Circuit Stewards. They can be contacted at Bow Road Methodist Church, 1 Merchant Street, London, E3 4LY.

Approved by the Trustees on the 18th March **2026 and signed on their behalf by:**

Rev Jenny Impey

Revd Jenny Impey
Circuit Superintendent Minister

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THE METHODIST CHURCH IN TOWER HAMLETS

Statement of Trustees' responsibilities for the year ended 31 August 2025

The Trustees are responsible for preparing the Trustees' Report and the accounts in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

The law applicable to charities in England and Wales requires the Trustees to prepare accounts for each financial year, which give a true and fair view of the state of affairs of the Circuit and of the incoming resources and application of resources of the Circuit for that year.

In preparing these accounts, the Trustees are required to:

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in the Charities SORP 2019 (FRS 102);
- 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 accounts, and
- prepare the accounts on the going concern basis unless it is inappropriate to presume that the Charity will continue in operation.

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 Standing Orders of the Methodist Church, the Charities Act 2011, the Charity (Accounts and Reports) Regulations 2008 and other relevant regulations. They are also responsible for safeguarding the assets of the charity and hence for taking reasonable steps for the prevention and detection of frauds and other irregularities.

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Independent Auditor's Report to the Trustees of The Methodist Church in Tower Hamlets

Opinion

We have audited the accounts of The Methodist Church in Tower Hamlets (the 'Charity') for the year ended 31 August 2025, which comprise the Statement of Financial Activities, the Balance Sheet, Cash Flow Statement and the notes to the accounts, 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).

The report is made solely to the charity's 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 charity's trustees those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the charity and the charity's trustees as a body, for our audit work, for this report, or for the opinions we have formed.

In our opinion, the accounts:

- give a true and fair view of the state of the Charity's affairs as at 31 August 2025 and of its incoming resources and application of resources, including its 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 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 accounts section of our report. We are independent of the Charity in accordance with the ethical requirements that are relevant to our audit of the accounts 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 accounts, we have concluded that the Trustees' use of the going concern basis of accounting in the preparation of the accounts 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 and described in the relevant sections of this report.

Other information

The other information comprises the information included in the trustees' annual report, 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 accounts or our knowledge obtained in the audit, or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether this give rise to a material misstatement in the accounts 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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Independent Auditor's Report to the Trustees of The Methodist Church in Tower Hamlets (continued)

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 Reports) 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 accounts; or
- sufficient accounting records have not been kept; or
- the accounts 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 statement of Trustees 'responsibilities set out on page 12, the Trustees are responsible for the preparation of the accounts 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 accounts that are free from material misstatement, whether due to fraud or error.

In preparing the accounts, 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 accounts

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 accounts 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 accounts.

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 and the sector in which they operate.
- Obtained an understanding of how the charity are complying with those legal and regulatory frameworks by making enquiries to the management of the charity's accounting department, and management itself.
- The susceptibility of the company'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 management have in place to prevent and detect fraud
  - Understanding how those charged with governance considered and addressed the potential for override of controls and management biases
  - Identifying and testing journal entries, in particular any journal entries posted with unusual account combinations
  - Assessing the extent of compliance with the relevant laws and regulations
  - Assessing the extent to which pressures existed which may have increased the risk of fraudulent revenue recognition

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Potential fraud risks that had been identified throughout the planning and commencement of the audit were communicated to the audit team.

The inherent limitations of audit present an unavoidable risk that we, the auditors, may not have detected some material misstatements within the financial statements despite proper planning and performance of our duties as auditors. Equally, there remains a risk of the non-detection of fraud which could involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal controls. The audit procedures carried out are designed to detect material misstatements within the financial statements, and as such we take no responsibility for preventing non-compliance or fraud and cannot be expected to detect non-compliance with all laws and regulations.

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

Clay Ratnage Strevens & Hills

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

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

29/3/2026

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THE METHODIST CHURCH IN TOWER HAMLETS

Statement of Financial Activities for the year ended 31 August 2025

	Notes	Unrestricted Funds £	Restricted Funds £	2025 Total £	2024 Total £
Income and Endowments from:					
Circuit assessment	**3**	7,150	-	**7,150**	6,500
Offerings	**4**	14,940	-	**14,940**	12,756
Grants and donations received	**5**	100,923	237,570	**338,493**	201,450
Investment income and interest	**6**	43,830	95	**43,925**	54,910
Rental income	**7**	172,131	-	**172,131**	169,183
Other income	**8**	91,705	-	**91,705**	77,283
Internal organisations	**10**	-	112,672	**112,672**	83,613
Total income		**430,679**	**350,337**	**781,016**	605,695
Expenditure on:					
Charitable activities					
Stipends and staff costs:					
Ministry	**9**	212,839	40,958	**253,797**	232,194
Internal organisations	**10**	-	115,991	**115,991**	115,633
District assessment		28,644	-	**28,644**	22,576
Telephone, travel & administration		12,141	-	**12,141**	10,754
Property Maintenance	**11**	151,842	82,190	**234,032**	173,019
Expenditure on other Circuit properties	**12**	64,700	-	**64,700**	30,213
District advance fund		41,664	-	**41,664**	50,706
Other expenditure	**13**	18,059	29,313	**47,372**	52,919
Internal organisations	**10**	-	49,306	**49,306**	43,774
Grants and donations	**14**	-	25,000	**25,000**	25
Total expenditure		**529,889**	**342,758**	**872,647**	731,813
Gains on disposal of Manse	**16**	-	-	**-**	368,294
Capital payment	**16**	-	-	**-**	(978,332)
Net gains/(losses)on investments		3,153	-	**3,153**	64,940
Net expenditure before transfers		**(96,057)**	**7,579**	**(88,478)**	(671,216)
Transfers between funds		(49,566)	49,566	**-**	-
Net movement in funds		**(145,623)**	**57,145**	**(88,478)**	(671,216)
Funds balances at 1 September 2024		6,427,658	38,066	**6,465,724**	7,136,940
Funds balances at 31 August 2025		**6,282,035**	**95,211**	**6,377,246**	**6,465,724**

The notes on pages 20 to 31 form an integral part of these accounts.

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THE METHODIST CHURCH IN TOWER HAMLETS

Statement of Financial Activities for the year ended 31 August 2025

Comparative year information Year ended 31 August 2024	Notes	Unrestricted Funds £	Restricted Funds £	2024 Total £
Income and Endowments from:				
Circuit assessment	**3**	6,500	-	**6,500**
Offerings	**4**	12,756	-	**12,756**
Grants and donations received	**5**	100,800	100,650	**201,450**
Investment income and interest	**6**	54,806	104	**54,910**
Rental income	**7**	169,183	-	**169,183**
Other income	**8**	77,283	-	**77,283**
Internal organisations	**10**	-	83,613	**83,613**
Total income		**421,328**	**184,367**	**605,695**
Expenditure on:				
Charitable activities				
Stipends and staff costs:				
Ministry	**9**	192,315	39,879	**232,194**
Internal organisations	**10**	-	115,633	**115,633**
District assessment		22,576	-	**22,576**
Telephone, travel & administration		10,754	-	**10,754**
Property Maintenance	**11**	173,019	-	**173,019**
Expenditure on other Circuit properties	**12**	30,213	-	**30,213**
District advance fund		50,706	-	**50,706**
Other expenditure	**13**	19,137	33,782	**52,919**
Internal organisations	**10**	-	43,774	**43,774**
Grants and donations	**14**	25	-	**25**
Total expenditure		**498,745**	**233,068**	**731,813**
Gains on disposal of Manse	**16**	368,294	-	**368,294**
Capital payment	**16**	(978,332)	-	**(978,332)**
Net gains/(losses)on investments		64,940	-	**64,940**
Net expenditure before transfers		**(622,515)**	**(48,701)**	**(671,216)**
Transfers between funds		(71,143)	71,143	**-**
Net movement in funds		**(693,658)**	**22,442**	**(671,216)**
Funds balances at 1 September 2023		7,121,316	15,624	**7,136,940**
Funds balances at 31 August 2024		**6,427,658**	**38,066**	**6,465,724**

The notes on pages 20 to 31 form an integral part of these accounts.

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THE METHODIST CHURCH IN TOWER HAMLETS

Balance Sheet as at 31 August 2025

	Notes	Unrestricted Funds £	Restricted Funds £	2025 Total £	2024 Total £
Fixed Assets					
Tangible assets	**16**	3,241,997	8,341	**3,250,338**	3,242,247
Investment properties	**17**	1,960,295	-	**1,960,295**	1,960,295
Investments	**18**	495,863	-	**495,863**	492,710
		5,698,155	8,341	**5,706,496**	5,695,252
Current Assets					
Debtors	**20**	96,949	-	**96,949**	119,237
T.M.C.P. Interest funds		209,116	-	**209,116**	338,822
Central Finance Board Deposits		194,315	84,907	**279,222**	308,073
Cash at bank and in hand		178,538	5,179	**183,717**	90,574
		678,918	90,086	**769,004**	856,706
Creditors: amounts falling due within one year	**21**	(95,038)	(3,216)	**(98,254)**	(86,234)
Net Current Assets		583,880	86,870	**670,750**	770,472
Net Assets		6,282,035	95,211	**6,377,246**	6,465,724
Accumulated funds					
Unrestricted funds		5,827,035	-	**5,827,035**	5,972,658
Restricted funds	**23**	-	95,211	**95,211**	38,066
Revaluation reserve		455,000	-	**455,000**	455,000
Total Funds	**24**	**6,282,035**	**95,211**	**6,377,246**	6,465,724

The accounts were approved by the Trustees on 18th March 2026 and signed on their behalf by:

Rev Jenny Impey

Revd Jenny Impey
Circuit Superintendent Minister

Ms Verna Coke
Circuit Steward

The notes on pages 20 to 31 form an integral part of these accounts.

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THE METHODIST CHURCH IN TOWER HAMLETS

The Methodist Church – Tower Hamlets Circuit

Cash flow statement for the year ended 31 August 2025

Statement of cash flows	Note	2025 £	2024 £
Cash from operating activities			
Net cash used in operating activities		(373,250)	(1,560,171)
Cash flows from investing activities			
Dividends,interest and rents from investments		316,826	425,543
Installation of Fire Alarm equipment		(8,990)	978,422
Net cash provided by investing activities		**307,836**	**1,403,965**
Cash flows from financing activities		-	-
Net cash used in financing activities		-	-
Change in cash and cash equivalents in the reporting period		(65,414)	(156,206)
Cash and cash equivalents at the beginning of the reporting period		737,469	893,675
Cash and cash equivalents at the end of the reporting period		**672,055**	**737,469**

Reconciliation of net income to net cash flow from operating activities		2025 £	2024 £
Net income for the reporting period (as per statement of financial activities)		(88,478)	(671,216)
Adjustments for:			
Depreciation and amortisation charges	**13**	899	1,298
Profit on the sale of fixed assets		-	(362,998)
Unrealised Gains on investments/revaluation		(3,153)	(64,940)
Dividends, interest and rents from investments		(316,826)	(425,543)
(increase)/decrease in debtors		22,288	2,845
increase/(decrease) in creditors		12,020	(39,617)
Net cash used in operating activities		**(373,250)**	**(1,560,171)**

Analysis of cash and cash equivalent	2025 £	2024 £
Cash in hand	672,055	737,469
Short term deposit (less than 3 months)	-	-
Total cash and cash equivalents	672,055	737,469

The notes on pages 20 to 31 form an integral part of these accounts.

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Notes to the accounts for the year ended 31 August 2025

1. Accounting policies

a) Circuit information

The Methodist Church in Tower Hamlets is an unincorporated Charity in England and Wales. The principal correspondence address is given on page 3 of these accounts. The nature of the Circuit's operations and principal activities are set out in the Trustees' Report.

b) Accounting convention

The accounts have been prepared in accordance with the Charities Act 2011 and '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) (effective 1 January 2019). The Circuit is a Public Benefit Entity as defined by FRS 102.

The accounts 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 the Statement of Recommended Practice for charities applying FRS 102 rather than the version of the Statement of Recommended Practice which is referred to in the Regulations but which has since been withdrawn.

The accounts are prepared in sterling, which is the functional currency of the Circuit. Monetary amounts in these accounts are rounded to the nearest pound.

The accounts have been prepared under the historical cost convention, modified to include the revaluation of investment properties and certain financial instruments at fair value. The principal accounting policies are set out below.

c) Going concern

At the time of approving the accounts, the Trustees have a reasonable expectation that the Circuit has adequate resources to continue in operational existence for the foreseeable future. Thus, the Trustees continue to adopt the going concern basis of accounting in preparing the accounts.

d) Funds

Unrestricted funds

Unrestricted funds are held for use at the discretion of the Trustees in furtherance of the general objectives of the Charity.

Restricted funds

Restricted funds are funds which are to be used in accordance with specific restrictions imposed by donors and grantors. The aim and use of the major restricted funds are set out in the notes to the accounts.

e) Incoming resources

Church assessment

The church assessment is accounted for on a receivable basis.

Church offerings

Church offerings are accounted for on a receipts basis.

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1. Accounting policies (continued)

Benevolence
Benevolence funds have been historically contributed by the four churches from their general funds and are accounted for on a receipts basis in accordance with Standing Order 527 of the Constitution of the Methodist Church.

Grants and donations received
Grants from third parties are included when the relevant conditions for the grant have been met.

Voluntary income comprises donations and contributions and is accounted for when entitlement has been confirmed, the amount can be measured and receipt is probable.

Rental income
Rental income from investment properties is accounted for on a receivable basis.

Other income
Other income is accounted for on a receivable basis.

Internal Organisations
Internal organisations comprise two projects of the Methodist Church in Tower Hamlets Circuit. The income is either derived from voluntary income, grants and donations by way of charitable activities.

Investment income and interest
Interest on deposits and investments is accounted on a receivable basis.

f) Expenditure recognition

All expenditure is accounted for on an accruals basis when an obligation that can be measured or reliably estimated exists at the reporting date.

Grants awarded are provided in the Statement of Financial Activities in the year in which they are approved by Trustees and the offer is communicated to the recipient. Grants awarded but not paid are recorded as a liability within the Balance Sheet. Grants awarded subject to conditions being met by the recipient before payments are made are not accrued until such conditions have been met. Such commitments are disclosed in the accounts as contingent liabilities.

g) Tangible fixed assets

Properties are stated at cost or in the case of donated assets at valuation at the date that the assets are gifted to the Circuit. The Trustees consider that the lives of the properties are so long and their residual values so high based on prices prevailing at the time of acquisition that any annual depreciation charge would not be material. Accordingly, no depreciation is provided on freehold properties used for charitable activities. Any material impairment in the value of such properties, following an annual review, would be chargeable to the Statement of Financial Activities.

Assets having an initial cost of £1,000 or less are written off on acquisition. Fixtures and fittings, office and computer equipment having an initial cost greater than £1,000 are capitalised and are stated at cost less depreciation. Depreciation rates calculated to write off the cost less estimated residual value of each asset over its expected useful life are as follows:

- Fixtures, fittings and equipment: 10% - 20% on a straight line basis
- Office equipment: 20% on a straight line basis

The gain or loss arising on the disposal of an asset is determined as the difference between the sale proceeds and the carrying value of the asset, and is recognised in the Statement of Financial Activities for the year.

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Notes to the accounts for the year ended 31 August 2025 (continued)

1. Accounting policies (continued)

h) Investment properties

Investment properties, which are properties held to earn rentals and/or for capital appreciation, are initially measured at cost and subsequently stated at the Trustees' estimates of the fair valuation at the year-end, based on an index of property prices in the relevant areas. Any surplus or deficit on revaluation is recognised in the Statement of Financial Activities.

i) Non-current investments

Fixed assets investments, which are held in units in the Trustees Methodist for Church Purposes (TMCP), are stated at the Board's published valuations at the year-end. Realised and unrealised gains and losses on investments are recognised in the Statement of Financial Activities.

j) Impairment of non-current investments

At each reporting end date, the Circuit reviews the carrying amounts of its tangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss and any impairments are recognised in the Statements of Financial Activities.

k) Cash and cash equivalents

Cash and cash equivalents include cash in hand, deposits held at call with banks, other short-term liquid investments with original maturities of three months or less.

l) Financial instruments

The Circuit has elected to apply the provisions of Section 11 'Basic Financial Instruments' of FRS 102 to all of its financial instruments.

Financial instruments are recognised in the Circuit's balance sheet when the Circuit becomes party to the contractual provisions of the instrument.

Financial assets and liabilities are offset, with the net amounts presented in the accounts, when there is a legally enforceable right to set off the recognised amounts and there is an intention to settle on a net basis or to realise the asset and settle the liability simultaneously.

Basic financial assets

Basic financial assets, which include other debtors and cash and bank balances, are initially measured at transaction price including transaction costs and are subsequently carried at amortised cost using the effective interest method unless the arrangement constitutes a financing transaction, where the transaction is measured at the present value of the future receipts discounted at a market rate of interest. Financial assets classified as receivable within one year are not amortised.

Basic financial liabilities

Basic financial liabilities, including other payables 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. Financial liabilities classified as payable within one year are not amortised.

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Notes to the accounts for the year ended 31 August 2025 (continued)

1. Accounting policies (continued)

m) Employee benefits

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

Termination benefits are recognised immediately as an expense when the Circuit is demonstrably committed to terminate the employment of an employee or to provide termination benefits.

n) Retirement benefits

Stipendiary Circuit Ministers are eligible to join the Methodist Ministers' Pension Scheme (MMPS). The MMPS is a funded defined benefit scheme maintained by The Methodist Church of Great Britain. As the Circuit is unable to identify its share of the underlying assets and liabilities of the scheme, the Circuit has taken the advantage of the exemption in Financial Reporting Standard 102, Retirement Benefits, and has accounted for its contributions to the scheme as if it were a defined contribution scheme. The pension costs for the scheme represent the contribution payable by the Circuit in the year. The contribution rates are set each year by the Methodist Conference.

Access to a stakeholder pension scheme is provided to all eligible lay employees and the Circuit contributes an amount equal to 6% of the employee's gross salary into this scheme.

All employees who were already in pension schemes and new employees who qualify for auto enrolment are enrolled into new pension schemes (The Pension Trust and NEST).

o) Ministers' manse costs

The Circuit is required to provide accommodation for each minister and their families, and Ministers are expected to occupy them. The Circuit bears the cost of repairs and maintenance, premises insurance, council tax and water charges. These are not regarded as taxable benefits in kind by HM Revenue & Customs.

p) Leases

Leases are classified as finance leases whenever the terms of the lease transfer substantially all the risks and rewards of ownership to the lessees. All other leases are classified as operating leases.

Assets held under finance leases are recognised as assets at the lower of the assets fair value at the date of inception and the present value of the minimum lease payments. The related liability is included in the balance sheet as a finance lease obligation. Lease payments are treated as consisting of capital and interest elements. The interest is charged to the Statement of Financial Activities for the year so as to produce a constant periodic rate of interest on the remaining balance of the liability.

2. Critical accounting estimates and judgements

In the application of the Circuit's accounting policies, the Trustees are required to make judgements, estimates and assumptions about the carrying amount of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical 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.

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3. Circuit assessment

	Unrestricted Funds	Restricted Funds	2025 Total	2024 Total
	£	£	£	£
Poplar Methodist Church	**7,150**	-	**7,150**	6,500
	7,150	-	**7,150**	6,500

4. Offerings

	Unrestricted Funds	Restricted Funds	2025 Total	2024 Total
	£	£	£	£
Bethnal Green Methodist Church	**3,691**	-	**3,691**	3,221
Bow Road Methodist Church	**11,249**	-	**11,249**	9,535
	14,940	-	**14,940**	12,756

5. Grants and Donations received

	Unrestricted Funds	Restricted Funds	2025 Total	2024 Total
	£	£	£	£
London District	100,770	237,000	**337,770**	200,365
Others	153	570	**723**	1,085
	100,923	**237,570**	**338,493**	201,450

6. Investment income and interest

	Unrestricted Funds	Restricted Funds	2025 Total	2024 Total
	£	£	£	£
TMCP Investment holdings:				
Dividends	13,995	-	**13,995**	14,346
Interest	12,523	-	**12,523**	21,605
Central Finance Board deposit interest	14,794	95	**14,889**	15,985
Loan interest	2,518	-	**2,518**	2,974
	43,830	**95**	**43,925**	54,910

7. Rental income

	Unrestricted Funds	Restricted Funds	2025 Total	2024 Total
	£	£	£	£
Income from investment properties held	**172,131**	-	**172,131**	169,183

8. Other income

	Unrestricted Funds	Restricted Funds	2025 Total	2024 Total
	£	£	£	£
Management fees	-	-	-	6,010
Gain on disposal of tangible assets	-	-	-	2
Gift Aid received	**3,737**	-	**3,737**	3,284
Bequests & Legacies	**2,000**	-	**2,000**	-
Bow Road MC properties hall letting income	**54,764**	-	**54,764**	30,259
Bethnal Green MC properties hall letting income	**20,723**	-	**20,723**	26,794
Old Ford MC properties hall letting income	**10,479**	-	**10,479**	10,342
Other income	**2**	-	**2**	592
	91,705	-	**91,705**	77,283

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9. Stipends and staff costs

	Unrestricted Funds £	Restricted Funds £	2025 Total £	2024 Total £
Ministry				
Stipends	44,102	31,307	**75,409**	71,205
Salaries	137,422	-	**137,422**	122,064
Employer's National Insurance	18,238	3,431	**21,669**	17,034
Pension Costs	13,077	6,220	**19,297**	21,891
	212,839	**40,958**	**253,797**	232,194
Internal Organisations				
Salaries	-	98,939	**98,939**	99,665
Employer's National Insurance	-	11,161	**11,161**	9,988
Pension Costs	-	5,891	**5,891**	5,980
	-	**115,991**	**115,991**	115,633

The average monthly number of staff employed during the year was 9 (2024: 9).
There were no employees whose annual emoluments were £60,000 or more.

9a. Trustees' emoluments

One or more Trustees have been paid remuneration or have received other benefits from their employment of Office Holding with the Circuit. Trustees only receive remuneration in respect of services they provide undertaking their employment roles under their contracts of employment and not in respect of their services as Trustees.

	2025 £	2024 £
Rev Jenny Impey	**40,637**	39,997
Deacon Theresa Sam	**37,527**	37,077
Mrs Dorrett Reid Kirwan	**-**	7,686
	78,164	84,760

9b. Key Management Personnel

The key management personnel of the Circuit comprise of the Trustees and the circuit leadership team as listed on page 3. The total amount of the employee benefits (including employer pension contributions received by the key management personnel for their services to the Circuit was £85,472 (2024: £91,057).

9c. Pension costs

The total pension cost for the Circuit for the year ended 31 August 2025 was £25,188 (2024: £27,871).
There were no outstanding or prepaid pension contributions at 31 August 2025 .

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10. Internal Organisation

The Tower Hamlets Circuit incorporates two social and community projects, Band for Life and Zacchaeus. The income and expenditure for these projects was as follows:

	Zacchaeus Project	Band for Life Project	Total Restricted Funds
	£	£	£
Income and Endowments from:			
Donations received	2,752	2,327	**5,079**
Grant received*	84,458	5,000	**89,458**
Activities for generating funds	2,676	-	**2,676**
Charitable activities	14,202	-	**14,202**
Other incoming resources	1,253	4	**1,257**
Total	**105,341**	**7,331**	**112,672**
Expenditure on:			
Charitable activities	28,024	15,688	**43,712**
Support and staff costs	121,511	74	**121,585**
Total	**149,535**	**15,762**	**165,297**
Net expenditure before transfers	(44,194)	(8,431)	**(52,625)**
Transfers from unrestricted funds	41,120	8,446	**49,566**
Net movement in funds	(3,074)	15	**(3,059)**
Funds balances at 1 September 2024	7,467	888	**8,355**
Funds balances at 31 August 2025	**4,393**	**903**	**5,296**

* Notable grants received during the year from London District (DAF Grants £25,000, Circuit Trust 20520 £30,000), London Borough of Tower Hamlets (Digital Inclusion £10,141, Mayor's fund £25,000 out of which £2,083 fall into next financial year included within creditors at year end) and London Cycling £1,400

11. Property maintenance

	Unrestricted Funds	Restricted Funds	2025 Total	2024 Total
	£	£	£	£
Building repairs and maintenance	72,612	82,190	**154,802**	100,429
Fire and security systems	13,775	-	**13,775**	18,744
Insurance	11,254	-	**11,254**	14,031
Rents, Rates & Service charges	2,530	-	**2,530**	936
Professional fees	21,320	-	**21,320**	20,382
Utilities	30,351	-	**30,351**	18,497
	151,842	**82,190**	**234,032**	173,019

These maintenance costs relate to Circuit Manses, Bow Road flats, Bow Road Church building, Bethnal Green Church building, and Old Fold Church building. The professional fee includes Circuit Lettings agents fee of £6,502 for Campbell Road, Bow Road flats Lettings agents fee of £8,788 and Surveyors and Consultancy fee of £6,030.

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12. Expenditure on other Circuit properties (95 South Road)

	Unrestricted Funds	Restricted Funds	2025 Total	2024 Total
	£	£	£	£
Building repairs and maintenance	54,213	-	**54,213**	22,461
Insurance	755	-	**755**	1,280
Professional fees	9,732	-	**9,732**	6,472
	64,700	**-**	**64,700**	30,213

13. Other expenditure

	Unrestricted Funds	Restricted Funds	2025 Total	2024 Total
	£	£	£	£
Depreciation	-	899	**899**	1,298
Finance costs	-	-	**-**	330
Warm space costs	-	1,888	**1,888**	-
General and other ad hoc expenses	8,301	-	**8,301**	4,638
Loss on disposal of tangible assets	-	-	**-**	2,836
Ministry costs	2,785	-	**2,785**	3,354
Deacon costs	-	26,526	**26,526**	33,366
Professional fees	5,511	-	**5,511**	5,880
Staff welfare and training	1,462	-	**1,462**	1,217
	18,059	**29,313**	**47,372**	52,919

14. Grants and donations

	Unrestricted Funds	Restricted Funds	2025 Total	2024 Total
	£	£	£	£
Grant and Donations	-	25,000	**25,000**	25
	-	**25,000**	**25,000**	25

15. Auditors' remuneration

	2025	2024
	£	£
Fees payable to the Circuit's auditors for audit of the annual accounts	**5,253**	5,100

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Notes to the accounts for the year ended 31 August 2025 (continued)

16. Tangible assets

	Freehold Land & Buildings	Fixtures Fittings & Equipment	Total
Cost or valuation	**£**	**£**	**£**
At 1 September 2024	3,238,217	29,847	3,268,064
Additional	-	8,990	8,990
and at 31 August 2025	3,238,217	38,837	3,277,054
Depreciation			
At 1 September 2024	-	25,817	25,817
Additional	-	899	899
At 31 August 2025	**-**	**26,716**	**26,716**
Carrying Amount			
At 31 August 2025	**3,238,217**	**12,121**	**3,250,338**
At 31 August 2024	3,238,217	4,030	3,242,247

The carrying amount of freehold land and building comprises of:

	2025	2024
	£	**£**
Manses	**677,569**	677,569
Church buildings	**2,560,648**	2,560,648
	3,238,217	3,238,217

17. Investment properties

	2025	2024
	£	**£**
Market value at 1 September 2024	1,960,295	1,960,383
Disposals	-	(88)
Market value at 31 August 2025	**1,960,295**	1,960,295

The valuations of investment properties are stated at the Trustees' estimates of the fair valuation at the year-end, based on an index of property prices in the relevant areas.

The Trustees consider that these valuations are reasonable at 31 August 2025.

18. Investments

	2025	2024
	£	**£**
Valuation at 1 September 2024	492,710	427,770
Disposals	-	-
Valuation changes	3,153	64,940
Valuation at 31 August 2025	**495,863**	492,710
Investments held by Central Finance board		
At 31 August 2025	**495,863**	492,710

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Notes to the accounts for the year ended 31 August 2025 (continued)

19. Financial Instruments

	2025	2024
	£	£
Carrying amount of financial assets		
Debit instruments measured at amortised cost	**591,392**	609,198
Carrying amount of financial liabilities		
Measered at amortised cost	**98,254**	86,234

20. Debtors

	Unrestricted Funds	Restricted Funds	2025 Total	2024 Total
	£	£	£	£
Prepayments and accrued income	4,897	-	**4,897**	12,651
Other debtors	92,052	-	**92,052**	106,586
	96,949	**-**	**96,949**	119,237

Debtors is £90,773 owed from Newham Circuit, of which £26,399 is being paid over 48 monthly payments, started from August 2023. £64,374 of it including interest of £2,518 will be paid in one lump sum once the Forest Gate Development gets underway.

21. Creditors: amounts falling due within one year

	Unrestricted Funds	Restricted Funds	2025 Total	2024 Total
	£	£	£	£
Accruals	81,757	-	**81,757**	63,168
Other creditors	13,281	3,216	**16,497**	23,066
	95,038	**3,216**	**98,254**	86,234

22. Operating leases - lessee

As at 31 August 2025, the Charity was committed under non-cancellable operating leases to make make the following annual minimum payments (at Present Value):

	2025	2024
	£	£
Printing Equipment		
Due less than 1 year	6,134	1,502
Due 1 to 2 years	6,134	1,502
Due 2 to 5 years	13,122	4,201

The operating lease is in respect of printing and telephone equipments and taken out with Officeology Ltd for a period of 5 years. Total lease payments expensed during the year was £6,134 (2024: £304).

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Notes to the accounts for the year ended 31 August 2025 (continued)

23. Restricted funds

	Balance as at 01.09.24	Incoming	Outgoing	Transfers tween funds	Balance as at 31.08.25
	£	£	£	£	£
Funds					
i. Internal organisations	8,355	112,672	(165,297)	49,566	**5,296**
ii. Bow Road Methodist Church Organ Fund	2,095	95	-	-	**2,190**
iii. Diaconal Ministry Fund	26,755	100,000	(67,484)	-	**59,271**
iv. Warm space fund	861	1,570	(1,888)	-	**543**
v. Bethnal Green Refurbishment Fund	-	86,000	(83,089)	-	**2,911**
vi. Whitechapel Mission	-	25,000	-	-	**25,000**
vii. Queen Victoria Seafarer's Mission	-	25,000	(25,000)	-	**-**
	38,066	**350,337**	**(342,758)**	**49,566**	**95,211**

i. Internal Organisations. This fund incorporates the two projects of the Tower Hamlets Circuit; Band for Life and Zacchaeus.

ii. Bow Road Methodist Church Organ Fund. This fund was set up for the purposes of buying a church organ.

iii. Diaconal Ministry Fund. This is a grant from the East End Mission Fund. The Diaconal Ministry has a focus at Bethnal Green and includes stipend, accommodation and expenses with up to £20,000 per year for asscіated projects.

iv. Warm spaces fund. The fund for supporting communities through rising costs in winter, by bringing people together into warm spaces. A grant of £1000 was received from District and £570 from Queen Adelaides Trust for warm space.

v. Bethnal Green Refurbishment Fund. This fund was set up for the refubishment of the Bethnal Green property.

vi. Whitechapel Mission Fund. This is for the support of chaplaincy/pastoral provision .

vi. Queen Victoria Seafarer's Mission Fund. This is for the support of chaplaincy provision.

24. Analysis of net assets between funds

Fund balances at 31 August 2025 are represented by:	Unrestricted Funds	Restricted Funds	2025 Total
	£	£	£
Tangible fixed assets	3,241,997	8,341	**3,250,338**
Investments	2,456,158	-	**2,456,158**
Net current assets	583,880	86,870	**670,750**
	6,282,035	**95,211**	**6,377,246**

25. Contingent Liabilities

As at 31 August 2025, the Circuit had agreed to provide any required support and financial assistance to the Whitechapel Mission and Zacchaeus Project to enable them to meet their financial obligations up to £100,000 and £33,380 respectively.

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26.Committed Grant Income

During the year the Circuit was awarded several multi-year grants which are subject to time -related conditions. In accordance with the Charities SORP (FRS 102), these sums are not recognised as income in the current year but represent a commitment of future funding:

From The London District of the Methodist Church - District Advance Fund:	Receivable 2025-26	Receivable 2026-27	Total Future Commitment
Funds	**£**	**£**	**£**
Mission Fund (restricted)	25,000	25,000	50,000
Zacchaeus Project (restricted)	25,000	25,000	50,000

From The London District of the Methodist Church - East End Mission Fund	Receivable 2025-26	Receivable 2026-27	Total Future Commitment
Funds	**£**	**£**	**£**
Mission Fund (restricted)	50,000	50,000	100,000
Zacchaeus Project (restricted)	25,000	25,000	50,000
Band for Life (restricted)	5,000	5,000	10,000

From The LB of Tower Hamlets - Mayor's Community Grant Programme	Receivable 2025-26	Receivable 2026-27	Total Future Commitment
Funds	**£**	**£**	**£**
Zacchaeus Project (restricted)	25,000	14,583	39,583
	155,000	144,583	299,583

27. Related party transactions

The Circuit is part of The London District and is also accountable to the Methodist Conference, the ultimate controlling body. Related parties also include Ministers, other Circuit and Churches, Central Finance Board of the Methodist Church and The Trustees for Methodist Church Purposes ("TMCP").

Details of the transactions occurring during the year were as follows:

The London District of the Methodist Church ("TLDMC")

During the year, the Circuit received grants of £337,770 (2024: 200,365) from TLDMC.
The Circuit also paid assessment of £28,644 to TLDMC.

Newham Methodist Circuit ("NMC")

As at 31 August 2025, NMC owed an amount of £90,773 (2024: £105,657) to the Circuit. This amount includes invoices MCTH paid on behalf of NMC, services provided by a Circuit member of staff and interest on the balance of £61,856. Interest is calculated based on rate of the income return of the CFB's Corporate Bond Fund for the period. Interest accrued during the year was £2,518.

Hackney and Stoke Newington Methodist Circuit ("HSNMC")

During the year, MCTH paid £18,389 (2024: £26,103) to HSNMC for manse used by MCTH Deacon.

Poplar Methodist church("PMC")

During the year, the Circuit received assessment of £7,150 (2024: 6,500) from PMC.

METHODIST CHURCH IN TOWER HAMLETS

England & Wales - Charity number 1134888

Accounts

Docusign Envelope ID: 1F8278B0-8816-40CF-8291-2775F49397B8

2024

The Methodist Church – Tower Hamlets Circuit

(London District – Circuit No 35/09)

Charity Registration Number 1134888

Accounts for the year ended 31 August 2024

Docusign Envelope ID: 1F8278B0-8816-40CF-8291-2775F49397B8

THE METHODIST CHURCH IN TOWER HAMLETS

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THE METHODIST CHURCH IN TOWER HAMLETS

Reference and Administrative Details

Names and addresses
The address of the registered office for the Tower Hamlets Circuit for the purposes of the Methodist Church Act 1976 and any other legislation is:

The Methodist Church in Tower Hamlets
Bow Road Methodist Church
1 Merchant Street
London E3 4LY
Tel: 020 8880 7301
Web: www.mcth.org.uk

Circuit Office:
Circuit Office
1 Merchant Street
London E3 4LY
Tel: 020 8880 7301

Custodian Trustees:
Trustees for Methodist Church Purposes
Central Buildings
Oldham Street
Manchester M1 1JQ

Circuit Leadership Team:
Rev. Jenny Impey
Deacon Theresa Simons-Sam
Mrs Harriet Graham-Mensah
Ms Verna Coke
Mr Jones Ankrah
Rev. David Hollingsworth (until 31 August 2024)
Mr Doug Swanney (until 31 August 2024)

Investment Managers:
Central Finance Board of the Methodist Church
Methodist Church House
25 Tavistock Place
London WC1H 9SF

Trustees for the Methodist Connexional Funds (registered)
Methodist Church House
25 Tavistock Place
London WC1H 9SF

Bankers:
CAF Bank
25 Kings Hill Avenue
Kings Hill
West Malling
Kent ME19 4JQ

Independent Auditor:
Clay Ratnage Strevens & Hills
Chartered Accountants & Statutory Auditors
Suite D, The Business Centre
Faringdon Avenue
Romford, Essex RM3 8EN

Solicitors:
Lovell Son and Pitfield
9 Gray`s Inn Square
Gray`s Inn
London WC1R 5JT

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THE METHODIST CHURCH IN TOWER HAMLETS

Trustees' Report for the year ended 31 August 2024

The Trustees present their report and the audited accounts of the charity for the year ended 31 August 2024. The Trustees have adopted the provisions of the Statement of Recommended Practice (SORP) "Accounting and Reporting by Charities" (FRS 102) in preparing the annual report and accounts of the charity.

The accounts have been prepared in accordance with the accounting policies set out in note 1 to the accounts and comply with the Circuit's governing document, the Charities Act 2011 and 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) (effective 1 January 2019).

Governance

The governing body of the Methodist Church is the Conference, which meets annually. The authority under which the Conference acts is given by the Methodist Church Act 1976.

We are governed by the Methodist Church's Constitutional Practice and Discipline and all Charity Law of the United Kingdom.

The church is governed by the Methodist Church Act 1976, the Deed of Union and the Model Trusts of the Methodist Church. The purposes of the Methodist Church are and shall be deemed to have been since the date of union the advancement of: (a) the Christian faith in accordance with the doctrinal standards and the discipline of the Methodist Church (b) any charitable purpose for the time being of any Connexional, district, circuit, local of other organisation of the Methodist Church (c) any charitable purpose for the time being of any society or institution or subsidiary or ancillary to the Methodist Church; (d) any purpose for the time being of any charity being a charity subsidiary or ancillary to the Methodist Church. In setting our objectives and planning our activities, the Circuit has given careful consideration to the Charity Commission's general guidance on public benefit and in particular to its supplementary public benefit guidance on advancing our objectives as set out above.

The Methodist Church in Tower Hamlets is part of the London District of the Methodist Church, and is a registered charity, number 1134888.

The Circuit is also registered for Gift Aid with H M Revenue & Customs under the reference XR16174.

Full Name of Charity: Methodist Church in Tower Hamlets

Registration Charity Number: 1134888

Date of Registration: 12 March 2010

Main Communication Address: Methodist Church in Tower Hamlets
Bow Road Methodist Church
1 Merchant Street
London E3 4LY

Trustees

The full list of Trustees who served during the year and up to date of signature of the accounts were as follows:
Trustees who joined during 2023/24 are shown with an asterix (*), those who left during the year with(**)

Mrs Glenda Adams
Mr Joseph Amoah**
Miss Susan Bothamley
Ms Verna Coke
Mrs Harriet Graham-Mensah
Revd Dr Jongikaya Zihle
Rev Jenny Impey
Mrs Evelyn Louis
Ms Ella Sibley-Ryan
Deacon Theresa Simons-Sam*
Miss Jean Thomas
Dr Keith Aldred
Mr Jones Ankrah
Nana Abrafi
Mrs Sheila de Winter
Ms Cheryl Gurnham
Rev David Hollingsworth **
Mrs Dorrett Kirwan**
Mrs Lily Odartey
Mr John Singleton
Mr Doug Swanney**
Mrs Patience Yeboah

Method to recruit new Trustees

There are a number of *ex officio* trustees – a London District Chair, Presbyters, Deacons, Circuit Stewards, the secretary of the Local Preachers' Meeting together with the Treasurer and one Church Steward from each of the churches in the Circuit. These trustees will change when the post holders change. Additional members from each church are appointed by the relevant Church Council or General Church Meeting. A Secretary of the Circuit Meeting, who is a Lay Person, is appointed by the meeting.

Objective and purpose

The calling of the Methodist Church in Tower Hamlets is to respond to the gospel of God's love in Christ and to live out its discipleship in worship and mission. This is expressed through Worship, Learning and Caring, Evangelism and Service. The Circuit is committed to use its resources in a clearly focussed and intentional way to ensure an effective response to the needs of our congregations and wider community.

Activities

The mission of the Circuit is to worship God as it celebrates its diversity according to the teachings of Jesus Christ. Inspired by Jesus we will offer hope and build communities of love, through prayer, pastoral care and social ministry.

Organisational structure

The Circuit includes responsibility for the Methodist Churches at Bow Road, Bethnal Green, Poplar, and Whitechapel. The churches at Bow Road and Bethnal Green formally recognised that they were unable to fulfil their responsibilities as Managing Trustees with respect to finance and property and both congregations delegated these responsibilities to the Circuit meeting as set out under the Model Trust, section 16 (k) from 2014/15. Accordingly, these accounts include Bow Road and Bethnal Green Methodist Churches. Pastoral, worship and mission matters are discussed at General Church meetings, with at least two Church Meetings held during the year in Bethnal Green and Bow Road. Approval was given by the District for Old Ford Methodist Church to cease to meet for worship in 2022 but the building remains in use for mission.

Poplar Methodist Church has its own managing trustees but is excepted from registration as a charity by virtue of Statutory Instrument No 242 of 2014 and produces separate accounts however Poplar Church Council agreed at its meeting in August to ask the circuit to assume managing trusteeship of the church. The Circuit Meeting has been asked to consider this.
The Whitechapel Mission for the Homeless and Rootless of London is registered separately with the Charity Commission (227905).

Organisational structure (continued)

In addition to the above, the Circuit ran two community and mission projects as Internal Organisations. The two projects are:

- The Zacchaeus Project to support those who have long term illness, the elderly and infirm and those who care for them in Tower Hamlets. Funding over and above the amounts raised as grants and payments for the various activities of the project is now provided by Circuit investments.
- "Band for Life", providing a music workshop once a week at Bow Road Methodist Church for people who have experienced mental illness or are socially isolated. Activities were funded by grants and Circuit investments which originated from the sale of properties in previous years. Numbers attending the project continue to grow.

The management of these projects is undertaken by a project manager for each project, who provides a regular report to the Trustees. Each project is supported by a Steering Group which meets regularly to guide strategic direction and advise on any operational issues.

Circuit Ministers and officers

The Superintendent Minister and Chair of the Managing Trustees during 2023/24 was the Rev. Jenny Impey who had pastoral responsibility for Bethnal Green, Bow Road, Poplar and Whitechapel churches. Deacon Theresa Simons-Sam has been appointed to have a particular focus on Bethnal Green and to support the Zacchaeus Project. During the year the Rev. David Hollingsworth began to explore new methods of mission and discipleship, through a Heartfelt project, but ill health prevented this starting.

The Circuit benefited significantly from the voluntary ministry of two Supernumerary ministers, the Rev. David Hollingsworth and the Rev. Cameron Kirkwood, and a student minister, Mr Eric Bediako It was also able to make use of the ministry of the Rev. Hannah Faal-Heim for 7 months whilst she was otherwise without appointment and expresses its gratitude to her nurture and encouragement of the congregation at Bow Road.

In 2023/2024 there were six Local Preachers in the Circuit and four worship leaders.

Pastoral Support within the Circuit

Pastoral support is provided by a team of pastoral visitors at Poplar and informally by members at other churches. The ministerial team also offer support.

Lay staff structure

The Circuit Administrative structure remains under review. Facilities and Property Management is currently being undertaken by the Superintendent Minister with support from existing staff and volunteers. The Circuit employs a part time Finance Manager and a part time Administrator.

Property

The Circuit continues to review its use of its properties. Following the change in direction on the major redevelopment of Bethnal Green, minor works are continued in 2023/2024 with a total budget of up to £500,000 designated for this work.

The Circuit commenced significant work on the property at Bow Road to repair part of the roof and the concrete cladding and sills. The project is not yet complete and additional costs of £24,000 will be incurred to complete the project.

The former manse at 2a Stepney Green has been sold. Proceeds of sale amounted to £978,332, out of which a levy of £367,333 has been taken for the Connexional Advance and Priority Fund to support mission around the Connexion. The money had originally come from the East End Mission Fund and so the money has been lodged in Trust 20520.

25 Campbell Road: As it was not currently needed as a manse, it was agreed to let the house to a family under an AST for 2 years. In preparation for this a new fire alarm system was installed together with some additional fire-proofing.

Manse Approach Road: New porch doors and back door have been installed to improve energy efficiency.;

95 South Road: New windows have been installed to improve energy efficiency together with some redecoration. Plans for a new conservatory and refurbished kitchen have been approved and work will be undertaken in the coming year.

Langthorne House (adjacent to Bow Road)
The leaseholders have approached the circuit with a view to extending the leasehold or purchasing the freehold. A surveyors report has been commissioned.

Safeguarding

The circuit has adopted the Safeguarding Policy of the Methodist Church and reviews this annually ensuring that appropriate DBS checks are undertaken, and volunteers and employees undergo appropriate training.

Achievements and performance
During 2023/24 the Methodist Church in Tower Hamlets continued its ministry and service to the people of the Borough though the provision of worship and service opportunities in four congregations, the continued support of the homeless, elders and their carers and people with mental health issues through the Whitechapel Mission, the Zacchaeus and Band for Life projects.

The Whitechapel Mission has continued to expand as it serves the homeless and marginalised since 1876 offering a day centre, skills training and career advice, activity programmes and specialist support for complex needs. By encouraging each person to address the issues which caused their homelessness, the mission helps them to gain the skills and confidence to make lasting changes in their lives.

The Zacchaeus Project proved once again in 2023/2024 that it has made a significant contribution to the lives of so many older people and carers who attend its various activities. There has been a significant rise in the numbers of people seeking advice and support in obtaining the grants and benefits they are entitled to. A new diet and exercise class started with an aim of improving member's health and wellbeing. Grants have been received from the London Borough of Tower Hamlets and the Canary Wharf Group. We have been pleased to welcome new volunteers to the project. The project celebrated 25th Anniversary to in July 2024, marking 25 years of service to the community.

The Band for Life Project, based at Bow Road, continues to develop and respond to the needs of those who attend. The group were able to resume public performances in Canary Wharf and The Space.

Poplar Methodist Church continued to meet in the Emery Hall of the Queen Victoria Seaman's Rest. The church initiated a coffee afternoon in the restaurant of the QVSR which is attended by church members and residents. There was one baptism during the year.

Bethnal Green congregation attracts a wide range of visitors, a number of whom have worshipped regularly for the time they were in the area.

Bow Road continues to meet weekly for worship and holds an online prayer meeting. We were pleased to welcome 7 new new members this year, 2 of whom have also become church stewards, and the others are serving in a variety of ways.

Under the leadership of the Rev. Cameron Kirkwood, the Circuit once again ran a Warm Space at Bethnal Green for the winter of 2023/2024 and this has proven to be a welcome addition to the projects of the Circuit, providing a space where people can keep warm, be provided with drinks and snacks, enjoy company or solitude, recharge phones and just relax.

The circuit continued to improve its provision at Bethnal Green and the Zacchaeus Project by undertaking some refurbishment, including new flooring in the corridors. In the coming year it hopes to install double glazing and new doors and we are working with the London Borough of Tower Hamlets to agree a suitable design given its location in a conservation area.

Bethnal Green Methodist Church provided temporary accommodation as a registration centre and waiting room for the Bow Foodbank from December 2023 to July 2024. During this time 16,000 adult food parcels 9,200 children's food parcels and food worth over £350,000 was given by the Foodbank to 3497 guests.

The Circuit continued to work with Age UK East London to support a knit and natter group at Old Ford Methodist Church.

5 women from the circuit were sponsored to attend a national Methodist Women in Britain Conference to inspire and equip them for service locally.

The Circuit churches provided vital space for community activities at each of its churches.

Investments

The Circuit's proceeds from property sales relating to the East End Mission are classed as City Centre funds and as a result are held by the London District (Trust 20520). An amount equivalent to the interest on this fund is given to the Circuit as a grant. The grant for 2023/2024 was £100,365 received from Trustee interest and Dividends. An additional grant of £100,000 was also received for diaconal ministry. The balance held by Trust as at 31 August 2024 was £2,702,426 that includes £402,700 that has been designated for the Bethnal Green Methodist Church for premises work and a further £400,000 for diaconal ministry based at Bethnal Green. This amount also includes net sale proceeds amounted to £610,999 (Sale proceeds of £978,332 less £367,333 levy paid on sale of Manse, 2a Stepney Green).

The investment of surplus funds is operated via the Central Finance Board (CFB) of the Methodist Church. CFB aims to provide 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. The Restricted Fund which is mainly funds from sales of properties is managed by Trustees for Methodist Purposes (TMCP). These funds are also invested with CFB. The Trustees continue to utilise these funds for the furtherance of the Circuit's mission.

Public Benefit

The Trustees have due regard to the guidance published by the Charities Commission in accordance with its duties under section 17 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.

Financial Review

Circuit ministry and mission is funded mainly through incoming rents from the Circuit properties and interest from investments as well as the offering receipts from the churches at Bethnal Green and Bow Road, and the assessment contributions from the Poplar church.

The work of the social mission projects, including part of the ministerial costs, is dependent on the continued receipt of external grants, which continue to be supplemented from the interest from the City Centre Funds (held by the London District) and proceeds of sale of other sites.

The cost of running and maintaining the properties on a day-to-day basis is funded from the income generated from lettings and tenancies. Repairs and refurbishments are currently funded from the sale proceeds of other sites, however in general all are in good condition.

The Circuit recognises that it is drawing heavily on its reserves and is monitoring this situation and reviewing its work.

The value of the Circuit funds as at 31 August 2024 was £6,465,724 which a decrease of £671,216 from the previous year. This large decrease was due to transfers of funds from the trust 15955 which is held by Circuit to the Circuit trust 20520 held at District level.

Trustees' interests

The Ministers who are Trustees of the Circuit and stationed to the Circuit by the Methodist Church in Britain are Office Holders and are paid a stipend and are provided with a manse for the Ministers and their families to live in. Council Tax is paid by the Circuit and also an official telephone line with broadband facilities to enable them to carry out their service as Ministers. These arrangements are practiced throughout the Connexion who stipulate their terms of service.

One Trustee, Dorrett Kirwan was an employee of the Circuit in 2023/2024. However, her appointment as a Trustee is unconnected to the employment by the Circuit and she receives no remuneration for her service as a Trustee. Any conflict of interest is declared at the commencement of each meeting. Her trusteeship ended in March 2024.

Risk Management

The Circuit is reviewing its risk policies and is producing a Risk Register highlighting the various risks facing the Circuit, the impact and the likelihood of them happening. The main headings under which these risks have been categorised are:

- Trustees' Responsibilities
- Membership and Mission
- Resources, People and Property
- Financial
- Legal
- Safeguarding

Reserves Policy

The primary use of the Circuit fund is to support the ordained ministers, lay employees and congregations of the churches in their calling to worship, learning and caring, service and evangelism and to support of the wider community in the Borough of Tower Hamlets, through projects.

The unrestricted funds of £6,427,658 include properties in use for the purpose of the Circuit and other investments that generate income upon which the Circuit is reliant upon to sustain its core activities.

Recognising the significance of the mission of the churches and projects of the Methodist Church in Tower Hamlets and the care that would be needed in ensuring alternative provision if they needed to be wound down, the reserves policy of the Methodist Church in Tower Hamlets is to maintain a reserve of 6 months ordinary expenditure plus the underwriting of the Whitechapel mission to the tune of £100,000 and accrued redundancy costs for Circuit staff.

Commitments

All known commitments are included in the accounts.

Plans for the future

It is the intention to continue to keep under review the existing activities of the local Churches and Circuit to ensure they continue to serve their purpose in the current context. In addition, the Circuit will continue to assess the needs of the local community and, where relevant, consider the deployment of resources in extending the services currently provided to support the congregations in their mission and to the broader community. Where possible, the Circuit will apply for grants in order to develop those initiative and ensure their sustainability into the future. In addition to its ongoing funding of the Zacchaeus Project the circuit has agreed to underwrite the Project by £50,000 in the coming year if the project is unable to secure a key grant it has applied for.

A new Digital Inclusion initiative will be run by the Zacchaeus Project with the support of a grant from the London Borough of Tower Hamlets.

The Circuit has commissioned quinquennial reviews of its properties which will be undertaken in October 2024.
The circuit intends to continue to maintain its buildings and in particular to install double glazing at Bethnal Green to increase energy efficiency and to undertake necessary work on the roof and window cills at Bow Road and work identified in the quinquennial reports on its properties. It will continue to review its provision of manses for the ministers who are appointed to the circuit. In particular the Circuit will look to sell 25 Campbell Road at the right time and buy a more manageable, energy efficient manse in the area.

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.

Auditors

The auditors, Clay Ratnage Strevens & Hills, were newly appointed at the Trustee's meeting in September 2023.

This report has been prepared by the Trustees with support of Circuit Staff, the Ministers and Circuit Stewards. They can be contacted at Bow Road Methodist Church, 1 Merchant Street, London, E3 4LY.

Approved by the Trustees on the 13/02/2025 **and signed on their behalf by:**

Rev Jenny Impey

Revd Jenny Impey
Circuit Superintendent Minister

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THE METHODIST CHURCH IN TOWER HAMLETS

Statement of Trustees' responsibilities for the year ended 31 August 2024

The Trustees are responsible for preparing the Trustees' Report and the accounts in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

The law applicable to charities in England and Wales requires the Trustees to prepare accounts for each financial year, which give a true and fair view of the state of affairs of the Circuit and of the incoming resources and application of resources of the Circuit for that year.

In preparing these accounts, the Trustees are required to:

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in the Charities SORP 2019 (FRS 102);
- 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 accounts, and
- prepare the accounts on the going concern basis unless it is inappropriate to presume that the Charity will continue in operation.

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 Standing Orders of the Methodist Church, the Charities Act 2011, the Charity (Accounts and Reports) Regulations 2008 and other relevant regulations. They are also responsible for safeguarding the assets of the charity and hence for taking reasonable steps for the prevention and detection of frauds and other irregularities.

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THE METHODIST CHURCH IN TOWER HAMLETS

Independent Auditor's Report to the Trustees of The Methodist Church in Tower Hamlets

Opinion

We have audited the accounts of The Methodist Church in Tower Hamlets (the 'Charity') for the year ended 31 August 2024, which comprise the Statement of Financial Activities, the Balance Sheet, Cash Flow Statement and the notes to the accounts, 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 2024 and of its incoming resources and application of resources, including its 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 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 accounts section of our report. We are independent of the Charity in accordance with the ethical requirements that are relevant to our audit of the accounts 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 accounts, we have concluded that the Trustees' use of the going concern basis of accounting in the preparation of the accounts 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 and described in the relevant sections of this report.

Other information

The other information comprises the information included in the trustees' annual report, 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 accounts or our knowledge obtained in the audit, or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether this give rise to a material misstatement in the accounts 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.

Independent Auditor's Report to the Trustees of The Methodist Church in Tower Hamlets (continued)

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 Reports) 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 accounts; or
- sufficient accounting records have not been kept; or
- the accounts 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 statement of Trustees 'responsibilities set out on page 11, the Trustees are responsible for the preparation of the accounts 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 accounts that are free from material misstatement, whether due to fraud or error.

In preparing the accounts, 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 accounts

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 accounts 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 accounts.

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 and the sector in which they operate.
- Obtained an understanding of how the charity are complying with those legal and regulatory frameworks by making enquiries to the management of the charity's accounting department, and management itself.
- The susceptibility of the company'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 management have in place to prevent and detect fraud
    - Understanding how those charged with governance considered and addressed the potential for override of controls and management biases
    - Identifying and testing journal entries, in particular any journal entries posted with unusual account combinations
    - Assessing the extent of compliance with the relevant laws and regulations
    - Assessing the extent to which pressures existed which may have increased the risk of fraudulent revenue recognition

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Independent Auditor's Report to the Trustees of The Methodist Church in Tower Hamlets (continued)

Potential fraud risks that had been identified throughout the planning and commencement of the audit were communicated to the audit team.

The inherent limitations of audit present an unavoidable risk that we, the auditors, may not have detected some material misstatements within the financial statements despite proper planning and performance of our duties as auditors. Equally, there remains a risk of the non-detection of fraud which could involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal controls. The audit procedures carried out are designed to detect material misstatements within the financial statements, and as such we take no responsibility for preventing non-compliance or fraud and cannot be expected to detect non-compliance with all laws and regulations.

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

Clay Ratnage Strevens + Hills

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

24/12/2025

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

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THE METHODIST CHURCH IN TOWER HAMLETS

Statement of Financial Activities for the year ended 31 August 2024

	Notes	Unrestricted Funds £	Restricted Funds £	2024 Total £	2023 Total £
Income and Endowments from:					
Circuit assessment	3	6,500	-	6,500	5,500
Offerings	4	12,756	-	12,756	10,725
Grants and donations received	5	100,800	100,650	201,450	94,166
Investment income and interest	6	54,806	104	54,910	77,969
Rental income	7	169,183	-	169,183	144,490
Other income	8	77,283	-	77,283	78,332
Internal organisations	10	-	83,613	83,613	24,141
Total income		421,328	184,367	605,695	435,323
Expenditure on:					
Charitable activities					
Stipends and staff costs:					
Ministry	9	192,315	39,879	232,194	211,764
Internal organisations	10	-	115,633	115,633	104,726
District assessment		22,576	-	22,576	21,916
Telephone, travel & administration		10,754	-	10,754	10,107
Property Maintenance	11	173,019	-	173,019	80,375
Expenditure on other Circuit properties	12	30,213	-	30,213	2,206
District advance fund		50,706	-	50,706	54,874
Other expenditure	13	19,137	33,782	52,919	47,660
Internal organisations	10	-	43,774	43,774	41,800
Grants and donations	14	25	-	25	-
Total expenditure		498,745	233,068	731,813	575,428
Gains on disposal of Manse	16	368,294	-	368,294	-
Capital payment	16	(978,332)	-	(978,332)	-
Gains on revaluation of fixed assets		-	-	-	235,000
Net gains/(losses)on investments		64,940	-	64,940	(2,156)
Net expenditure before transfers		(622,515)	(48,701)	(671,216)	92,739
Transfers between funds		(71,143)	71,143	-	-
Net movement in funds		(693,658)	22,442	(671,216)	92,739
Funds balances at 1 September 2023		7,121,316	15,624	7,136,940	7,044,201
Funds balances at 31 August 2024		6,427,658	38,066	6,465,724	7,136,940

The notes on pages 19 to 31 form an integral part of these accounts.

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THE METHODIST CHURCH IN TOWER HAMLETS

Statement of Financial Activities for the year ended 31 August 2024

Comparative year information Year ended 31 August 2023	Notes	Unrestricted Funds £	Restricted Funds £	2023 Total £
Income and Endowments from:				
Circuit assessment	3	5,500	-	**5,500**
Offerings	4	10,725	-	**10,725**
Grants and donations received	5	69,466	24,700	**94,166**
Investment income and interest	6	77,902	67	**77,969**
Rental income	7	144,490	-	**144,490**
Other income	8	78,163	169	**78,332**
Internal organisations	10	-	24,141	**24,141**
Total income		**386,246**	**49,077**	**435,323**
Expenditure on:				
Charitable activities				
Stipends and staff costs:				
Ministry	9	211,764	-	**211,764**
Internal organisations	10	-	104,726	**104,726**
District assessment		21,916	-	**21,916**
Telephone, travel & administration		10,107	-	**10,107**
Property Maintenance	11	56,675	23,700	**80,375**
Expenditure on other Circuit properties	12	2,206	-	**2,206**
District advance fund		54,874	-	**54,874**
Other expenditure	13	47,118	542	**47,660**
Internal organisations	10	-	41,800	**41,800**
Total expenditure		**404,660**	**170,768**	**575,428**
Gains on revaluation of fixed assets		235,000	-	**235,000**
Net loss on investments		(2,156)	-	**(2,156)**
Net expenditure before transfers		**214,430**	**(121,691)**	**92,739**
Transfers between funds		(91,654)	91,654	**-**
Net movement in funds		**122,776**	**(30,037)**	**92,739**
Funds balances at 1 September 2022 (Restated)		6,998,540	45,661	**7,044,201**
Funds balances at 31 August 2023		**7,121,316**	**15,624**	**7,136,940**

The notes on pages 19 to 31 form an integral part of these accounts.

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THE METHODIST CHURCH IN TOWER HAMLETS

Balance Sheet as at 31 August 2024

	Notes	Unrestricted Funds £	Restricted Funds £	2024 Total £	2023 Total £
Fixed Assets					
Tangible assets	16	3,241,997	250	**3,242,247**	3,858,881
Investment properties	17	1,960,295	-	**1,960,295**	1,960,383
Investments	18	492,710	-	**492,710**	427,770
		5,695,002	250	**5,695,252**	6,247,034
Current Assets					
Debtors	20	119,237	-	**119,237**	122,082
T.M.C.P. Interest funds		338,822	-	**338,822**	469,331
Central Finance Board Deposits		262,402	45,671	**308,073**	351,819
Cash at bank and in hand		88,288	2,286	**90,574**	72,525
		808,749	47,957	**856,706**	1,015,757
Creditors: amounts falling due within one year	21	(76,093)	(10,141)	**(86,234)**	(123,211)
Net Current Assets		732,656	37,816	**770,472**	892,546
Total assets less current liabilities		6,427,658	38,066	**6,465,724**	7,139,580
Creditors: Amounts falling due after more than one year	22	-	-	**-**	(2,640)
Net Assets		**6,427,658**	**38,066**	**6,465,724**	7,136,940
Accumulated funds					
Unrestricted funds		5,972,658	-	**5,972,658**	6,666,316
Restricted funds	24	-	38,066	**38,066**	15,624
Revaluation reserve		455,000	-	**455,000**	455,000
Total Funds	25	**6,427,658**	**38,066**	**6,465,724**	7,136,940

The accounts were approved by the Trustees on 13/02/2025 and signed on their behalf by:

Rev Jenny Impey

Revd Jenny Impey
Circuit Superintendent Minister

Ms Verna Coke
Circuit Steward

The notes on pages 19 to 31 form an integral part of these accounts.

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THE METHODIST CHURCH IN TOWER HAMLETS

Cash flow statement for the year ended 31 August 2024

Statement of cash flows	Note	2024 £	2023 £
Cash from operating activities			
Net cash used in operating activities		(1,560,171)	90,191
Cash flows from investing activities			
Dividends,interest and rents from investments		425,543	316,625
Proceeds from the sale of property, plant and equipment		978,422	90
Purchase of property, plant and equipment		-	-
Purchase of intangible assets		-	-
Proceeds from the sale of investments		-	22,593
Purchase of investments		-	-
Other		-	-
Net cash provided by investing activities		**1,403,965**	**339,308**
Cash flows from financing activities			
New borrowing		-	-
Repayments of borrowing		-	-
Net cash used in financing activities		-	-
Change in cash and cash equivalents in the reporting period		(156,206)	429,499
Cash and cash equivalents at the beginning of the reporting period		893,675	464,176
Cash and cash equivalents at the end of the reporting period		**737,469**	**893,675**

Reconciliation of net income to net cash flow from operating activities		2024 £	2023 £
Net income for the reporting period (as per statement of financial activities)		(671,216)	92,739
Adjustments for:			
Depreciation and amortisation charges	13	1,298	4,134
Profit on the sale of fixed assets		(362,998)	(2)
Loss on the sale of fixed assets		-	-
Unrealised Gains on investments/revaluation		(64,940)	(232,844)
Dividends, interest and rents from investments		(425,543)	(316,625)
Decrease/(increase) in stocks		-	-
(increase)/decrease in debtors		2,845	519,256
increase/(decrease) in creditors		(39,617)	23,533
Net cash used in operating activities		**(1,560,171)**	**90,191**

Analysis of cash and cash equivalent	2024 £	2023 £
Cash in hand	737,469	893,675
Short term deposit (less than 3 months)	-	-
Total cash and cash equivalents	**737,469**	**893,675**

The notes on pages 19 to 31 form an integral part of these accounts.

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Notes to the accounts for the year ended 31 August 2024

1. Accounting policies

a) Circuit information

The Methodist Church in Tower Hamlets is an unincorporated Charity in England and Wales. The principal correspondence address is given on page 3 of these accounts. The nature of the Circuit's operations and principal activities are set out in the Trustees' Report.

b) Accounting convention

The accounts have been prepared in accordance with the Charities Act 2011 and '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) (effective 1 January 2019). The Circuit is a Public Benefit Entity as defined by FRS 102.

The accounts 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 the Statement of Recommended Practice for charities applying FRS 102 rather than the version of the Statement of Recommended Practice which is referred to in the Regulations but which has since been withdrawn.

The accounts are prepared in sterling, which is the functional currency of the Circuit. Monetary amounts in these accounts are rounded to the nearest pound.

The accounts have been prepared under the historical cost convention, modified to include the revaluation of investment properties and certain financial instruments at fair value. The principal accounting policies are set out below.

c) Going concern

At the time of approving the accounts, the Trustees have a reasonable expectation that the Circuit has adequate resources to continue in operational existence for the foreseeable future. Thus, the Trustees continue to adopt the going concern basis of accounting in preparing the accounts.

d) Funds

Unrestricted funds

Unrestricted funds are held for use at the discretion of the Trustees in furtherance of the general objectives of the Charity.

Restricted funds

Restricted funds are funds which are to be used in accordance with specific restrictions imposed by donors and grantors. The aim and use of the major restricted funds are set out in the notes to the accounts.

e) Incoming resources

Church assessment

The church assessment is accounted for on a receivable basis.

Church offerings

Church offerings are accounted for on a receipts basis.

Notes to the accounts for the year ended 31 August 2024 (continued)

1. Accounting policies (continued)

Benevolence
Benevolence funds have been historically contributed by the four churches from their general funds and are accounted for on a receipts basis in accordance with Standing Order 527 of the Constitution of the Methodist Church.

Grants and donations received
Grants from third parties are included when the relevant conditions for the grant have been met.

Voluntary income comprises donations and contributions and is accounted for when entitlement has been confirmed, the amount can be measured and receipt is probable.

Rental income
Rental income from investment properties is accounted for on a receivable basis.

Other income
Other income is accounted for on a receivable basis.

Internal Organisations
Internal organisations comprise two projects of the Methodist Church in Tower Hamlets Circuit. The income is either derived from voluntary income, grants and donations by way of charitable activities.

Investment income and interest
Interest on deposits and investments is accounted on a receivable basis.

f) Expenditure recognition
All expenditure is accounted for on an accruals basis when an obligation that can be measured or reliably estimated exists at the reporting date.

Grants awarded are provided in the Statement of Financial Activities in the year in which they are approved by Trustees and the offer is communicated to the recipient. Grants awarded but not paid are recorded as a liability within the Balance Sheet. Grants awarded subject to conditions being met by the recipient before payments are made are not accrued until such conditions have been met. Such commitments are disclosed in the accounts as contingent liabilities.

g) Tangible fixed assets
Properties are stated at cost or in the case of donated assets at valuation at the date that the assets are gifted to the Circuit. The Trustees consider that the lives of the properties are so long and their residual values so high based on prices prevailing at the time of acquisition that any annual depreciation charge would not be material. Accordingly, no depreciation is provided on freehold properties used for charitable activities. Any material impairment in the value of such properties, following an annual review, would be chargeable to the Statement of Financial Activities.

Assets having an initial cost of £1,000 or less are written off on acquisition. Fixtures and fittings, office and computer equipment having an initial cost greater than £1,000 are capitalised and are stated at cost less depreciation. Depreciation rates calculated to write off the cost less estimated residual value of each asset over its expected useful life are as follows:

- Fixtures, fittings and equipment: 10% - 20% on a straight line basis
- Office equipment: 20% on a straight line basis

The gain or loss arising on the disposal of an asset is determined as the difference between the sale proceeds and the carrying value of the asset, and is recognised in the Statement of Financial Activities for the year.

Notes to the accounts for the year ended 31 August 2024 (continued)

1. Accounting policies (continued)

h) Investment properties

Investment properties, which are properties held to earn rentals and/or for capital appreciation, are initially measured at cost and subsequently stated at the Trustees' estimates of the fair valuation at the year-end, based on an index of property prices in the relevant areas. Any surplus or deficit on revaluation is recognised in the Statement of Financial Activities.

i) Non-current investments

Fixed assets investments, which are held in units in the Trustees Methodist for Church Purposes (TMCP), are stated at the Board's published valuations at the year-end. Realised and unrealised gains and losses on investments are recognised in the Statement of Financial Activities.

j) Impairment of non-current investments

At each reporting end date, the Circuit reviews the carrying amounts of its tangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss and any impairments are recognised in the Statements of Financial Activities.

k) Cash and cash equivalents

Cash and cash equivalents include cash in hand, deposits held at call with banks, other short-term liquid investments with original maturities of three months or less.

l) Financial instruments

The Circuit has elected to apply the provisions of Section 11 'Basic Financial Instruments' of FRS 102 to all of its financial instruments.

Financial instruments are recognised in the Circuit's balance sheet when the Circuit becomes party to the contractual provisions of the instrument.

Financial assets and liabilities are offset, with the net amounts presented in the accounts, when there is a legally enforceable right to set off the recognised amounts and there is an intention to settle on a net basis or to realise the asset and settle the liability simultaneously.

Basic financial assets

Basic financial assets, which include other debtors and cash and bank balances, are initially measured at transaction price including transaction costs and are subsequently carried at amortised cost using the effective interest method unless the arrangement constitutes a financing transaction, where the transaction is measured at the present value of the future receipts discounted at a market rate of interest. Financial assets classified as receivable within one year are not amortised.

Basic financial liabilities

Basic financial liabilities, including other payables 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. Financial liabilities classified as payable within one year are not amortised.

Notes to the accounts for the year ended 31 August 2024 (continued)

1. Accounting policies (continued)

m) Employee benefits

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

Termination benefits are recognised immediately as an expense when the Circuit is demonstrably committed to terminate the employment of an employee or to provide termination benefits.

n) Retirement benefits

Stipendiary Circuit Ministers are eligible to join the Methodist Ministers' Pension Scheme (MMPS). The MMPS is a funded defined benefit scheme maintained by The Methodist Church of Great Britain. As the Circuit is unable to identify its share of the underlying assets and liabilities of the scheme, the Circuit has taken the advantage of the exemption in Financial Reporting Standard 102, Retirement Benefits, and has accounted for its contributions to the scheme as if it were a defined contribution scheme. The pension costs for the scheme represent the contribution payable by the Circuit in the year. The contribution rates are set each year by the Methodist Conference.

Access to a stakeholder pension scheme is provided to all eligible lay employees and the Circuit contributes an amount equal to 6% of the employee's gross salary into this scheme.

All employees who were already in pension schemes and new employees who qualify for auto enrolment are enrolled into new pension schemes (The Pension Trust and NEST).

o) Ministers' manse costs

The Circuit is required to provide accommodation for each minister and their families, and Ministers are expected to occupy them. The Circuit bears the cost of repairs and maintenance, premises insurance, council tax and water charges. These are not regarded as taxable benefits in kind by HM Revenue & Customs.

p) Leases

Leases are classified as finance leases whenever the terms of the lease transfer substantially all the risks and rewards of ownership to the lessees. All other leases are classified as operating leases.

Assets held under finance leases are recognised as assets at the lower of the assets fair value at the date of inception and the present value of the minimum lease payments. The related liability is included in the balance sheet as a finance lease obligation. Lease payments are treated as consisting of capital and interest elements. The interest is charged to the Statement of Financial Activities for the year so as to produce a constant periodic rate of interest on the remaining balance of the liability.

2. Critical accounting estimates and judgements

In the application of the Circuit's accounting policies, the Trustees are required to make judgements, estimates and assumptions about the carrying amount of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical 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.

Notes to the accounts for the year ended 31 August 2024 (continued)

3. Circuit assessment

	Unrestricted Funds	Restricted Funds	2024 Total	2023 Total
	£	£	£	£
Poplar Methodist Church	6,500	-	6,500	5,500
	6,500	-	6,500	5,500

4. Offerings

	Unrestricted Funds	Restricted Funds	2024 Total	2023 Total
	£	£	£	£
Bethnal Green Methodist Church	3,221	-	3,221	2,966
Bow Road Methodist Church	9,535	-	9,535	7,759
	12,756	-	12,756	10,725

5. Grants and Donations received

	Unrestricted Funds	Restricted Funds	2024 Total	2023 Total
	£	£	£	£
London District	100,365	100,000	200,365	93,536
Others	435	650	1,085	630
	100,800	100,650	201,450	94,166

6. Investment income and interest

	Unrestricted Funds	Restricted Funds	2024 Total	2023 Total
	£	£	£	£
TMCP Investment holdings:				
Dividends	14,346	-	14,346	15,401
Interest	21,605	-	21,605	11,023
Central Finance Board deposit interest	15,881	104	15,985	8,089
Loan interest	2,974	-	2,974	43,456
	54,806	104	54,910	77,969

7. Rental income

	Unrestricted Funds	Restricted Funds	2024 Total	2023 Total
	£	£	£	£
Income from investment properties held	169,183	-	169,183	144,490

8. Other income

	Unrestricted Funds	Restricted Funds	2024 Total	2023 Total
	£	£	£	£
Management fees	6,010	-	6,010	6,520
Gain on disposal of tangible assets	2	-	2	2
Gift Aid received	3,284	-	3,284	3,128
Insurance claim	-	-	-	2,860
Bow Road MC properties hall letting income	30,259	-	30,259	28,704
Bethnal Green MC properties hall letting income	26,794	-	26,794	30,418
Old Ford MC properties hall letting income	10,342	-	10,342	5,936
Other income	592	-	592	764
	77,283	-	77,283	78,332

Notes to the accounts for the year ended 31 August 2024 (continued)

9. Stipends and staff costs

	Unrestricted Funds £	Restricted Funds £	2024 Total £	2023 Total £
Ministry				
Stipends	41,806	29,399	**71,205**	57,270
Salaries	122,064	-	**122,064**	120,892
Employer's National Insurance	14,232	2,802	**17,034**	12,944
Pension Costs	14,213	7,678	**21,891**	20,658
	192,315	**39,879**	**232,194**	211,764
Internal Organisations				
Salaries	-	99,665	**99,665**	92,428
Employer's National Insurance	-	9,988	**9,988**	6,752
Pension Costs	-	5,980	**5,980**	5,546
	-	**115,633**	**115,633**	104,726

The average monthly number of staff employed during the year was 9 (2023: 9).
There were no employees whose annual emoluments were £60,000 or more.

9a. Trustees' emoluments

One or more Trustees have been paid remuneration or have received other benefits from their employment of Office Holding with the Circuit. Trustees only receive remuneration in respect of services they provide undertaking their employment roles under their contracts of employment and not in respect of their services as Trustees.

	2024 £	2023 £
Rev Jenny Impey	**39,997**	37,281
Deacon Terry Street	**-**	31,500
Deacon Theresa Sam	**37,077**	3,071
Mrs Dorrett Reid Kirwan	**7,686**	12,336
	84,760	84,188

9b. Key Management Personnel

The key management personnel of the Circuit comprise of the Trustees and the circuit leadership team as listed on page 3. The total amount of the employee benefits (including employer pension contributions received by the key management personnel for their services to the Circuit was £91,057 (2023: £90,022).

9c. Pension costs

The total pension cost for the Circuit for the year ended 31 August 2024 was £27,871 (2023: £26,204).
There were no outstanding or prepaid pension contributions at 31 August 2024 .

10. Internal Organisation

The Tower Hamlets Circuit incorporates two social and community projects, Band for Life and Zacchaeus. The income and expenditure for these projects was as follows:

	Zacchaeus Project	Band for Life Project	Total Restricted Funds
	£	£	£
Income and Endowments from:			
Donations received	1,087	200	**1,287**
Grant received*	65,161	1,645	**66,806**
Activities for generating funds	265	-	**265**
Charitable activities	13,123	-	**13,123**
Other incoming resources	2,029	103	**2,132**
Total	**81,665**	**1,948**	**83,613**
Expenditure on:			
Charitable activities	23,063	15,759	**38,822**
Support and staff costs	120,525	60	**120,585**
Total	**143,588**	**15,819**	**159,407**
Net expenditure before transfers	(61,923)	(13,871)	**(75,794)**
Transfers from unrestricted funds	60,989	10,154	**71,143**
Net movement in funds	(934)	(3,717)	**(4,651)**
Funds balances at 1 September 2023	8,401	4,605	**13,006**
Funds balances at 31 August 2024	**7,467**	**888**	**8,355**

* Notable grants received in previous years from The National Lottery Community Fund amounting to £36,553. Grants received this year are from London Borough of Tower Hamlets (Mayor's fund) £22,917 and from Canary Wharf £7,336.

11. Property maintenance

	Unrestricted Funds	Restricted Funds	2024 Total	2023 Total
	£	£	£	£
Building repairs and maintenance	100,429	-	**100,429**	45,994
Fire and security systems	18,744	-	**18,744**	3,838
Insurance	14,031	-	**14,031**	13,625
Rents, Rates & Service charges	936	-	**936**	4,469
Professional fees	20,382	-	**20,382**	-
Utilities	18,497	-	**18,497**	12,449
	173,019	**-**	**173,019**	80,375

These maintenance costs relate to Circuit Manses, Bow Road flats, Bow Road Church building, Bethnal Green Church building, and Old Fold Church building. The professional fee includes Circuit Lettings agents fee of £8,565 for Campbell Road and 2A Stepney Green, Bow Road flats Lettings agents fee of £4,995 and Surveyors and Consultancy fee of £6,822.

12. Expenditure on other Circuit properties (95 South Road)

	Unrestricted Funds	Restricted Funds	2024 Total	2023 Total
	£	£	£	£
Building repairs and maintenance	22,461	-	22,461	969
Insurance	1,280	-	1,280	1,237
Professional fees	6,472	-	6,472	-
	30,213	-	30,213	2,206

13. Other expenditure

	Unrestricted Funds	Restricted Funds	2024 Total	2023 Total
	£	£	£	£
Depreciation	1,298	-	1,298	4,134
Finance costs	330	-	330	859
General and other ad hoc expenses	4,222	416	4,638	10,010
Loss on disposal of tangible assets	2,836	-	2,836	-
Ministry costs	3,354	-	3,354	2,119
Deacon costs	-	33,366	33,366	-
Professional fees	5,880	-	5,880	29,483
Staff welfare and training	1,217	-	1,217	1,055
	19,137	33,782	52,919	47,660

14. Grants and donations

	Unrestricted Funds	Restricted Funds	2024 Total	2023 Total
	£	£	£	£
Donations	25	-	25	-
	25	-	25	-

15. Auditors' remuneration

	2024	2023
	£	£
Fees payable to the Circuit's auditors for audit of the annual accounts	5,100	5,100

16. Tangible assets

Cost or valuation	Freehold Land & Buildings £	Fixtures Fittings & Equipment £	Office Equipment £	Total £
At 1 September 2023	3,850,717	29,847	14,180	3,894,744
Disposals	(612,500)	-	(14,180)	(626,680)
and at 31 August 2024	3,238,217	29,847	-	3,268,064
Depreciation				
At 1 September 2023	-	24,519	11,344	35,863
Charge for year	-	1,298	-	1,298
Disposals	-	-	(11,344)	(11,344)
At 31 August 2024	-	**25,817**	-	**25,817**
Carrying Amount				
At 31 August 2024	**3,238,217**	**4,030**	-	**3,242,247**
At 31 August 2023	3,850,717	5,328	2,836	3,858,881

The carrying amount of freehold land and building comprises of:

	2024 £	2023 £
Manses	**677,569**	1,290,069
Church buildings	**2,560,648**	2,560,648
	3,238,217	3,850,717

The former manse at 2a Stepney Green was sold for £999,325 during the year. The Circuit incurred selling costs of £18,531 and the original cost of the property was £612,500 resulting in an overall gain of £368,294, which is included in the Statement of Financial Activities. Net proceeds of £978,332 were lodged with the London District (Trust 20520) as the money to originally purchase the property had come from the East End Mission Fund.

Office equipment were assets held under finance leases. The lease contract ended in July 2024, and these assets were disposed of.

17. Investment properties

	2024 £	2023 £
Market value at 1 September 2023	1,960,383	1,685,471
Freehold land	-	40,000
Revaluation of Investment Properties	-	235,000
Disposals	(88)	(88)
Market value at 31 August 2024	**1,960,295**	1,960,383

The valuations of investment properties are stated at the Trustees' estimates of the fair valuation at the year-end, based on an index of property prices in the relevant areas.

The Trustees consider that these valuations are reasonable at 31 August 2024.

18. Investments

	2024	2023
	£	£
Valuation at 1 September 2023	427,770	452,519
Disposals	-	(22,593)
Valuation changes	64,940	(2,156)
Valuation at 31 August 2024	**492,710**	427,770
Investments held by Central Finance board		
At 31 August 2024	**492,710**	427,770

19. Financial Instruments

	2024	2023
	£	£
Carrying amount of financial assets		
Debit instruments measured at amortised cost	**609,198**	548,748
Carrying amount of financial liabilities		
Measered at amortised cost	**86,234**	84,015

20. Debtors

	Unrestricted Funds	Restricted Funds	2024 Total	2023 Total
	£	£	£	£
Prepayments and accrued income	12,651	-	**12,651**	65,964
Other debtors	106,586	-	**106,586**	56,118
	119,237	-	**119,237**	122,082

Debtors is £105,657 owed from Newham Circuit, of which £43,801 is being paid over 48 monthly payments, starting from August 2023. £61,856 of it, including interest of £2,974, will be paid in one lump sum once the Forest Gate Development gets underway.

21. Creditors: amounts falling due within one year

	Notes	Unrestricted Funds	Restricted Funds	2024 Total	2023 Total
		£	£	£	£
Obligations under finance leases		-	-	-	3,366
Other taxation and social security		-	-	-	5,283
Deferred income	**23**	-	-	-	36,553
Accruals		63,168	-	**63,168**	65,004
Other creditors		12,925	10,141	**23,066**	13,005
		76,093	**10,141**	**86,234**	123,211

22. Creditors: amounts falling due after more than one year

	Unrestricted Funds	Restricted Funds	2024 Total	2023 Total
	£	£	£	£
Obligations under finance leases	-	-	-	2,640

	2024	2023
Net obligations under finance lease and hire purchase contracts:	£	£
Repayable within one year	-	3,696
Repayable between one and five years	-	5,147
	-	8,843
Finance charges and interest allocated to future accounting periods	-	(2,837)
	-	6,006
Included in liabilities falling due within one year	-	(3,366)
	-	2,640

23. Deferred Income

	Unrestricted Funds	Restricted Funds	2024 Total	2023 Total
	£	£	£	£
Other deferred income	-	-	-	36,553

Deferred income is included in the accounts as follows:

	Unrestricted Funds	Restricted Funds	2024 Total	2023 Total
	£	£	£	£
Deferred income is included within:				
Current liabilities	-	-	-	36,553

Movements in the year:				
Deferred income at 1 September 2023	-	36,553	**36,553**	40,650
Movements in the year	-	(36,553)	**(36,553)**	(4,097)
Deferred income at 31 August 2024	-	-	-	36,553

24. Restricted funds

	Balance as at 01.09.23 £	Incoming £	Outgoing £	Transfers between funds £	Balance as at 31.08.24 £
Funds					
i. Internal organisations	13,006	83,613	(159,407)	71,143	**8,355**
ii. Bow Road Methodist Church Organ Fund	1,991	104	-	-	**2,095**
iii. Diaconal project Fund	-	100,000	(73,245)	-	**26,755**
iv. Warm space fund	627	650	(416)	-	**861**
	15,624	**184,367**	**(233,068)**	**71,143**	**38,066**

i. Internal Organisations. This fund incorporates the two projects of the Tower Hamlets Circuit; Band for Life and Zacchaeus.

ii. Bow Road Methodist Church Organ Fund. This fund was set up for the purposes of buying a church organ.

Ii. Diaconal project Fund. This is for the diaconal mission in the projects and circuit churches.

iv. Warm spaces fund. The fund for supporting communities through rising costs in winter, by bringing people together into warm spaces. A grant of £650 was received from Queen Adelaides Trust for warm space.

25. Analysis of net assets between funds

Fund balances at 31 August 2024 are represented by:	Unrestricted Funds £	Restricted Funds £	2024 Total £
Tangible fixed assets	3,241,997	250	**3,242,247**
Investments	2,453,005	-	**2,453,005**
Net current assets	732,656	37,816	**770,472**
	6,427,658	**38,066**	**6,465,724**

26. Contingent Liabilities

As at 31 August 2024, the Circuit had agreed to provide any required support and financial assistance to the Whitechapel Mission to enable it to meet its financial obligations up to £100,000.

27. Operating leases - lessee

As at 31 August 2024 the charity was committed under non-cancellable operating leases to make the following annual minimum payments (at present value):

	2024 £	2023 £
Printing Equipment		
Due less than 1 year	1,502	-
Due 1 to 2 years	1,502	-
Due 2 to 5 years	4,201	-

The operating lease is in respect of printing equipment taken out with Officeology Ltd for a period of 5 years. Total lease payments expensed during the year was £304 (2023: £Nil).

28. Related party transactions

The Circuit is part of The London District and is also accountable to the Methodist Conference, the ultimate controlling body. Related parties also include Ministers, other Circuit and Churches, Central Finance Board of the Methodist Church and The Trustees for Methodist Church Purposes ("TMCP").

Details of the transactions occurring during the year were as follows:

The London District of the Methodist Church ("TLDMC")

During the year, the Circuit received grants of £200,365 (2023: 93,536) from TLDMC.
The Circuit also paid assessment of £22,576 to TLDMC.

Newham Methodist Circuit ("NMC")

As at 31 August 2024, NMC owed an amount of £105,657 (2023: £115,000) to the Circuit. This amount includes invoices MCTH paid on behalf of NMC, services provided by a Circuit member of staff and interest on the balance of £58,882. Interest is calculated based on rate of the income return of the CFB's Corporate Bond Fund for the period. Interest accrued during the year was £2,974.
During the year, the Circuit received management and administration fees of £394 (2023: £760) from East Ham Congregational and Methodist church for services provided by the Circuit's members of staff.

Hackney and Stoke Newington Methodist Circuit ("HNMC")

During the year, the Circuit received management and administration fees of £5,616 (2023: £5,761) from HNMC for services provided by the Circuit's members of staff. MCTH also paid £26,103 to HNMC for manse used by MCTH Deacon.

Poplar Methodist church("PMC")

During the year, the Circuit received assessment of £6,500 (2023: 5,500) from PMC. £1,500 of it was accrued at the end of the year.

METHODIST CHURCH IN TOWER HAMLETS

England & Wales - Charity number 1134888

Accounts

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2023

The Methodist Church – Tower Hamlets Circuit

(London District – Circuit No 35/09)

Charity Registration Number 1134888

Accounts for the year ended 31 August 2023

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THE METHODIST CHURCH IN TOWER HAMLETS

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THE METHODIST CHURCH IN TOWER HAMLETS

Reference and Administrative Details

Names and addresses

The address of the registered office for the Tower Hamlets Circuit for the purposes of the Methodist Church Act 1976 and any other legislation is:

The Methodist Church in Tower Hamlets
Bow Road Methodist Church
1 Merchant Street
London E3 4LY
Tel: 020 8880 7301
Web: www.mcth.org.uk

Circuit Office:
Circuit Office
1 Merchant Street
London E3 4LY
Tel: 020 8880 7301

Custodian Trustees:
Trustees for Methodist Church Purposes
Central Buildings
Oldham Street
Manchester M1 1JQ

Circuit Leadership Team:
Rev. Jenny Impey
Deacon Terry Street (until 31 August 2023)
Mrs Harriet Graham-Mensah
Ms Verna Coke
Mr Jones Ankrah
Rev. David Hollingsworth (from 1 September 2023)
Mr Doug Swanney
Deacon Theresa Simons-Sam (from 1 September 2023)

Investment Managers:
Central Finance Board of the Methodist Church
9 Bonhill Street
London EC2A 4PE

Trustees for the Methodist Connexional Funds (registered)
9 Bonhill Street
London EC2A 4PE

Bankers:
CAF Bank
25 Kings Hill Avenue
Kings Hill
West Malling
Kent ME19 4JQ

Independent Auditor:
Clay Ratnage Strevens & Hills
Chartered Accountants & Statutory Auditors
Suite D, The Business Centre
Faringdon Avenue
Romford, Essex RM3 8EN

Solicitors:
Lovell Son and Pitfield
9 Gray`s Inn Square
Gray`s Inn
London WC1R 5JT

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THE METHODIST CHURCH IN TOWER HAMLETS

Trustees' Report for the year ended 31 August 2023

The Trustees present their report and the audited accounts of the charity for the year ended 31 August 2023. The Trustees have adopted the provisions of the Statement of Recommended Practice (SORP) "Accounting and Reporting by Charities" (FRS 102) in preparing the annual report and accounts of the charity.

The accounts have been prepared in accordance with the accounting policies set out in note 1 to the accounts and comply with the Circuit's governing document, the Charities Act 2011 and 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) (effective 1 January 2019).

Governance

The governing body of the Methodist Church is the Conference, which meets annually. The authority under which the Conference acts is given by the Methodist Church Act 1976.

We are governed by the Methodist Church's Constitutional Practice and Discipline and all Charity Law of the United Kingdom.

The church is governed by the Methodist Church Act 1976, the Deed of Union and the Model Trusts of the Methodist Church. The purposes of the Methodist Church are and shall be deemed to have been since the date of union the advancement of: (a) the Christian faith in accordance with the doctrinal standards and the discipline of the Methodist Church (b) any charitable purpose for the time being of any Connexional, district, circuit, local of other organisation of the Methodist Church (c) any charitable purpose for the time being of any society or institution or subsidiary or ancillary to the Methodist Church; (d) any purpose for the time being of any charity being a charity subsidiary or ancillary to the Methodist Church. In setting our objectives and planning our activities, the Circuit has given careful consideration to the Charity Commission's general guidance on public benefit and in particular to its supplementary public benefit guidance on advancing our objectives as set out above.

The Methodist Church in Tower Hamlets is part of the London District of the Methodist Church, and is a registered charity, number 1134888.

The Circuit is also registered for Gift Aid with H M Revenue & Customs under the reference XR16174.

Full Name of Charity: Methodist Church in Tower Hamlets

Registration Charity Number: 1134888

Date of Registration: 12 March 2010

Main Communication Address: Methodist Church in Tower Hamlets
Bow Road Methodist Church
1 Merchant Street
London E3 4LY

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Trustees' Report for the year ended 31 August 2023 (continued)

Trustees

The full list of Trustees who served during the year and up to date of signature of the accounts were as follows:
Trustees who joined during 2022/23 are shown with an asterix (*), those who left during the year with(**)

Mrs Glenda Adams	Dr Keith Aldred
Mr Joseph Amoah	Mr Jones Ankrah
Miss Susan Bothamley*	Ms Shirley Bristow**
Ms Verna Coke	Mrs Sheila de Winter
Mrs Harriet Graham-Mensah	Ms Cheryl Gurnham
Mrs Ivy Harber **	Rev David Hollingsworth *
Rev Jenny Impey	Mrs Dorrett Kirwan
Mrs Evelyn Louis	Ms Lily Odarty*
Ms Ella Sibley-Ryan*	Mr John Singleton
Deacon Terry Street**	Mr Doug Swanney
Miss Jean Thomas	Mrs Patience Yeboah
Revd Dr Jongikaya Zihle	Nana Abrafi

Method to recruit new Trustees

There are a number of *ex officio* trustees – a London District Chair, Presbyters, Deacons, Circuit Stewards, the secretary of the Local Preachers' Meeting together with the Treasurer and one Church Steward from each of the churches in the Circuit. These trustees will change when the post holders change. Additional members from each church are appointed by the relevant Church Council or General Church Meeting. A Secretary of the Circuit Meeting, who is a Lay Person, is appointed by the meeting.

Objective and purpose

The calling of the Methodist Church in Tower Hamlets is to respond to the gospel of God's love in Christ and to live out its discipleship in worship and mission. This is expressed through Worship, Learning and Caring, Evangelism and Service. The Circuit is committed to use its resources in a clearly focussed and intentional way to ensure an effective response to the needs of our congregations and wider community.

Activities

The mission of the Circuit is to worship God as it celebrates its diversity according to the teachings of Jesus Christ. Inspired by Jesus we will offer hope and build communities of love, through prayer, pastoral care and social ministry.

Organisational structure

The Circuit includes responsibility for the Methodist Churches at Bow Road, Bethnal Green, Poplar, and Whitechapel. The churches at Bow Road and Bethnal Green formally recognised that they were unable to fulfil their responsibilities as Managing Trustees with respect to finance and property and both congregations delegated these responsibilities to the Circuit meeting as set out under the Model Trust, section 16 (k) from 2014/15. Accordingly, these accounts include Bow Road and Bethnal Green Methodist Churches. Pastoral, worship and mission matters are discussed at General Church meetings, with at least two Church Meetings held during the year in Bethnal Green and Bow Road. Approval was given by the District for Old Ford Methodist Church to cease to meet for worship in 2022 but the building remains in use for mission.

Poplar Methodist Church has its own managing trustees but is excepted from registration as a charity by virtue of Statutory Instrument No 242 of 2014 and produces separate accounts. The Whitechapel Mission for the Homeless and Rootless of London is registered separately with the Charity Commission (227905).

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Organisational structure (continued)

In addition to the above, the Circuit ran two community and mission projects as Internal Organisations. The two projects are:

- The Zacchaeus Project to support those who have long term illness, the elderly and infirm and those who care for them in Tower Hamlets. Funding over and above the amounts raised as payments for the various activities of the project is now provided by Circuit investments Mr David Calvin who was appointed to the position of Advice and Guidance coordinator in August 2022.
- "Band for Life", providing a music workshop once a week at Bow Road Methodist Church for people who have experienced mental illness or are socially isolated. Activities were funded by Circuit investments which originated from the sale of properties in previous and the current year. Numbers attending the project continue to grow.

The management of these projects is undertaken by a project manager for each project, who provides a regular report to the Trustees. Each project is supported by a Steering Group which meets regularly to guide strategic direction and advise on any operational issues.

Circuit Ministers and officers

The Superintendent Minister and Chair of the Managing Trustees during 2022/23 was the Rev. Jenny Impey who had pastoral responsibility for Bow Road and Poplar churches, while Deacon Terry Street had responsibility for Bethnal Green church, and the Whitechapel Mission. During the year the Rev. David Hollingsworth began to exploring new methods of mission and discipleship out of the Old Ford church.

The Circuit benefits significantly from the voluntary ministry of two Supernumerary ministers, the Rev. David Hollingsworth and the Rev. Cameron Kirkwood.

The Circuit sought an additional diaconal appointment from 2023 to support and develop the work from Bethnal Green, including the Zacchaeus Project.

In 2022/2023 there were four Local Preachers in the Circuit, and one Local Preachers "on trial''. The preacher on trial was received onto full plan in October 2022 and an additional preacher transferred into the Circuit and so there are now 6 local preachers in the Circuit.

Pastoral Support within the Circuit

Pastoral support is provided by a team of pastoral visitors at Poplar and informally by members at other churches. The ministerial team also offer support.

Lay staff structure

The Circuit Administrative structure remains under review. Facilities and Property Management is currently being undertaken by the Superintendent Minister with support from existing staff and volunteers. The Circuit employs a part time Finance Manager and a part time Administrator.

Property

The Circuit continues to review its use of its properties. Following the change in direction on the major redevelopment of Bethnal Green, minor works are continued in 2022/2023 with a total budget of up to £500,000 set aside for this work.

The Circuit commenced significant work on the property at Bow Road to repair part of the roof and the concrete cladding and sills.

Safeguarding

The circuit has adopted the Safeguarding Policy of the Methodist Church and reviews this annually ensuring that appropriate DBS checks are undertaken, and volunteers and employees undergo appropriate training.

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Achievements and performance

During 2022/23 the Methodist Church in Tower Hamlets continued its ministry and service to the people of the Borough though the provision of worship and service opportunities in four congregations, the continued support of the homeless, elderly carers and people with mental health issues through the Whitechapel Mission, the Zacchaeus and Band for Life projects.

The Whitechapel Mission has continued to expand as it serves the homeless and marginalised since 1876 offering a day centre, skills training and career advice, activity programmes and specialist support for complex needs. By encouraging each person to address the issues which caused their homelessness, the mission helps them to gain the skills and confidence to make lasting changes in their lives.

The Zacchaeus Project proved once again in 2022/2023 that it has made a significant contribution to the lives of so many older people and carers who attend its various activities. There has been a significant rise in the numbers of people seeking advice and support in obtaining the grants and benefits they are entitled to.

The Band for Life Project, based at Bow Road, continues to develop and respond to the needs of those who attend. The group were able to resume public performances in Canary Wharf and The Space.

Poplar Methodist Church continued to meet in the Emory Hall of the Queen Victoria Seaman's Rest. The church initiated a coffee afternoon in the restaurant of the QVSR which is attended by church members and residents.

Bethnal Green congregation attracts a wide range of visitors, a number of whom have worshipped regularly for the time they were in the area.

Bow Road continues to meet weekly for worship and holds an online prayer meeting.

In response to increasing levels of food and fuel poverty and as a follow up to the Lent Study, "Life on the Breadline" under the leadership of the Rev. Cameron Kirkwood, the Circuit set up a Warm Space at Bethnal Green for the winter of 2022/2023 and this has proven to be a welcome addition to the projects of the Circuit, providing a space where people can keep warm, be provided with drinks and snacks, enjoy company or solitude, recharge phones and just relax. The Circuit received a grant of £1000 from the London District towards the project.

The circuit continued to improve its provision at Bethnal Green and the Zacchaeus Project by undertaking some refurbishment, including new tables and chairs for the café.

Investments

The Circuit's proceeds from property sales relating to the East End Mission are classed as City Centre funds and as a result are held by the London District (Trust 20520). An amount equivalent to the interest on this fund is given to the Circuit as a grant. The grant for 2022/2023 was £68,836. In addition, the Circuit withdrew funds from the Trust of £23,700 that were applied towards the Bethnal Green refurbishment. The balance held by Trust as at 31 August 2023 was £2,160,556 that includes £402,700 that has been designated for the Bethnal Green Methodist Church for premises work and £500,000 for diaconal ministry based at Bethnal Green.

The investment of surplus funds is operated via the Central Finance Board (CFB) of the Methodist Church. CFB aims to provide 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. The Restricted Fund which is mainly funds from sales of properties is managed by Trustees for Methodist Purposes (TMCP). These funds are also invested with CFB. The Trustees continue to utilise these funds for the furtherance of the Circuit's mission.

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Public Benefit

The Trustees have due regard to the guidance published by the Charities Commission in accordance with its duties under section 17 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.

Financial Review

Circuit ministry and mission is funded mainly through incoming rents from the Circuit properties and interest from investments as well as the offering receipts from the churches at Bethnal Green and Bow Road, and the assessment contributions from the Poplar church. .

The work of the social mission projects, including part of the ministerial costs, is dependent on the continued receipt of external grants, which continue to be supplemented from the interest from the City Centre Funds (held by the London District) and proceeds of sale of other sites.

The cost of running and maintaining the properties on a day-to-day basis is funded from the income generated from lettings and tenancies. Repairs and refurbishments are currently funded from the sale proceeds of other sites, however in general all are in good condition.

The Circuit recognises that it is drawing heavily on its reserves and is monitoring this situation and reviewing its work.

The value of the Circuit funds as at 31 August 2023 was £7,136,940 which is an increase of £92,739 from the previous year. This large increase is due to the gain on revaluation of property. The gain was £235,000.

Trustees' interests

The Ministers who are Trustees of the Circuit and stationed to the Circuit by the Methodist Church in Britain are Office Holders and are paid a stipend and are provided with a manse for the Ministers and their families to live in. Council Tax is paid by the Circuit and also an official telephone line with broadband facilities to enable them to carry out their service as Ministers. These arrangements are practiced throughout the Connexion who stipulate their terms of service.

One Trustee, Dorrett Kirwan was an employee of the Circuit in 2022/2023. However, their appointment as a Trustee is unconnected to the employment by the Circuit and they receive no remuneration for their service as a Trustee. Any conflict of interest is declared at the commencement of each meeting.

Risk Management

The Circuit is reviewing its risk policies and is producing a Risk Register highlighting the various risks facing the Circuit, the impact and the likelihood of them happening. The main headings under which these risks have been categorised are:

- Trustees' Responsibilities
- Membership and Mission
- Resources, People and Property
- Financial
- Legal

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Reserves Policy

Trustees' Report for the year ended 31 August 2023 (continued)

The primary use of the Circuit fund is to support the ordained ministers, lay employees and congregations of the churches in their calling to worship, learning and caring, service and evangelism and to support of the wider community in the Borough of Tower Hamlets, through projects.

The unrestricted funds of £7,121,316 include properties in use for the purpose of the Circuit and other investments that generate income upon which the Circuit is reliant upon to sustain its core activities.

Recognising the significance of the mission of the churches and projects of the Methodist Church in Tower Hamlets and the care that would be needed in ensuring alternative provision if they needed to be wound down, the reserves policy of the Methodist Church in Tower Hamlets is to maintain a reserve of 6 months ordinary expenditure plus the underwriting of the Whitechapel mission to the tune of £50,000 and accrued redundancy costs for Circuit staff (Adopted by the Circuit Meeting June 2022).

Commitments

All known commitments are included in the accounts.

Plans for the future

It is the intention to continue to keep under review the existing activities of the local Churches and Circuit to ensure they continue to serve their purpose in the current context. In addition, the Circuit will continue to assess the needs of the local community and, where relevant, consider the deployment of resources in extending the services currently provided to support the congregations in their mission and to the broader community. Where possible, the Circuit will apply for grants in order to develop those initiative and ensure their sustainability into the future.

The appointment of a Deacon has been agreed for Bethnal Green and the Circuit is looking forward to the focus that will bring to work with the local community.

The circuit intends to continue to maintain its buildings and in particular to install double glazing at Bethnal Green to increase energy efficiency and to undertake necessary work on the roof and window cills at Bow Road and work identified in the quinquennial reports on its properties. It will review its provision of manses for the ministers who are appointed to the circuit.

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.

Auditors

The auditors, Clay Ratnage Strevens & Hills, were newly appointed at the Trustee's meeting in September 2023.

This report has been prepared by the Trustees with support of Circuit Staff, the Ministers and Circuit Stewards. They can be contacted at Bow Road Methodist Church, 1 Merchant Street, London, E3 4LY.

Approved by the Trustees on the 11th April 2024 and signed on their behalf by:

Rev Jennifer Impey

Revd Jenny Impey
Circuit Superintendent Minister

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Statement of Trustees' responsibilities for the year ended 31 August 2023

The Trustees are responsible for preparing the Trustees' Report and the accounts in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

The law applicable to charities in England and Wales requires the Trustees to prepare accounts for each financial year, which give a true and fair view of the state of affairs of the Circuit and of the incoming resources and application of resources of the Circuit for that year.

In preparing these accounts, the Trustees are required to:

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in the Charities SORP 2019 (FRS 102);
- 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 accounts, and
- prepare the accounts on the going concern basis unless it is inappropriate to presume that the Charity will continue in operation.

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 Standing Orders of the Methodist Church, the Charities Act 2011, the Charity (Accounts and Reports) Regulations 2008 and other relevant regulations. They are also responsible for safeguarding the assets of the charity and hence for taking reasonable steps for the prevention and detection of frauds and other irregularities.

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Independent Auditor's Report to the Trustees of The Methodist Church in Tower Hamlets

Opinion

We have audited the accounts of The Methodist Church in Tower Hamlets (the 'Charity') for the year ended 31 August 2023, which comprise the Statement of Financial Activities, the Balance Sheet and the notes to the accounts, 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 its 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 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 accounts section of our report. We are independent of the Charity in accordance with the ethical requirements that are relevant to our audit of the accounts 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 accounts, we have concluded that the Trustees' use of the going concern basis of accounting in the preparation of the accounts 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 and described in the relevant sections of this report.

Other information

The other information comprises the information included in the trustees' annual report, 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 accounts or our knowledge obtained in the audit, or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether this give rise to a material misstatement in the accounts 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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Independent Auditor's Report to the Trustees of The Methodist Church in Tower Hamlets (continued)

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 Reports) 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 accounts; or
- sufficient accounting records have not been kept; or
- the accounts 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 statement of Trustees 'responsibilities set out on page 10, the Trustees are responsible for the preparation of the accounts 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 accounts that are free from material misstatement, whether due to fraud or error.

In preparing the accounts, 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 accounts

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 accounts 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 accounts.

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

Extent to which the audit was considered capable of detecting irregularities, including fraud

Our approach was as follows:

- 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.

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- 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

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 accounts is located on the Financial Reporting Council's website at: http://www.frc.org.uk/auditorsresponsibilities. This description forms part of our auditor's report.

Clay Ratnage Strevens & Hills

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

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

24/4/2024

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THE METHODIST CHURCH IN TOWER HAMLETS

Statement of Financial Activities for the year ended 31 August 2023

	Notes	Unrestricted Funds £	Restricted Funds £	2023 Total £	2022 Total £
Income and Endowments from:					
Circuit assessment	**3**	5,500	-	**5,500**	5,000
Offerings	**4**	10,725	-	**10,725**	6,867
Grants and donations received	**5**	69,466	24,700	**94,166**	112,670
Investment income and interest	**6**	77,902	67	**77,969**	26,860
Rental income	**7**	144,490	-	**144,490**	135,543
Other income	**8**	78,163	169	**78,332**	73,974
Internal organisations	**10**	-	24,141	**24,141**	13,968
Total income		**386,246**	**49,077**	**435,323**	374,882
Expenditure on:					
Charitable activities					
Stipends and staff costs:					
Ministry	**9**	211,764	-	**211,764**	285,664
Internal organisations	**10**	-	104,726	**104,726**	67,832
District assessment		21,916	-	**21,916**	17,624
Telephone, travel & administration		10,107	-	**10,107**	11,323
Property Maintenance	**11**	56,675	23,700	**80,375**	130,143
Expenditure on other Circuit properties	**12**	2,206	-	**2,206**	1,884
District advance fund		54,874	-	**54,874**	25,210
Other expenditure	**13**	47,118	542	**47,660**	124,247
Internal organisations	**10**	-	41,800	**41,800**	33,485
Grants and donations	**14**	-	-	**-**	920
Total expenditure		**404,660**	**170,768**	**575,428**	698,332
Gains on revaluation of fixed assets		235,000	-	**235,000**	-
Net (losses)/gains on investments		(2,156)	-	**(2,156)**	(73,650)
Net expenditure before transfers		**214,430**	**(121,691)**	**92,739**	(397,100)
Transfers between funds		(91,654)	91,654	**-**	-
Net movement in funds		**122,776**	**(30,037)**	**92,739**	(397,100)
Funds balances at 1 September 2022 (Restated)		6,998,540	45,661	**7,044,201**	7,441,301
Funds balances at 31 August 2023		**7,121,316**	**15,624**	**7,136,940**	**7,044,201**

The notes on pages 17 to 29 form an integral part of these accounts.

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THE METHODIST CHURCH IN TOWER HAMLETS

Statement of Financial Activities for the year ended 31 August 2023

Comparative year information Year ended 31 August 2022	Notes	Unrestricted Funds £	Restricted Funds £	2022 Total £
Income and Endowments from:				
Circuit assessment	**3**	5,000	-	**5,000**
Offerings	**4**	6,867	-	**6,867**
Grants and donations received	**5**	36,370	76,300	**112,670**
Investment income and interest	**6**	26,852	8	**26,860**
Rental income	**7**	135,543	-	**135,543**
Other income	**8**	73,974	-	**73,974**
Internal organisations	**10**	-	13,968	**13,968**
Total income		**284,606**	**90,276**	**374,882**
Expenditure on:				
Charitable activities				
Stipends and staff costs:				
Ministry	**9**	285,664	-	**285,664**
Internal organisations	**10**	-	67,832	**67,832**
District assessment		17,624	-	**17,624**
Telephone, travel & administration		11,323	-	**11,323**
Insurance, utilities and Rent		25,947	-	**25,947**
Maintenance on manses	**11**	9,520	-	**9,520**
Expenditure on other Circuit properties	**12**	1,884	-	**1,884**
District advance fund		25,210	-	**25,210**
Other expenditure	**13**	142,623	76,300	**218,923**
Internal organisations	**10**	-	33,485	**33,485**
Grants and donations	**14**	920	-	**920**
Total expenditure		**520,715**	**177,617**	**698,332**
Net gains on investments		(73,650)	-	**(73,650)**
Net expenditure before transfers		**(309,759)**	**(87,341)**	**(397,100)**
Transfers between funds		(93,001)	93,001	**-**
Net movement in funds		**(402,760)**	**5,660**	**(397,100)**
Funds balances at 1 September 2021		6,901,300	40,001	**6,941,301**
Prior year adjustments Old Ford MC revaluation		500,000	-	**500,000**
Funds balances at 31 August 2022 (Restated)		**6,998,540**	**45,661**	**7,044,201**

The notes on pages 17 to 29 form an integral part of these accounts.

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THE METHODIST CHURCH IN TOWER HAMLETS

Balance Sheet as at 31 August 2023

	Notes	Unrestricted Funds £	Restricted Funds £	2023 Total £	Restated 2022 Total £
Fixed Assets					
Tangible assets	**16**	3,858,631	250	**3,858,881**	3,903,015
Investment properties	**17**	1,960,383	-	**1,960,383**	1,685,471
Investments	**18**	427,770	-	**427,770**	452,519
		6,246,784	250	**6,247,034**	6,041,005
Current Assets					
Debtors	**20**	120,750	1,332	**122,082**	641,338
T.M.C.P. Interest funds		469,331	-	**469,331**	58,993
Central Finance Board Deposits		302,153	49,666	**351,819**	294,860
Cash at bank and in hand		68,902	3,623	**72,525**	110,323
		961,136	54,621	**1,015,757**	1,105,514
Creditors: amounts falling due within one year	**21**	(83,964)	(39,247)	**(123,211)**	(96,312)
Net Current Assets		877,172	15,374	**892,546**	1,009,202
Total assets less current liabilities		7,123,956	15,624	**7,139,580**	7,050,207
Creditors: Amounts falling due after more than one year	**22**	(2,640)	-	**(2,640)**	(6,006)
Net Assets		**7,121,316**	**15,624**	**7,136,940**	7,044,201
Accumulated funds					
Unrestricted funds		6,666,316	-	**6,666,316**	6,778,540
Restricted funds	**24**	-	15,624	**15,624**	45,661
Revaluation reserve		455,000	-	**455,000**	220,000
Total Funds	**25**	**7,121,316**	**15,624**	**7,136,940**	7,044,201

The accounts were approved by the Trustees on 11th April 2024 and signed on their behalf by:

Rev Jennifer Impey

Revd Jenny Impey
Circuit Superintendent Minister

Mr Doug Godfrey-Swanney
Circuit Treasurer

The notes on pages 17 to 29 form an integral part of these accounts.

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Notes to the accounts for the year ended 31 August 2023

1. Accounting policies

a) Circuit information

The Methodist Church in Tower Hamlets is an unincorporated Charity in England and Wales. The principal correspondence address is given on page 3 of these accounts. The nature of the Circuit's operations and principal activities are set out in the Trustees' Report.

b) Accounting convention

The accounts have been prepared in accordance with the Charities Act 2011 and '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) (effective 1 January 2019). The Circuit is a Public Benefit Entity as defined by FRS 102.

The Circuit has taken advantage of the provisions in the SORP for charities not to prepare a Statement of Cash Flows.

The accounts 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 the Statement of Recommended Practice for charities applying FRS 102 rather than the version of the Statement of Recommended Practice which is referred to in the Regulations but which has since been withdrawn.

The accounts are prepared in sterling, which is the functional currency of the Circuit. Monetary amounts in these accounts are rounded to the nearest pound.

The accounts have been prepared under the historical cost convention, modified to include the revaluation of investment properties and certain financial instruments at fair value. The principal accounting policies are set out below.

c) Going concern

At the time of approving the accounts, the Trustees have a reasonable expectation that the Circuit has adequate resources to continue in operational existence for the foreseeable future. Thus, the Trustees continue to adopt the going concern basis of accounting in preparing the accounts.

d) Funds

Unrestricted funds

Unrestricted funds are held for use at the discretion of the Trustees in furtherance of the general objectives of the Charity.

Restricted funds

Restricted funds are funds which are to be used in accordance with specific restrictions imposed by donors and grantors. The aim and use of the major restricted funds are set out in the notes to the accounts.

e) Incoming resources

Church assessment

The church assessment is accounted for on a receivable basis.

Church offerings

Church offerings are accounted for on a receipts basis.

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1. Accounting policies (continued)

Benevolence
Benevolence funds have been historically contributed by the four churches from their general funds and are accounted for on a receipts basis in accordance with Standing Order 527 of the Constitution of the Methodist Church.

Grants and donations received
Grants from third parties are included when the relevant conditions for the grant have been met.

Voluntary income comprises donations and contributions and is accounted for when entitlement has been confirmed, the amount can be measured and receipt is probable.

Rental income
Rental income from investment properties is accounted for on a receivable basis.

Other income
Other income is accounted for on a receivable basis.

Internal Organisations
Internal organisations comprise two projects of the Methodist Church in Tower Hamlets Circuit. The income is either derived from voluntary income, grants and donations by way of charitable activities.

Investment income and interest
Interest on deposits and investments is accounted on a receivable basis.

f) Expenditure recognition

All expenditure is accounted for on an accruals basis when an obligation that can be measured or reliably estimated exists at the reporting date.

Grants awarded are provided in the Statement of Financial Activities in the year in which they are approved by Trustees and the offer is communicated to the recipient. Grants awarded but not paid are recorded as a liability within the Balance Sheet. Grants awarded subject to conditions being met by the recipient before payments are made are not accrued until such conditions have been met. Such commitments are disclosed in the accounts as contingent liabilities.

g) Tangible fixed assets

Properties are stated at cost or in the case of donated assets at valuation at the date that the assets are gifted to the Circuit. The Trustees consider that the lives of the properties are so long and their residual values so high based on prices prevailing at the time of acquisition that any annual depreciation charge would not be material. Accordingly, no depreciation is provided on freehold properties used for charitable activities. Any material impairment in the value of such properties, following an annual review, would be chargeable to the Statement of Financial Activities.

Assets having an initial cost of £1,000 or less are written off on acquisition. Fixtures and fittings, office and computer equipment having an initial cost greater than £1,000 are capitalised and are stated at cost less depreciation. Depreciation rates calculated to write off the cost less estimated residual value of each asset over its expected useful life are as follows:

- Fixtures, fittings and equipment: 10% - 20% on a straight line basis
- Office equipment: 20% on a straight line basis

The gain or loss arising on the disposal of an asset is determined as the difference between the sale proceeds and the carrying value of the asset, and is recognised in the Statement of Financial Activities for the year.

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1. Accounting policies (continued)

h) Investment properties

Investment properties, which are properties held to earn rentals and/or for capital appreciation, are initially measured at cost and subsequently stated at the Trustees' estimates of the fair valuation at the year-end, based on an index of property prices in the relevant areas. Any surplus or deficit on revaluation is recognised in the Statement of Financial Activities.

i) Non-current investments

Fixed assets investments, which are held in units in the Trustees Methodist for Church Purposes (TMCP), are stated at the Board's published valuations at the year-end. Realised and unrealised gains and losses on investments are recognised in the Statement of Financial Activities.

j) Impairment of non-current investments

At each reporting end date, the Circuit reviews the carrying amounts of its tangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss and any impairments are recognised in the Statements of Financial Activities.

k) Cash and cash equivalents

Cash and cash equivalents include cash in hand, deposits held at call with banks, other short-term liquid investments with original maturities of three months or less.

l) Financial instruments

The Circuit has elected to apply the provisions of Section 11 'Basic Financial Instruments' of FRS 102 to all of its financial instruments.

Financial instruments are recognised in the Circuit's balance sheet when the Circuit becomes party to the contractual provisions of the instrument.

Financial assets and liabilities are offset, with the net amounts presented in the accounts, when there is a legally enforceable right to set off the recognised amounts and there is an intention to settle on a net basis or to realise the asset and settle the liability simultaneously.

Basic financial assets

Basic financial assets, which include other debtors and cash and bank balances, are initially measured at transaction price including transaction costs and are subsequently carried at amortised cost using the effective interest method unless the arrangement constitutes a financing transaction, where the transaction is measured at the present value of the future receipts discounted at a market rate of interest. Financial assets classified as receivable within one year are not amortised.

Basic financial liabilities

Basic financial liabilities, including other payables 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. Financial liabilities classified as payable within one year are not amortised.

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Notes to the accounts for the year ended 31 August 2023 (continued)

1. Accounting policies (continued)

m) Employee benefits

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

Termination benefits are recognised immediately as an expense when the Circuit is demonstrably committed to terminate the employment of an employee or to provide termination benefits.

n) Retirement benefits

Stipendiary Circuit Ministers are eligible to join the Methodist Ministers' Pension Scheme (MMPS). The MMPS is a funded defined benefit scheme maintained by The Methodist Church of Great Britain. As the Circuit is unable to identify its share of the underlying assets and liabilities of the scheme, the Circuit has taken the advantage of the exemption in Financial Reporting Standard 102, Retirement Benefits, and has accounted for its contributions to the scheme as if it were a defined contribution scheme. The pension costs for the scheme represent the contribution payable by the Circuit in the year. The contribution rates are set each year by the Methodist Conference.

Access to a stakeholder pension scheme is provided to all eligible lay employees and the Circuit contributes an amount equal to 6% of the employee's gross salary into this scheme.

All employees who were already in pension schemes and new employees who qualify for auto enrolment are enrolled into new pension schemes (The Pension Trust and NEST).

o) Ministers' manse costs

The Circuit is required to provide accommodation for each minister and their families, and Ministers are expected to occupy them. The Circuit bears the cost of repairs and maintenance, premises insurance, council tax and water charges. These are not regarded as taxable benefits in kind by HM Revenue & Customs.

p) Leases

Leases are classified as finance leases whenever the terms of the lease transfer substantially all the risks and rewards of ownership to the lessees. All other leases are classified as operating leases.

Assets held under finance leases are recognised as assets at the lower of the assets fair value at the date of inception and the present value of the minimum lease payments. The related liability is included in the balance sheet as a finance lease obligation. Lease payments are treated as consisting of capital and interest elements. The interest is charged to the Statement of Financial Activities for the year so as to produce a constant periodic rate of interest on the remaining balance of the liability.

2. Critical accounting estimates and judgements

In the application of the Circuit's accounting policies, the Trustees are required to make judgements, estimates and assumptions about the carrying amount of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical 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.

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3. Circuit assessment

	Unrestricted Funds	Restricted Funds	2023 Total	2022 Total
	£	£	£	£
Poplar Methodist Church	**5,500**	**-**	**5,500**	5,000
	5,500	**-**	**5,500**	5,000

4. Offerings

	Unrestricted Funds	Restricted Funds	2023 Total	2022 Total
	£	£	£	£
Bethnal Green Methodist Church	**2,966**	**-**	**2,966**	1,655
Bow Road Methodist Church	**7,759**	**-**	**7,759**	5,212
	10,725	**-**	**10,725**	6,867

5. Grants and Donations received

	Unrestricted Funds	Restricted Funds	2023 Total	2022 Total
	£	£	£	£
London District	68,836	24,700	**93,536**	111,760
Others	630	-	**630**	910
	69,466	**24,700**	**94,166**	112,670

6. Investment income and interest

	Unrestricted Funds	Restricted Funds	2023 Total	2022 Total
	£	£	£	£
TMCP Investment holdings:				
Dividends	15,401	-	**15,401**	21,749
Interest	11,023	-	**11,023**	405
Central Finance Board deposit interest	8,022	67	**8,089**	529
Loan interest	43,456	-	**43,456**	4,177
	77,902	**67**	**77,969**	26,860

7. Rental income

	Unrestricted Funds	Restricted Funds	2023 Total	2022 Total
	£	£	£	£
Income from investment properties held	**144,490**	**-**	**144,490**	135,543

8. Other income

	Unrestricted Funds	Restricted Funds	2023 Total	2022 Total
	£	£	£	£
Management fees	**6,520**	-	**6,520**	36,171
Gain on disposal of tangible assets	**2**	-	**2**	23
Gift Aid received	**3,128**	-	**3,128**	1,717
Insurance claim	**2,860**	-	**2,860**	1,032
Bow Road MC properties hall letting income	**28,704**	-	**28,704**	20,016
Bethnal Green MC properties hall letting income	**30,418**	-	**30,418**	8,805
Old Ford MC properties hall letting income	**5,936**	-	**5,936**	5,924
Other income	**595**	169	**764**	286
	78,163	**169**	**78,332**	73,974

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Notes to the accounts for the year ended 31 August 2023 (continued)

9. Stipends and staff costs

	Unrestricted Funds £	Restricted Funds £	2023 Total £	2022 Total £
Ministry				
Stipends	57,270	-	**57,270**	55,496
Salaries	120,892	-	**120,892**	193,269
Employer's National Insurance	12,944	-	**12,944**	13,709
Pension Costs	20,658	-	**20,658**	23,190
	211,764	**-**	**211,764**	285,664
Internal Organisations				
Salaries	-	92,428	**92,428**	61,168
Employer's National Insurance	-	6,752	**6,752**	2,994
Pension Costs	-	5,546	**5,546**	3,670
	-	**104,726**	**104,726**	67,832

The average monthly number of staff employed during the year was 9 (2022: 12).
There were no employees whose annual emoluments were £60,000 or more.

9a. Trustees' emoluments

One or more Trustees have been paid remuneration or have received other benefits from their employment of Office Holding with the Circuit. Trustees only receive remuneration in respect of services they provide undertaking their employment roles under their contracts of employment and not in respect of their services as Trustees.

	2023 £	2022 £
Rev Jenny Impey	**37,281**	36,193
Deacon Terry Street	**31,500**	33,058
Deacon Theresa Sam	**3,071**	-
Mr John Singleton	**-**	8,268
Mrs Dorrett Reid Kirwan	**12,336**	11,882
Mr Andrew Brown	**-**	2,805
Mrs Debbie Brady	**-**	43,423
Ms Laverne John	**-**	28,757
	84,188	164,386

9b. Key Management Personnel

The key management personnel of the Circuit comprise of the Trustees and the circuit leadership team as listed on page 3. The total amount of the employee benefits (including employer pension contributions received by the key management personnel for their services to the Circuit was £90,022 (2022: £98,123).

9c. Pension costs

The total pension cost for the Circuit for the year ended 31 August 2023 was £26,204 (2022: £26,860).
There were no outstanding or prepaid pension contributions at 31 August 2023 (2022: £620).

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10. Internal Organisation

The Tower Hamlets Circuit incorporates two social and community projects, Band for Life and Zacchaeus. The income and expenditure for these projects was as follows:

	Zacchaeus Project	Band for Life Project	Total Restricted Funds
	£	£	£
Income and Endowments from:			
Donations received	4,030	658	**4,688**
Grant received*	4,097	-	**4,097**
Activities for generating funds	1,629	-	**1,629**
Charitable activities	10,887	-	**10,887**
Other incoming resources	2,798	42	**2,840**
Total	**23,441**	**700**	**24,141**
Expenditure on:			
Charitable activities	26,798	14,072	**40,870**
Support and staff costs	105,596	60	**105,656**
Total	**132,394**	**14,132**	**146,526**
Net expenditure before transfers	(108,953)	(13,432)	**(122,385)**
Transfers from unrestricted funds	80,654	11,000	**91,654**
Net movement in funds	(28,299)	(2,432)	**(30,731)**
Funds balances at 1 September 2022	36,700	7,037	**43,737**
Funds balances at 31 August 2023	**8,401**	**4,605**	**13,006**

* Notable grants received in previous years from The National Lottery Community Fund amounting to £43,562, out of which £36,553 deferred out included within creditors at year end.

11. Property maintenance

	Unrestricted Funds	Restricted Funds	2023 Total	2022 Total
	£	£	£	£
Building repairs and maintenance	22,294	23,700	**45,994**	90,841
Fire and security systems	3,838	-	**3,838**	5,207
Insurance	13,625	-	**13,625**	12,377
Council tax	4,469	-	**4,469**	-
Utilities	12,449	-	**12,449**	21,718
	56,675	**23,700**	**80,375**	130,143

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12. Expenditure on other Circuit properties

	Unrestricted Funds	Restricted Funds	2023 Total	2022 Total
	£	£	£	£
Building repairs and maintenance	969	-	**969**	665
Insurance	1,237	-	**1,237**	1,164
Professional fees	-	-	**-**	55
	2,206	**-**	**2,206**	1,884

13. Other expenditure

	Unrestricted Funds	Restricted Funds	2023 Total	2022 Total
	£	£	£	£
Depreciation	4,134	-	**4,134**	4,134
Finance costs	859	-	**859**	1,388
General and other ad hoc expenses	9,468	542	**10,010**	15,137
Bad debts written off	-	-	**-**	16,104
Ministry costs	2,119	-	**2,119**	5,379
Professional fees	29,483	-	**29,483**	81,077
Staff welfare and training	1,055	-	**1,055**	1,028
	47,118	**542**	**47,660**	124,247

14. Grants and donations

	Unrestricted Funds	Restricted Funds	2023 Total	2022 Total
	£	£	£	£
Donations	-	-	**-**	920
	-	**-**	**-**	920

15. Auditors' remuneration

	2023	2022
	£	£
Fees payable to the Circuit's auditors for audit of the annual accounts	**5,100**	6,600

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16. Tangible assets

	Freehold Land & Buildings	Fixtures Fittings & Equipment	Office Equipment	Total
Cost or valuation	**£**	**£**	**£**	**£**
At 1 September 2022	3,890,717	29,847	14,180	3,934,744
Transfer to investment properties (Freehold land)	(40,000)	-	-	(40,000)
and at 31 August 2023	3,850,717	29,847	14,180	3,894,744
Depreciation				
At 1 September 2022	-	23,221	8,508	31,729
Charge for year	-	1,298	2,836	4,134
At 31 August 2023	**-**	**24,519**	**11,344**	**35,863**
Carrying Amount				
At 31 August 2023	**3,850,717**	**5,328**	**2,836**	**3,858,881**
At 31 August 2022	3,890,717	6,626	5,672	3,903,015

The carrying amount of freehold land and building comprises of:

	2023	2022
	£	**£**
Freehold land	**-**	40,000
Manses	**1,290,069**	1,290,069
Church buildings	**2,560,648**	2,560,648
	3,850,717	3,890,717

The net book value of office equipment includes £2,836 (2022: £5,672) in respect of assets held under finance leases. The depreciation charged in respect of such assets amounted to £2,836 (2022: £2,836) for the year.

17. Investment properties

	2023	2022
	£	**£**
Market value at 1 September 2022	1,685,471	1,185,538
Prior year adjustments Old Ford MC revaluation	-	500,000
Transfer from tangible assets (Freehold land)	40,000	-
Revaluation of Investment Properties	235,000	-
Disposals	(88)	(67)
Market value at 31 August 2023	**1,960,383**	1,685,471

The valuations of investment properties are stated at the Trustees' estimates of the fair valuation at the year-end, based on an index of property prices in the relevant areas.

A prior year adjustment has been made to include the valuation of the leasehold of Old Ford MC, which was transferred to Tower Hamlets. The lease term is for 999 years from 10th September 2015.

The Trustees consider that these valuations are reasonable at 31 August 2023.

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18. Investments

	2023	2022
	£	£
Valuation at 1 September 2022	452,519	914,168
Disposals	(22,593)	(387,999)
Valuation changes	(2,156)	(73,650)
Valuation at 31 August 2023	**427,770**	452,519
Investments held by Central Finance board		
At 31 August 2023	**427,770**	452,519

19. Financial Instruments

	2023	2022
	£	£
Carrying amount of financial assets		
Debit instruments measured at amortised cost	**548,748**	1,092,753
Carrying amount of financial liabilities		
Measered at amortised cost	**84,015**	54,637

20. Debtors

	Unrestricted Funds	Restricted Funds	2023 Total	2022 Total
	£	£	£	£
Prepayments and accrued income	64,632	1,332	**65,964**	66,347
Other debtors	56,118	-	**56,118**	574,991
	120,750	**1,332**	**122,082**	641,338

Included in Other Debtors is £56,118 owed from Newham Circuit which is being paid over 48 monthly payments from August 2023. Accrued income includes £58,882 owed from Newham Circuit, which will be paid in one lump sum once the Forest Gate Development gets underway. Interest will be payable on the outstanding balance from 1st September 2023.

21. Creditors: amounts falling due within one year

	Notes	Unrestricted Funds	Restricted Funds	2023 Total	2022 Total
		£	£	£	£
Obligations under finance leases		3,366	-	**3,366**	2,837
Other taxation and social security		5,283	-	**5,283**	7,031
Deferred income	**23**	-	36,553	**36,553**	40,650
Accruals		62,310	2,694	**65,004**	32,008
Other creditors		13,005	-	**13,005**	13,786
		83,964	**39,247**	**123,211**	96,312

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22. Creditors: amounts falling due after more than one year

	Unrestricted Funds	Restricted Funds	2023 Total	2022 Total
	£	£	£	£
Obligations under finance leases	2,640	-	**2,640**	6,006

	2023	2022
Net obligations under finance lease and hire purchase contracts:	£	£
Repayable within one year	**3,696**	3,696
Repayable between one and five years	**5,147**	7,455
	8,843	11,151
Finance charges and interest allocated to future accounting periods	**(2,837)**	(2,308)
	6,006	8,843
Included in liabilities falling due within one year	**(3,366)**	(2,837)
	2,640	6,006

23. Deferred Income

	Unrestricted Funds	Restricted Funds	2023 Total	2022 Total
	£	£	£	£
Other deferred income	-	36,553	**36,553**	40,650

Deferred income is included in the accounts as follows:

	Unrestricted Funds	Restricted Funds	2023 Total	2022 Total
	£	£	£	£
Deferred income is included within:				
Current liabilities	-	36,553	**36553**	40,650
Movements in the year:				
Deferred income at 1 September 2022	-	40,650	**40,650**	40,650
Movements in the year	-	(4,097)	**(4,097)**	-
Deferred income at 31 August 2023	-	36,553	**36,553**	40,650

Deferred income relates to grant received from The National Lottery Community Fund in advance of the year end for Zacchaeus project for the forthcoming year.

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Notes to the accounts for the year ended 31 August 2023 (continued)

24. Restricted funds

	Balance as at 01.09.22 £	Incoming £	Outgoing £	Transfers between funds £	Balance as at 31.08.23 £
Funds					
i. Internal organisations	43,737	24,141	(146,526)	91,654	**13,006**
ii. Bow Road Methodist Church Organ Fund	1,924	67	-	-	**1,991**
iii. Bethnal Green Refurbishment Fund	-	23,700	(23,700)	-	**-**
iv. Warm space fund	-	1,169	(542)	-	**627**
	45,661	**49,077**	**(170,768)**	**91,654**	**15,624**

i. Internal Organisations. This fund incorporates the two projects of the Tower Hamlets Circuit; Band for Life and Zacchaeus.

ii. Bow Road Methodist Church Organ Fund. This fund was set up for the purposes of buying a church organ.

ii. Bethnal Green Refurbishment Fund. This fund was set up for the refubishment of the Bethnal Green property.

iv. Warm spaces fund. The fund for supporting communities through rising costs in winter, by bringing people together into warm spaces.

25. Analysis of net assets between funds

Fund balances at 31 August 2023 are represented by:	Unrestricted Funds £	Restricted Funds £	2023 Total £
Tangible fixed assets	3,858,631	250	**3,858,881**
Investments	2,388,153	-	**2,388,153**
Net current assets	877,172	15,374	**892,546**
Long term liabilities	(2,640)	-	**(2,640)**
	7,121,316	**15,624**	**7,136,940**

26. Contingent Liabilities

As at 31 August 2023, the Circuit had agreed to provide any required support and financial assistance to the Whitechapel Mission to enable it to meet its financial obligations up to £50,000.

27. Related party transactions

The Circuit is part of The London District and is also accountable to the Methodist Conference, the ultimate controlling body. Related parties also include Ministers, other Circuit and Churches, Central Finance Board of the Methodist Church and The Trustees for Methodist Church Purposes ("TMCP").

Details of the transactions occurring during the year were as follows:

The London District of the Methodist Church ("TLDMC")

During the year, the Circuit received grants of £93,536 (2022: 111,760) from TLDMC.
The Circuit also paid assessment of £21,916 to TLDMC.

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Notes to the accounts for the year ended 31 August 2023 (continued)

Newham Methodist Circuit ("NMC")

As at 31 August 2023, NMC owed an amount of £56,118 (2022: £19,289) to the Circuit. The amount is interest free and repayable on demand. NMC also owed an amount of £58,882 (2022: £58,882) for services provided by a Circuit member of staff.

During the year, the Circuit received management and administration fees of £760 (2022: £785) from East Ham Congregational and Methodist church for services provided by the Circuit's members of staff.

Hackney and Stoke Newington Methodist Circuit ("HNMC")

During the year, the Circuit received management and administration fees of £5,761 (2022: £6,420) from HNMC for services provided by the Circuit's members of staff.

Enfield Circuit Methodist Church("EMC")

During the year, a loan owed to the Circuit by EMC amounting to £500,000 including the interest of £8,500 was repaid in full.

Romford Circuit Methodist Church("RMC")

During the year, a loan owed to the Circuit by RMC amounting to £52,500 including the interest of £461 was repaid in full.

Poplar Methodist church("PMC")

During the year, the Circuit received assessment of £5,500 (2022: 5,000) from PMC.

METHODIST CHURCH IN TOWER HAMLETS

England & Wales - Charity number 1134888

Accounts

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2022

The Methodist Church – Tower Hamlets Circuit

(London District – Circuit No 35/09)

Charity Registration Number 1134888

Accounts for the year ended 31 August 2022

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THE METHODIST CHURCH IN TOWER HAMLETS

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THE METHODIST CHURCH IN TOWER HAMLETS

Reference and Administrative Details

Names and addresses

The address of the registered office for the Tower Hamlets Circuit for the purposes of the Methodist Church Act 1976 and any other legislation is:

The Methodist Church in Tower Hamlets
Bow Road Methodist Church
1 Merchant Street
London E3 4LY
Tel: 020 8880 7301
Web: www.mcth.org.uk

Circuit Office:
Circuit Office
1 Merchant Street
London E3 4LY
Tel: 020 8880 7301

Custodian Trustees:
Trustees for Methodist Church Purposes
Central Buildings
Oldham Street
Manchester M1 1JQ

Circuit Leadership Team:
Rev. Jenny Impey
Deacon Terry Street
Mrs Harriet Graham-Mensah
Ms Verna Coke
Mr Jones Ankrah
Rev. David Hollingsworth (from 1 September 2023)

Investment Managers:
Central Finance Board of the Methodist Church
9 Bonhill Street
London EC2A 4PE

Trustees for the Methodist Connexional Funds (registered)
9 Bonhill Street
London EC2A 4PE

Bankers:
CAF Bank
25 Kings Hill Avenue
Kings Hill
West Malling
Kent ME19 4JQ

Independent Auditor:
Citroen Wells
Chartered Accountants & Statutory Auditors
Devonshire House
1 Devonshire Street
London W1W 5DR

Solicitors:
Lovell Son and Pitfield
9 Gray`s Inn Square
Gray`s Inn
London WC1R 5JT

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THE METHODIST CHURCH IN TOWER HAMLETS

Trustees' Report for the year ended 31 August 2022

The Trustees present their report and the audited accounts of the charity for the year ended 31 August 2022. The Trustees have adopted the provisions of the Statement of Recommended Practice (SORP) "Accounting and Reporting by Charities" (FRS 102) in preparing the annual report and accounts of the charity.

The accounts have been prepared in accordance with the accounting policies set out in note 1 to the accounts and comply with the Circuit's governing document, the Charities Act 2011 and 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) (effective 1 January 2019).

Governance

The governing body of the Methodist Church is the Conference, which meets annually. The authority under which the Conference acts is given by the Methodist Church Act 1976.

We are governed by the Methodist Churches Constitutional Practice and Discipline and all Charity Law of the United Kingdom.

The church is governed by the Methodist Church Act 1976, the Deed of Union and the Model Trusts of the Methodist Church. The purposes of the Methodist Church are and shall be deemed to have been since the date of union the advancement of: (a) the Christian faith in accordance with the doctrinal standards and the discipline of the Methodist Church (b) any charitable purpose for the time being of any Connexional, district, circuit, local of other organisation of the Methodist Church (c) any charitable purpose for the time being of any society or institution or subsidiary or ancillary to the Methodist Church; (d) any purpose for the time being of any charity being a charity subsidiary or ancillary to the Methodist Church. In setting our objectives and planning our activities, the Circuit has given careful consideration to the Charity Commission's general guidance on public benefit and in particular to its supplementary public benefit guidance on advancing our objectives as set out above.

The Methodist Church in Tower Hamlets is part of the London District of the Methodist Church, and is a registered charity, number 1134888.

The Circuit is also registered for Gift Aid with H M Revenue & Customs under the reference XR16174.

Full Name of Charity: Methodist Church in Tower Hamlets

Registration Charity Number: 1134888

Date of Registration: 12 March 2010

Main Communication Address: Methodist Church in Tower Hamlets
Bow Road Methodist Church
1 Merchant Street
London E3 4 LY

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Trustees

The full list of Trustees who served during the year and up to date of signature of the accounts were as follows: Trustees who joined during 2021/22 are shown with an asterix (*), those who left during the year with (**) and those who left in 2022/23 are shown with (***). Trustees who have joined during 2022/23 are denoted with (#)

Mrs Glenda Adams	Dr Keith Aldred
Mr Joseph Amoah	Mr Jones Ankrah
Mrs Lucia Banks**	Ms Debbie Brady**
Ms Shirley Bristow***	Mr Andrew Brown**
Ms Verna Coke	Mrs Sheila de Winter
Miss Jean Thomas	Mrs Harriet Graham-Mensah
Ms Cheryl Gurnham	Mrs Ivy Harber
Mrs Patience Yeboah	Mrs Dorrett Kirwan
Mrs Evelyn Louis	Miss Laverne John**
Rev Jenny Impey *	Mr John Singleton
Deacon Terry Street	Rev David Hollingsworth #
Ms Sarah Wilson**	Mr Doug Swanney#
Revd Dr Jongikaya Zihle	Miss Susan Bothamley #

Method to recruit new Trustees

There are a number of *ex officio* trustees – a London District Chair, Presbyters, Deacons, Circuit Stewards, the secretary of the Local Preachers' Meeting together with the Treasurer and one Church Steward from each of the churches in the Circuit. These trustees will change when the post holders change. Additional members from each church are appointed by the relevant Church Council or General Church Meeting. A Secretary of the Circuit Meeting, who is a Lay Person, is appointed by the meeting.

Objective and purpose

The calling of the Methodist Church in Tower Hamlets is to respond to the gospel of God's love in Christ and to live out its discipleship in worship and mission. This is expressed through Worship, Learning and Caring, Evangelism and Service. The Circuit is committed to use its resources in a clearly focussed and intentional way to ensure an effective response to the needs of our congregations and wider community.

Activities

The mission of the Circuit is to worship God as it celebrates its diversity according to the teachings of Jesus Christ. Inspired by Jesus we will offer hope and build communities of love, through prayer, pastoral care and social ministry.

Organisational structure

The Circuit includes responsibility for the Methodist Churches at Bow Road, Bethnal Green, Old Ford, Poplar, and Whitechapel. The churches at Bow Road, Bethnal Green and Old Ford formally recognised that they were unable to fulfil their responsibilities as Managing Trustees with respect to finance and property and all three congregations delegated these responsibilities to the Circuit meeting as set out under the Model Trust, section 16 (k) from 2014/15. Accordingly, these accounts include Bow Road, Bethnal Green and Old Ford Methodist Churches. Pastoral, worship and mission matters are discussed at General Church meetings, with at least two Church Meetings held during the year in Bethnal Green and Bow Road. Approval was given by the District for Old Ford Methodist Church to cease to meet for worship during this year but the building remains in use for mission.

Poplar Methodist Church has its own managing trustees but is excepted from registration as a charity by virtue of Statutory Instrument No 242 of 2014 and produces separate accounts. The Whitechapel Mission for the Homeless and Rootless of London is registered separately with the Charity Commission (227905).

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Organisational structure (continued)

In addition to the above, the Circuit ran two community and mission projects as Internal Organisations. The two projects are:

- The Zacchaeus Project to support those who have long term illness, the elderly and infirm and those who care for them in Tower Hamlets. This project relied initially on a five year funding agreement (2012 – 2016) from The National Lottery Community Fund. Funding over and above the amounts raised as payments for the various activities of the project is now provided by Circuit investments which originated from the sale of properties in previous and the current year. The various activities of the project took place at Bethnal Green Methodist Church until April 2021 when activities were relocated to Bow Road Methodist Church in anticipation of the redevelopment of Bethnal Green. The Project returned to Bethnal Green in May 2022, whilst retaining a presence at Bow Road one day a week. In 2019, specific funding was granted for three years by The National Lottery Community Fund for the extension of the Advice work that is done by the project. Mr David Calvin was appointed to the position of Advice and Guidance coordinator in August 2022.
- "Band for Life", providing a music workshop once a week at Bow Road Methodist Church for people who have experienced mental illness or are socially isolated. Activities were funded by Circuit investments which originated from the sale of properties in previous and the current year. Numbers attending the project continue to grow.

The management of these projects is undertaken by a project manager for each project, who provides a regular report to the Trustees. Each project is supported by a Steering Group which meets regularly to guide strategic direction and advise on any operational issues.

Circuit Ministers and officers

The Superintendent Minister and Chair of the Managing Trustees during 2021/22 was the Rev. Jenny Impey who had pastoral responsibility for Bow Road and Poplar churches, while Deacon Terry Street had responsibility for Bethnal Green church, the Whitechapel Mission and for exploring new methods of worship at the Old Ford church.

The Circuit benefits from the voluntary ministry of two Supernumerary ministers, the Rev. David Hollingsworth and the Rev. Cameron Kirkwood.

The Circuit is seeking an additional diaconal appointment from 2023 to support and develop the work from Bethnal Green, including the Zacchaeus Project.

The Circuit appointed a Circuit Treasurer, Mr Doug Swanney, who began on the 1st September 2022. It also has three Circuit Stewards as officers, Mr Jones Ankrah, Ms Verna Coke and Ms Harriet Graham-Mensah.

In 2021/2022 there were four Local Preachers in the Circuit, and two Local Preachers "on trial". One preacher on trial transferred to another Circuit in December 2021. The remaining preacher on trial was received onto full plan in October 2022 and an additional preacher transferred into the Circuit and so there are now 6 local preachers in the Circuit.

Pastoral Support within the Circuit

A *Families'* and *Young Peoples' Worker,* Laverne John, was appointed to the Circuit staff in December 2020. The post was made redundant in July 2022 owing to a lack of children and young people within the life of the church, a lack of volunteers to support work outside the church community and the state of the Circuit's finances. The Circuit remains committed to the nurture and growth of its children's and young people's work and continues to explore ways of recruiting and resourcing volunteers from within the churches, using material produced by Roots.

Pastoral support is provided by a team of pastoral visitors at Poplar and informally by members at other churches. The ministerial team also offer support.

Lay staff structure

The Circuit Administrative structure remains under review. The Facilities and Property Manager became a Facilities and Property Officer in May 2022 and left the Circuit in August 2022. The role is currently being undertaken by the Superintendent Minister with support from existing staff and volunteers. The Circuit employs a part time Administrator and a part time Finance Manager.

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Trustees' Report for the year ended 31 August 2022 (continued)

The part time Circuit Communications Manager, Mr John Singleton retired on 31st August 2022. The Circuit expresses its gratitude to Mr Singleton for his work in the Circuit over a number of years.

The Circuit meeting decided not to recruit for this post as it was very ably served by a volunteer team of Joan Drummond and now John Singleton.

Property

The Circuit continues to review its use of its properties. Following the abandoned redevelopment of Bethnal Green, the Circuit undertook refurbishment of that church in 2021/2022 repairing the roof, undertaking some internal redecoration and renewing some of the lighting. This refurbishment is planned to continue in 2022/2023 with a total budget of up to £500,000 set aside for this work.

The Circuit is planning significant work on the property at Bow Road to repair part of the roof and the concrete cladding and sills.

Achievements and performance

During 2021/22 the Methodist Church in Tower Hamlets continued its ministry and service to the people of the Borough though the provision of worship and service opportunities in four congregations, the continued support of the homeless, elderly carers and people with mental health issues through the Whitechapel Mission, the Zacchaeus and Band for Life projects.

The Whitechapel Mission has continued to expand as it serves the homeless and marginalised since 1876 offering a day centre, skills training and career advice, activity programmes and specialist support for complex needs. By encouraging each person to address the issues which caused their homelessness, the mission helps them to gain the skills and confidence to make lasting changes in their lives.

The Zacchaeus Project proved once again in 2021/2022 that it has made a significant contribution to the lives of so many older people and carers who attend its various activities. It was another year of transition for the Project as it met at Bow Road Methodist Church until Bethnal Green reopened for activities in May 2022. It was recognised that whilst many of the regular members had been able to get to Bow Road, being in Bow had attracted a large number of new members and so the decision was taken to expand the reach of the project by operating both in Bethnal Green and in Bow. So, the project has added a Tuesday at Bow in addition to the Monday to Friday at Bethnal Green. A summer programme of activities was organised to tackle the isolation many of the members experienced, especially during and post pandemic. The programme included day trips to the seaside coasts of Broadstairs and Eastbourne, a fish and chip lunch/quiz and an afternoon tea dance. The programme was heavily subsidised from a legacy given to the project. Recruiting an Advice and Guidance Coordinator proved to be challenging but after a couple of unsuccessful attempts, David Calvin was recruited and started work in August 2022. This post is funded by The National Lottery Community Fund.

The Band for Life Project, based at Bow Road, continues to develop and respond to the needs of those who attend. 2021/2022 saw the resumption of its face to face activities following the pandemic. The regular weekly sessions are open to all; a strong core membership has developed of regular attendees, in addition to people who use the sessions occasionally. The project leader is sometimes asked to be involved with the medical care teams of some of the core members, in order to support them as best as possible. In these cases, it is recognised by the professionals that the Band for Life project is a significant activity in the people's week which improves their wellbeing. The project leader also provides limited, ad hoc phone support, to members who value and need the contact between sessions. The group was able to perform a concert at Canary Wharf in the summer which brought great joy to members, volunteers and the wider public. A fish and chip supper was also held.

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Poplar Methodist Church continued to meet in the Emory Hall of the Queen Victoria Seaman's Rest. The church initiated a coffee afternoon in the restaurant of the QVSR which is attended by church members and residents.

At Old Ford, The Knit and Natter group which is a joint venture between the Circuit and Age UK, has continued to meet. Two other churches are now using the building under licence agreements for various activities and there are good relationships with the leadership teams.

Bethnal Green reopened for worship on Easter Sunday 2022. The congregation attracts a wide range of visitors, a number of whom have worshipped regularly for the time they were in the area.

Bow Road continues to meet weekly for worship and holds an online prayer meeting.

Regular users of the church buildings have returned to their activities post covid and new licence agreements have been entered into with them and with new users.

In response to the Lent Study, "Life on the Breadline", under the leadership of the Rev. Cameron Kirkwood, the Circuit agreed to set up a Warm Space at Bethnal Green for the winter of 2022/2023 and this has proven to be a welcome addition to the projects of the Circuit, providing a space where people can keep warm, be provided with drinks and snacks, enjoy company or solitude, recharge phones and just relax.

Investments

The Circuit's proceeds from property sales relating to the East End Mission are classed as City Centre funds and as a result are held by the London District (Trust 20520). Grants from these funds are made to the Circuit and during the year, a grant of £35,460 was made to the Circuit. In addition, the Circuit withdrew funds from the Trust of £76,300 that were applied towards the Bethnal Green refurbishment. The balance held by Trust as at 31 August 2022 was £2,345,576, that includes £426,400 that has been allocated to the Bethnal Green Methodist Church for premises work and £500,000 for diaconal ministry based at Bethnal Green.

The investment of surplus funds is operated via the Central Finance Board (CFB) of the Methodist Church. CFB aims to provide 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. The Restricted Fund which is mainly funds from sales of properties is managed by Trustees for Methodist Purposes (TMCP). These funds are also invested with CFB. The Trustees continue to utilise these funds for the furtherance of the Circuit's mission.

Public Benefit

The Trustees have due regard to the guidance published by the Charities Commission in accordance with its duties under section 17 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.

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Trustees' Report for the year ended 31 August 2022 (continued)

Financial Review

Circuit ministry and mission is funded through the offering receipts from the churches at Bethnal Green and Bow Road, and the assessment contributions from the Poplar church. This was heavily supplemented by incoming rents from the Circuit properties and interest from investments.
The work of the social mission projects, including part of the ministerial costs, is dependent on the continued receipt of external grants, which continue to be supplemented from the interest from the City Centre Funds (held by the London District) and proceeds of sale of other sites.

The cost of running and maintaining the properties on a day-to-day basis is funded from the income generated from lettings and tenancies. Repairs and refurbishments are currently funded from the sale proceeds of other sites, however in general all are in good condition.

The Circuit recognises that it is drawing heavily on its reserves and is monitoring this situation and reviewing its work.

The value of the Circuit funds as at 31 August 2022 was £6,544,201 which is a decrease of £397,100 from the previous year.

Trustees' interests

The Ministers who are Trustees of the Circuit and stationed to the Circuit by the Methodist Church in Britain are Office Holders and are paid a stipend and are provided with a manse for the Ministers and their families to live in. Council Tax is paid by the Circuit and also an official telephone line with broadband facilities to enable them to carry out their service as Ministers. These arrangements are practiced throughout the Connexion who stipulate their terms of service.

A number of employees became Trustees during the course of 2020 and served as such during this Connexional year – Lucia Banks, Debbie Brady, Andrew Brown and Sarah Wilson. The constitution requires that except in very limited circumstances Trustees are either Ministers or Members of the Methodist Church and on recognising this, they ceased to serve as Trustees in September 2021.

Two Trustees, Dorrett Kirwan and John Singleton, were employees of the Circuit in 2021/2022. However, their appointment as Trustees is unconnected to their employment by the Circuit and they receive no remuneration for their service as Trustees. Any conflict of interest is declared at the commencement of each meeting. Mr Singleton retired from his employment in the Circuit at the end of August 2022.

Risk Management

The Circuit is reviewing its risk policies and is producing a Risk Register highlighting the various risks facing the Circuit, the impact and the likelihood of them happening. The main headings under which these risks have been categorised are:

- Trustees' Responsibilities
- Membership and Mission
- Resources, People and Property
- Financial
- Legal

Reserves Policy

The primary use of the Circuit fund is to support the ordained ministers, lay employees and congregations of the churches in their calling to worship, learning and caring, service and evangelism and to support of the wider community in the Borough of Tower Hamlets, through projects.

The unrestricted funds of £6,498,540 include properties in use for the purpose of the Circuit and other investments that generate income upon which the Circuit is reliant upon to sustain its core activities.

Recognising the significance of the mission of the churches and projects of the Methodist Church in Tower Hamlets and the care that would be needed in ensuring alternative provision if they needed to be wound down, the reserves policy of the

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Methodist Church in Tower Hamlets is to maintain a reserve of 6 months ordinary expenditure plus the underwriting of the Whitechapel mission to the tune of £50,000 and accrued redundancy costs for Circuit staff (Adopted by the Circuit Meeting June 2022).

Trustees' Report for the year ended 31 August 2022 (continued)

Commitments

All known commitments are included in the accounts.

Plans for the future

It is the intention to continue the existing initiatives of the local Churches and Circuit. In addition, the Circuit will continue to assess the needs of the local community and, where relevant, consider the deployment of resources in extending the services currently provided to support the congregations in their mission and to the broader community.

The Circuit has received in principle approval of the release of £1,000,000 from the City Centre Funds held by the District and has agreed that this will be used primarily for mission in the Bethnal Green area with up to £500,000 being allocated to the refurbishment of the property and up to £500,000 being allocated to ministry and mission, primarily through the appointment of a Deacon.

Given the needs of the communities in Tower Hamlets the Circuit is continuing to review how the work of Band for Life and the Zacchaeus Project can be expanded.

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.

Auditors

The auditors, Citroen Wells, are willing to continue in office, and will be considered for re-appointment at the Trustees' Meeting.

This report has been prepared by the Trustees with support of Circuit Staff, the Ministers and Circuit Stewards. They can be contacted at Bow Road Methodist Church, 1 Merchant Street, London, E3 4LY.

Approved by the Trustees on the 6/6/2023 **and signed on their behalf by:**

Rev Jenny Impey

Revd Jenny Impey
Circuit Superintendent Minister

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THE METHODIST CHURCH IN TOWER HAMLETS

Statement of Trustees' responsibilities for the year ended 31 August 2022

The Trustees are responsible for preparing the Trustees' Report and the accounts in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

The law applicable to charities in England and Wales requires the Trustees to prepare accounts for each financial year, which give a true and fair view of the state of affairs of the Circuit's and of the incoming resources and application of resources of the Circuit for that year.

In preparing these accounts, 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 accounts, and
- prepare the accounts on the going concern basis unless it is inappropriate to presume that the Charity will continue in operation.

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 Standing Orders of the Methodist Church, the Charities Act 2011, the Charity (Accounts and Reports) Regulations 2008 and other relevant regulations. They are also responsible for safeguarding the assets of the charity and hence for taking reasonable steps for the prevention and detection of frauds and other irregularities.

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Independent Auditor's Report to the Trustees of The Methodist Church in Tower Hamlets

Opinion

We have audited the accounts of The Methodist Church in Tower Hamlets (the 'Circuit') for the year ended 31 August 2022, which comprise the Statement of Financial Activities, the Balance Sheet and the notes to the accounts, 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 Circuit'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 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 accounts section of our report. We are independent of the Circuit in accordance with the ethical requirements that are relevant to our audit of the accounts 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 accounts, we have concluded that the Trustees' use of the going concern basis of accounting in the preparation of the accounts 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 Circuit'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 and described in the relevant sections of this report.

Other information

The Trustees are responsible for the other information. The other information comprises the information included in the annual report, other than the accounts and our auditor's report thereon. Our opinion on the accounts 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 accounts or our knowledge obtained in the audit, or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether this give rise to a material misstatement in the accounts 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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Independent Auditor's Report to the Trustees of The Methodist Church in Tower Hamlets (continued)

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

- the information given in the accounts is inconsistent in any material respect with the Trustees' report; or
- sufficient accounting records have not been kept; or
- the accounts 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 statement of Trustees 'responsibilities, the Trustees are responsible for the preparation of the accounts 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 accounts that are free from material misstatement, whether due to fraud or error.

In preparing the accounts, 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 cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the accounts

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 accounts 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 accounts.

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect irregularities, including fraud. The risk of not detecting a material misstatement due to fraud is higher than the risk of not detecting one resulting from error, as fraud may involve deliberate concealment by, for example, forgery or intentional misrepresentations, or through collusion. The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below. However, the primary responsibility for the prevention and detection of fraud rests with both those charged with governance of the entity and management.

Extent to which the audit was considered capable of detecting irregularities, including fraud

Our approach was as follows:

- We obtained an understanding of the legal and regulatory frameworks that are applicable to the Circuit and determined that the most significant are those that relate to the reporting framework being the 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 (FRS102), the charity's governing document, and the Charities Act 2011 and the relevant legislation in the United Kingdom including employment, environmental and health and safety regulations.
- We understood how the Circuit is complying with those frameworks by making enquiries of management and seeking representations from those charged with governance. We corroborated our understanding by reviewing supporting documentation including board meeting minutes and correspondence with regulatory bodies.

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Independent Auditor's Report to the Trustees of The Methodist Church in Tower Hamlets (continued)

- We assessed the susceptibility of the Circuit's accounts to material misstatement, including how fraud might occur by considering the risk of management override of internal control and by designating revenue recognition as a fraud risk. We performed journal entry testing by specific risk criteria, with a focus on journals indicating large or unusual transactions based on our understanding of the business. We tested completeness of income through substantive tests performed, analytical review procedures and cut off tests on the revenue recognised.

- Based on this understanding we designed our audit procedures to identify non-compliance with such laws and regulations. Our procedures involved enquiries of management and those charged with governance, review of legal and professional expenses and review of Trustees' meeting minutes.

- The Circuit is a regulated entity under the supervision of the Charities Commission. As such, the Senior Statutory Auditor considered the experience and expertise of the engagement team to ensure that the team had the appropriate competence, capabilities and skills to identify or recognise non-compliance with applicable laws and regulations.

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

Use of our report
This report is made solely to the Circuit's 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's 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's Trustees as a body, for our audit work, for this report, or for the opinions, we have formed.

Citroen Wells

Citroen Wells
Chartered Accountants &
Statutory Auditor

7/6/2023

Devonshire House
1 Devonshire Street
London
W1W 5DR

Citroen Wells 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

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THE METHODIST CHURCH IN TOWER HAMLETS

Statement of Financial Activities for the year ended 31 August 2022

	Notes	Unrestricted Funds £	Restricted Funds £	2022 Total £	2021 Total £
Income and Endowments from:					
Circuit assessment	3	5,000	-	**5,000**	5,000
Offerings	4	6,867	-	**6,867**	4,257
Grants and donations received	5	36,370	76,300	**112,670**	31,418
Investment income and interest	6	26,852	8	**26,860**	26,223
Rental income	7	135,543	-	**135,543**	135,068
Other income	8	73,974	-	**73,974**	32,661
Internal organisations	10	-	13,968	**13,968**	46,296
Total income		**284,606**	**90,276**	**374,882**	280,923
Expenditure on:					
Charitable activities					
Stipends and staff costs:					
Ministry	9	285,664	-	**285,664**	311,476
Internal organisations	10	-	67,832	**67,832**	90,091
District assessment		17,624	-	**17,624**	17,625
Telephone, travel & administration		11,323	-	**11,323**	17,460
Insurance, utilities and Rent		25,947	-	**25,947**	27,408
Maintenance on manses	11	9,520	-	**9,520**	22,309
Expenditure on other Circuit properties	12	1,884	-	**1,884**	1,069
District advance fund		25,210	-	**25,210**	86,025
Other expenditure	13	142,623	76,300	**218,923**	308,008
Internal organisations	10	-	33,485	**33,485**	32,562
Grants and donations	14	920	-	**920**	17,383
Total expenditure		**520,715**	**177,617**	**698,332**	931,416
Net (losses)/gains on investments		**(73,650)**	-	**(73,650)**	**192,181**
Net expenditure before transfers		**(309,759)**	**(87,341)**	**(397,100)**	(458,312)
Transfers between funds		(93,001)	93,001	-	-
Net movement in funds		**(402,760)**	**5,660**	**(397,100)**	(458,312)
Funds balances at 1 September 2021		6,901,300	40,001	**6,941,301**	7,399,613
Funds balances at 31 August 2022		**6,498,540**	**45,661**	**6,544,201**	**6,941,301**

The notes on pages 18 to 29 form an integral part of these accounts.

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Statement of Financial Activities for the year ended 31 August 2022

Comparative year information Year ended 31 August 2021	Notes	Unrestricted Funds £	Restricted Funds £	2021 Total £
Income and Endowments from:				
Circuit assessment	3	5,000	-	**5,000**
Offerings	4	4,257	-	**4,257**
Grants and donations received	5	31,418	-	**31,418**
Investment income and interest	6	26,220	3	**26,223**
Rental income	7	135,068	-	**135,068**
Other income	8	32,661	-	**32,661**
Internal organisations	10	-	46,296	**46,296**
Total income		**234,624**	**46,299**	**280,923**
Expenditure on:				
Charitable activities				
Stipends and staff costs:				
Ministry	9	311,476	-	**311,476**
Internal organisations	10	-	90,091	**90,091**
District assessment		17,625	-	**17,625**
Telephone, travel & administration		17,460	-	**17,460**
Insurance, utilities and Rent		27,408	-	**27,408**
Maintenance on manses	11	22,309	-	**22,309**
Expenditure on other Circuit properties	12	1,069	-	**1,069**
District advance fund		86,025	-	**86,025**
Other expenditure	13	308,008	-	**308,008**
Internal organisations	10	-	32,562	**32,562**
Grants and donations	14	17,383	-	**17,383**
Total expenditure		**808,763**	**122,653**	**931,416**
Net gains on investments		192,181	-	**192,181**
Net Expenditurenbefore transfers		**(381,958)**	**(76,354)**	**(458,312)**
Transfers between funds		(83,504)	83,504	-
Net movement in funds		**(465,462)**	**7,150**	**(458,312)**
Funds balances at 1 September 2020		7,366,762	32,851	**7,399,613**
Funds balances at 31 August 2021		**6,901,300**	**40,001**	**6,941,301**

The notes on pages 18 to 29 form an integral part of these accounts.

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THE METHODIST CHURCH IN TOWER HAMLETS

Balance Sheet as at 31 August 2022

	Notes	Unrestricted Funds £	Restricted Funds £	2022 Total £	2021 Total £
Fixed Assets					
Tangible assets	16	3,902,765	250	**3,903,015**	3,907,149
Investment properties	17	1,185,471	-	**1,185,471**	1,185,538
Investments	18	452,519	-	**452,519**	914,168
		5,540,755	250	**5,541,006**	6,006,856
Current Assets					
Debtors	20	641,338	-	**641,338**	578,347
T.M.C.P. Interest funds		58,993	-	**58,993**	403,954
Central Finance Board Deposits		213,064	81,796	**294,860**	102,348
Cash at bank and in hand		106,058	4,265	**110,323**	33,140
		1,019,453	86,061	**1,105,514**	1,117,789
Creditors: amounts falling due within one year	21	(55,662)	(40,650)	**(96,312)**	(174,501)
Net Current Assets		963,791	45,411	**1,009,202**	943,288
Total assets less current liabilities		6,504,546	45,661	**6,550,207**	6,950,143
Creditors: Amounts falling due after more than one year	22	(6,006)	-	**(6,006)**	(8,842)
Net Assets		**6,498,540**	**45,661**	**6,544,201**	6,941,301
Accumulated funds					
Unrestricted funds		6,278,540	-	**6,278,540**	6,681,300
Restricted funds	24	-	45,661	**45,661**	40,001
Revaluation reserve		220,000	-	**220,000**	220,000
Total Funds		**6,498,540**	**45,661**	**6,544,201**	6,941,301

The accounts were approved by the Trustees on 6/6/2023 and signed on their behalf by:

Revd Jenny Impey

Revd Jenny Impey
Circuit Superintendent Minister

Mr Jones Ankrah

Mr Jones Ankrah
Circuit Steward

The notes on pages 18 to 29 form an integral part of these accounts.

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Notes to the accounts for the year ended 31 August 2022

1. Accounting policies

a) Circuit information

The Methodist Church in Tower Hamlets is an unincorporated Charity in England and Wales. The principal correspondence address is given on page 3 of these accounts. The nature of the Circuit's operations and principal activities are set out in the Trustees' Report.

b) Accounting convention

The accounts have been prepared in accordance with the Charities Act 2011 and '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) (effective 1 January 2019). The Circuit is a Public Benefit Entity as defined by FRS 102.

The Circuit has taken advantage of the provisions in the SORP for charities not to prepare a Statement of Cash Flows.

The accounts 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 the Statement of Recommended Practice for charities applying FRS 102 rather than the version of the Statement of Recommended Practice which is referred to in the Regulations but which has since been withdrawn.

The accounts are prepared in sterling, which is the functional currency of the Circuit. Monetary amounts in these accounts are rounded to the nearest pound.

The accounts have been prepared under the historical cost convention, modified to include the revaluation of investment properties and certain financial instruments at fair value. The principal accounting policies are set out below.

c) Going concern

At the time of approving the accounts, the Trustees have a reasonable expectation that the Circuit has adequate resources to continue in operational existence for the foreseeable future. Thus, the Trustees continue to adopt the going concern basis of accounting in preparing the accounts.

d) Funds

Unrestricted funds

Unrestricted funds are held for use at the discretion of the Trustees in furtherance of the general objectives of the Charity.

Restricted funds

Restricted funds are funds which are to be used in accordance with specific restrictions imposed by donors and grantors. The aim and use of the major restricted funds are set out in the notes to the accounts.

e) Incoming resources

Church assessment

The church assessment is accounted for on a receivable basis.

Church offerings

Church offerings are accounted for on a receipts basis.

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1. Accounting policies (continued)

Benevolence
Benevolence funds have been historically contributed by the four churches from their general funds and are accounted for on a receipts basis in accordance with Standing Order 527 of the Constitution of the Methodist Church.

Grants and donations received
Grants from third parties are included when the relevant conditions for the grant have been met.

Voluntary income comprises donations and contributions and is accounted for when entitlement has been confirmed, the amount can be measured and receipt is probable.

Rental income
Rental income from investment properties is accounted for on a receivable basis.

Other income
Other income is accounted for on a receivable basis.

Internal Organisations
Internal organisations comprise two projects of the Methodist Church in Tower Hamlets Circuit. The income is either derived from voluntary income, grants and donations by way of charitable activities.

Investment income and interest
Interest on deposits and investments is accounted on a receivable basis.

f) Expenditure recognition
All expenditure is accounted for on an accruals basis when an obligation that can be measured or reliably estimated exists at the reporting date.

Grants awarded are provided in the Statement of Financial Activities in the year in which they are approved by Trustees and the offer is communicated to the recipient. Grants awarded but not paid are recorded as a liability within the Balance Sheet. Grants awarded subject to conditions being met by the recipient before payments are made are not accrued until such conditions have been met. Such commitments are disclosed in the accounts as contingent liabilities.

g) Tangible fixed assets
Properties are stated at cost or in the case of donated assets at valuation at the date that the assets are gifted to the Circuit. The Trustees consider that the lives of the properties are so long and their residual values so high based on prices prevailing at the time of acquisition that any annual depreciation charge would not be material. Accordingly, no depreciation is provided on freehold properties used for charitable activities. Any material impairment in the value of such properties, following an annual review, would be chargeable to the Statement of Financial Activities.

Assets having an initial cost of £1,000 or less are written off on acquisition. Fixtures and fittings, office and computer equipment having an initial cost greater than £1,000 are capitalised and are stated at cost less depreciation. Depreciation rates calculated to write off the cost less estimated residual value of each asset over its expected useful life are as follows:

- Fixtures, fittings and equipment: 10% - 20% on a straight line basis
- Office equipment: 20% on a straight line basis

The gain or loss arising on the disposal of an asset is determined as the difference between the sale proceeds and the carrying value of the asset, and is recognised in the Statement of Financial Activities for the year.

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Notes to the accounts for the year ended 31 August 2022 (continued)

1. Accounting policies (continued)

h) Investment properties

Investment properties, which are properties held to earn rentals and/or for capital appreciation, are initially measured at cost and subsequently stated at the Trustees' estimates of the fair valuation at the year-end, based on an index of property prices in the relevant areas. Any surplus or deficit on revaluation is recognised in the Statement of Financial Activities.

i) Non-current investments

Fixed assets investments, which are held in units in the Trustees Methodist for Church Purposes (TMCP), are stated at the Board's published valuations at the year-end. Realised and unrealised gains and losses on investments are recognised in the Statement of Financial Activities.

j) Impairment of non-current investments

At each reporting end date, the Circuit reviews the carrying amounts of its tangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss and any impairments are recognised in the Statements of Financial Activities.

k) Cash and cash equivalents

Cash and cash equivalents include cash in hand, deposits held at call with banks, other short-term liquid investments with original maturities of three months or less.

l) Financial instruments

The Circuit has elected to apply the provisions of Section 11 'Basic Financial Instruments' of FRS 102 to all of its financial instruments.

Financial instruments are recognised in the Circuit's balance sheet when the Circuit becomes party to the contractual provisions of the instrument.

Financial assets and liabilities are offset, with the net amounts presented in the accounts, when there is a legally enforceable right to set off the recognised amounts and there is an intention to settle on a net basis or to realise the asset and settle the liability simultaneously.

Basic financial assets

Basic financial assets, which include other debtors and cash and bank balances, are initially measured at transaction price including transaction costs and are subsequently carried at amortised cost using the effective interest method unless the arrangement constitutes a financing transaction, where the transaction is measured at the present value of the future receipts discounted at a market rate of interest. Financial assets classified as receivable within one year are not amortised.

Basic financial liabilities

Basic financial liabilities, including other payables 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. Financial liabilities classified as payable within one year are not amortised.

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1. **Accounting policies (continued)**

m) Employee benefits

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

Termination benefits are recognised immediately as an expense when the Circuit is demonstrably committed to terminate the employment of an employee or to provide termination benefits.

n) Retirement benefits

Stipendiary Circuit Ministers are eligible to join the Methodist Ministers' Pension Scheme (MMPS). The MMPS is a funded defined benefit scheme maintained by The Methodist Church of Great Britain. As the Circuit is unable to identify its share of the underlying assets and liabilities of the scheme, the Circuit has taken the advantage of the exemption in Financial Reporting Standard 102, Retirement Benefits, and has accounted for its contributions to the scheme as if it were a defined contribution scheme. The pension costs for the scheme represent the contribution payable by the Circuit in the year. The contribution rates are set each year by the Methodist Conference.

Access to a stakeholder pension scheme is provided to all eligible lay employees and the Circuit contributes an amount equal to 6% of the employee's gross salary into this scheme.

All employees who were already in pension schemes and new employees who qualify for auto enrolment are enrolled into new pension schemes (The Pension Trust and NEST).

o) Ministers' manse costs

The Circuit is required to provide accommodation for each minister and their families, and Ministers are expected to occupy them. The Circuit bears the cost of repairs and maintenance, premises insurance, council tax and water charges. These are not regarded as taxable benefits in kind by HM Revenue & Customs.

p) Leases

Leases are classified as finance leases whenever the terms of the lease transfer substantially all the risks and rewards of ownership to the lessees. All other leases are classified as operating leases.

Assets held under finance leases are recognised as assets at the lower of the assets fair value at the date of inception and the present value of the minimum lease payments. The related liability is included in the balance sheet as a finance lease obligation. Lease payments are treated as consisting of capital and interest elements. The interest is charged to the Statement of Financial Activities for the year so as to produce a constant periodic rate of interest on the remaining balance of the liability.

2. **Critical accounting estimates and judgements**

In the application of the Circuit's accounting policies, the Trustees are required to make judgements, estimates and assumptions about the carrying amount of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical 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.

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3. Circuit assessment

	Unrestricted Funds £	Restricted Funds £	2022 Total £	2021 Total £
Poplar Methodist Church	5,000	-	5,000	5,000
	5,000	-	5,000	5,000

4. Offerings

	Unrestricted Funds £	Restricted Funds £	2022 Total £	2021 Total £
Bethnal Green Methodist Church	1,655	-	1,655	2,700
Bow Road Methodist Church	5,212	-	5,212	1,557
	6,867	-	6,867	4,257

5. Grants and Donations received

	Unrestricted Funds £	Restricted Funds £	2022 Total £	2021 Total £
London District	35,460	76,300	111,760	30,984
Others	910	-	910	434
	36,370	76,300	112,670	31,418

6. Investment income and interest

	Unrestricted Funds £	Restricted Funds £	2022 Total £	2021 Total £
TMCP Investment holdings:				
Dividends	21,749	-	21,749	21,625
Interest	405	-	405	4,243
Central Finance Board deposit interest	521	8	529	126
Loan interest	4,177	-	4,177	229
	26,852	8	26,860	26,223

7. Rental income

	Unrestricted Funds £	Restricted Funds £	2022 Total £	2021 Total £
Income from investment properties held	135,543	-	135,543	135,068

8. Other income

	Unrestricted Funds £	Restricted Funds £	2022 Total £	2021 Total £
Bequests and legacies	-	-	-	1,030
Management fees	36,171	-	36,171	14,604
Gain on disposal of tangible assets	23	-	23	1,037
Gift Aid received	1,717	-	1,717	1,064
Insurance claim	1,032	-	1,032	-
Bow Road MC properties hall letting income	20,016	-	20,016	8,544
Bethnal Green MC properties hall letting income	8,805	-	8,805	5,931
Old Ford MC properties hall letting income	5,924	-	5,924	450
Other income	286	-	286	1
	73,974	-	73,974	32,661

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9. Stipends and staff costs

	Unrestricted Funds £	Restricted Funds £	2022 Total £	2021 Total £
Ministry				
Stipends	55,496	-	**55,496**	55,964
Salaries	193,269	-	**193,269**	208,639
Employer's National Insurance	13,709	-	**13,709**	22,067
Pension Costs	23,190	-	**23,190**	24,806
	285,664	-	**285,664**	311,476
Internal Organisations				
Salaries	-	61,168	**61,168**	77,825
Employer's National Insurance	-	2,994	**2,994**	7,596
Pension Costs	-	3,670	**3,670**	4,670
	-	**67,832**	**67,832**	90,091

The average monthly number of staff employed during the year was 12 (2021: 14).
There were no employees whose annual emoluments were £60,000 or more.

9a. Trustees' emoluments

One or more Trustees have been paid remuneration or have received other benefits from their employment of Office Holding with the Circuit. Trustees only receive remuneration in respect of services they provide undertaking their employment roles under their contracts of employment and not in respect of their services as Trustees.

	2022 £	2021 £
Mr John Singleton	**8,268**	8,174
Mrs Dorrett Reid Kirwan	**11,882**	11,665
Rev John Hayes	**-**	34,324
Rev Jenny Impey	**36,193**	-
Mr Andrew Brown	**2,805**	43,523
Decon Terry Street	**33,058**	32,591
Mrs Debbie Brady	**43,423**	42,925
Ms Laverne John	**28,757**	20,511
	164,386	193,713

9b. Key Management Personnel

The key management personnel of the Circuit comprise of the Trustees and the circuit leadership team as listed on page 3. The total amount of the employee benefits (including employer pension contributions received by the key management personnel for their services to the Circuit was £98,123 (2021: £140,120).

9c. Pension costs

The total pension cost for the Circuit for the year ended 31 August 2022 was £26,860 (2021: £29,476).
Contributions of £620 (2021: £nil) were payable at 31 August 2022.

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10. Internal Organisation

The Tower Hamlets Circuit incorporates two social and community projects, Band for Life and Zacchaeus. The income and expenditure for these projects was as follows:

	Zacchaeus Project	Band for Life Project	Total Restricted Funds
	£	£	£
Income and Endowments from:			
Donations received	2,782	10	**2,792**
Grant received*	2,912	-	**2,912**
Activities for generating funds	663	-	**663**
Charitable activities	7,262	-	**7,262**
Other incoming resources	317	22	**339**
Total	**13,936**	**32**	**13,968**
Expenditure on:			
Cost of generating funds	40	-	**-**
Charitable activities	18,633	13,805	**32,438**
Support and staff costs	68,746	93	**68,839**
Total	**87,419**	**13,898**	**101,317**
Net expenditure before transfers	(73,483)	(13,866)	**(87,349)**
Transfers from unrestricted funds	75,000	18,001	**93,001**
Net movement in funds	1,517	4,135	**5,652**
Funds balances at 1 September 2021	35,183	2,902	**38,085**
Funds balances at 31 August 2022	**36,700**	**7,037**	**43,737**

* Notable grant received during the year from The National Lottery Community Fund amounting to £43,562, out of which £40,650 deferred out included within creditors at year end.

11. Expenditure on Manses

	Unrestricted Funds	Restricted Funds	2022 Total	2021 Total
	£	£	£	£
Building repairs and maintenance	916	-	**916**	12,260
Fire and security systems	456	-	**456**	522
Insurance	3,247	-	**3,247**	3,318
Utilities, Telephone and other services	4,901	-	**4,901**	6,209
	9,520	-	**9,520**	22,309

12. Expenditure on other Circuit properties

	Unrestricted Funds	Restricted Funds	2022 Total	2021 Total
	£	£	£	£
Building repairs and maintenance	665	-	**665**	-
Insurance	1,164	-	**1,164**	1,069
Professional fees	55	-	**55**	-
	1,884	**-**	**1,884**	1,069

13. Other expenditure

	Unrestricted Funds	Restricted Funds	2022 Total	2021 Total
	£	£	£	£
Building and equipment costs	27,948	66,728	**94,676**	47,844
Depreciation	4,134	-	**4,134**	4,134
Finance costs	1,388	-	**1,388**	1,917
General and other ad hoc expenses	15,137	-	**15,137**	20,138
Bad debts written off	16,104	-	**16,104**	-
Ministry costs	5,379	-	**5,379**	4,366
Professional fees	71,505	9,572	**81,077**	228,044
Staff welfare and training	1,028	-	**1,028**	1,565
	142,623	**76,300**	**218,923**	308,008

Profession fees include Bethnal Green forfeited re development profession cost of £57,038 (2021: £208,463), paid to various parties.

14. Grants and donations

	Unrestricted Funds	Restricted Funds	2022 Total	2021 Total
	£	£	£	£
Grants	-	-	**-**	8,004
Donations	920	-	**920**	9,379
	920	**-**	**920**	17,383

15. Auditors' remuneration

	2022	2021
	£	£
Fees payable to the Circuit's auditors for audit of the annual accounts	**6,600**	6,600

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16. Tangible assets

	Freehold Land & Buildings	Fixtures Fittings & Equipment	Office Equipment	Total
Cost or valuation	£	£	£	£
At 1 September 2021 and at 31 August 2022	3,890,717	29,847	14,180	3,934,744
Depreciation				
At 1 September 2021	-	21,923	5,672	27,595
Charge for year	-	1,298	2,836	4,134
At 31 August 2022	-	**23,221**	**8,508**	**31,729**
Carrying Amount				
At 31 August 2022	**3,890,717**	**6,626**	**5,672**	**3,903,015**
At 31 August 2021	3,890,717	7,924	8,508	3,907,149

The carrying amount of freehold land and building comprises of:

	2022	2021
	£	£
Freehold land	**40,000**	40,000
Manses	**1,290,069**	1,290,069
Church buildings	**2,560,648**	2,560,648
	3,890,717	3,890,717

The net book value of office equipment includes £5,672 (2021: £8,508) in respect of assets held under finance leases. The depreciation charged in respect of such assets amounted to £2,836 (2021: £2,836) for the year.

17. Investment properties

	2022	2021
	£	£
Market value at 1 September 2021	1,185,538	1,186,101
Disposals	(67)	(563)
Market value at 31 August 2022	**1,185,471**	1,185,538

The valuations of investment properties are stated at the Trustees' estimates of the fair valuation at the year-end, based on an index of property prices in the relevant areas.

The Trustees consider that these valuations are reasonable at 31 August 2022.

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18. Investments

	2022	2021
	£	£
Valuation at 1 September 2021	914,168	721,987
Disposals	(387,999)	-
Valuation changes	(73,650)	192,181
Valuation at 31 August 2022	**452,519**	914,168
Investments held by Central Finance board		
At 31 August 2022	**452,519**	914,168

19. Financial Instruments

	2022	2021
	£	£
Carrying amount of financial assets		
Debit instruments measured at amortised cost	**1,092,753**	1,488,078
Carrying amount of financial liabilities		
Measered at amortised cost	**95,287**	177,506

20. Debtors

	Unrestricted Funds	Restricted Funds	2022 Total	2021 Total
	£	£	£	£
Prepayments and accrued income	66,347	-	**66,347**	4,436
Other debtors	574,991	-	**574,991**	573,911
	641,338	-	**641,338**	578,347

21. Creditors: amounts falling due within one year

	Notes	Unrestricted Funds	Restricted Funds	2022 Total	2021 Total
		£	£	£	£
Obligations under finance leases		2,837	-	**2,837**	2,308
Other taxation and social security		7,031	-	**7,031**	5,837
Deferred income	23	-	40,650	**40,650**	-
Accruals		32,008	-	**32,008**	153,979
Other creditors		13,786	-	**13,786**	12,377
		55,662	**40,650**	**96,312**	174,501

22. Creditors: amounts falling due after more than one year

	Unrestricted Funds	Restricted Funds	2022 Total	2021 Total
	£	£	£	£
Obligations under finance leases	6,006	-	**6,006**	8,842

	2022	2021
Net obligations under finance lease and hire purchase contracts:	£	£
Repayable within one year	**3,696**	3,696
Repayable between one and five years	**7,455**	10,032
	11,151	13,728
Finance charges and interest allocated to future accounting periods	**(2,308)**	(2,578)
	8,843	11,150
Included in liabilities falling due within one year	**(2,837)**	(2,308)
	6,006	8,842

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23. Deferred Income

	Unrestricted Funds £	Restricted Funds £	2022 Total £	2021 Total £
Other deferred income	-	40,650	40,650	-

Deferred income is included in the accounts as follows:

	Unrestricted Funds £	Restricted Funds £	2022 Total £	2021 Total £
Deferred income is included within:				
Current liabilities	-	40,650	40650	-
Movements in the year:				
Deferred income at 1 September 2021	-	-	-	-
Resources deferred in the year	-	40,650	40,650	-
Deferred income at 31 August 2022	-	40,650	40,650	-

Deferred income relates to grant received from The National Lottery Community Fund in advance of the year end for Zacchaeus project for the forthcoming year.

24. Restricted funds

Funds	Balance as at 01.09.21 £	Incoming £	Outgoing £	Transfers between funds £	Balance as at 31.08.22 £
i. Internal organisations	38,085	13,968	(101,317)	93,001	43,737
ii. Bow Road Methodist Church Organ Fund	1,916	8	-	-	1,924
iii. Bethnal Green Refurbishment Fund	-	76,300	(76,300)	-	-
	40,001	90,276	(177,617)	93,001	45,661

i. Internal Organisations. This fund incorporates the two projects of the Tower Hamlets Circuit; Band for Life and Zacchaeus.

ii. Bow Road Methodist Church Organ Fund. This fund was set up for the purposes of buying a church organ.

ii. Bethnal Green Refurbishment Fund. This fund was set up for the refubishment of the Bethnal Green property.

25. Analysis of net assets between funds

Fund balances at 31 August 2022 are represented by:	Unrestricted Funds £	Restricted Funds £	2022 Total £
Tangible fixed assets	3,902,765	250	3,903,015
Investments	1,637,990	-	1,637,990
Net current assets	963,791	45,411	1,009,202
Long term liabilities	(6,006)	-	(6,006)
	6,498,540	45,661	6,544,201

26. Contingent Liabilities

As at 31 August 2022, the Circuit had agreed to provide any required support and financial assistance to the Whitechapel Mission to enable it to meet its financial obligations up to £50,000.

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Notes to the accounts for the year ended 31 August 2022 (continued)

27. Related party transactions

The Circuit is part of The London District and is also accountable to the Methodist Conference, the ultimate controlling body. Related parties also include Ministers, other Circuit and Churches, Central Finance Board of the Methodist Church and The Trustees for Methodist Church Purposes ("TMCP").

Details of the transactions occurring during the year were as follows:

The London District of the Methodist Church ("TLDMC")

During the year, the Circuit received grants of £111,760 (2021: 30,984) from TLDMC.

Newham Methodist Circuit ("NMC")

As at 31 August 2022, NMC owed an amount of £19,289 (2021: £19,289) to the Circuit. The amount is interest free and repayable on demand. NMC also owed an amount of £58,882 (2021: £30,696) for services provided by a Circuit member of staff.

Hackney and Stoke Newington Methodist Circuit ("HNMC")

During the year, the Circuit received management and administration fees of £6,420 (2021: £4,364) from HNMC for services provided by the Circuit's members of staff.

During the year, a loan owed to the Circuit by HNMC amounting to £9,000 was repaid in full.

Enfield Circuit Methodist Church("EMC")

Last year, the Circuit advanced a loan of £500,000 to EMC and this loan was still outstanding at 31 August 2022. Interest is calculated based on the rate the Circuit would have received on its investments. Loan interest of £3,161 (2021: £229) was accrued at year end and both the loan and interest were repaid in full in January 2023.

Romford Circuit Methodist Church("RMC")

Last year, the Circuit advanced a loan of £70,000 to RMC and £52,500 was still outstanding at 31 August 2022. Interest is calculated based on rate of the income return of the CFB's Corporate Bond Fund for the period. Interest received during the year was £1,016. The loan and the outstanding interest were repaid in full on 8 September 2022.

METHODIST CHURCH IN TOWER HAMLETS

England & Wales - Charity number 1134888

Accounts

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2021

The Methodist Church – Tower Hamlets Circuit

(London District – Circuit No 35/09)

Charity Registration Number 1134888

Accounts for the year ended 31 August 2021

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THE METHODIST CHURCH IN TOWER HAMLETS

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THE METHODIST CHURCH IN TOWER HAMLETS

Reference and Administrative Details

Names and addresses

The address of the registered office for the Tower Hamlets Circuit for the purposes of the Methodist Church Act 1976 and any other legislation is:

The Methodist Church in Tower Hamlets
Bow Road Methodist Church
1 Merchant Street
London E3 4LY
Tel: 020 8880 7301
Web: www.mcth.org.uk

Circuit Office:
Circuit Office
1 Merchant Street
London E3 4LY
Tel: 020 8880 7301

Custodian Trustees:
Trustees for Methodist Church Purposes
Central Buildings
Oldham Street
Manchester M1 1JQ

Circuit Leadership Team:
Rev. Jenny Impey
Deacon Terry Street
Mrs Harriet Graham-Mensah
Ms Verna Coke
Mr Jones Ankrah

Investment Managers:
Central Finance Board of the Methodist Church
9 Bonhill Street
London EC2A 4PE

Trustees for the Methodist Connexional Funds (registered)
9 Bonhill Street
London EC2A 4PE

Bankers:
CAF Bank
25 Kings Hill Avenue
Kings Hill
West Malling
Kent ME19 4JQ

Independent Auditor:
Citroen Wells
Chartered Accountants & Statutory Auditors
Devonshire House
1 Devonshire Street
London W1W 5DR

Solicitors:
Lovell Son and Pitfield
9 Gray`s Inn Square
Gray`s Inn
London WC1R 5JT

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THE METHODIST CHURCH IN TOWER HAMLETS

Trustees' Report for the year ended 31 August 2021

The Trustees present their report and the audited accounts of the charity for the year ended 31 August 2021. The Trustees have adopted the provisions of the Statement of Recommended Practice (SORP) "Accounting and Reporting by Charities" (FRS 102) in preparing the annual report and accounts of the charity.

The accounts have been prepared in accordance with the accounting policies set out in note 1 to the accounts and comply with the Circuit's governing document, the Charities Act 2011 and 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) (effective 1 January 2019).

Governance

The governing body of the Methodist Church is the Conference, which meets annually. The authority under which the Conference acts is given by the Methodist Church Act 1976.

We are governed by the Methodist Churches Constitutional Practice and Discipline and all Charity Law of the United Kingdom.

The church is governed by the Methodist Church Act 1976, the Deed of Union and the Model Trusts of the Methodist Church. The purposes of the Methodist Church are and shall be deemed to have been since the date of union of advancement of: (a) the Christian faith in accordance with the doctrinal standards and the discipline of the Methodist Church (b) any charitable purpose for the time being of any Connexional, district, circuit, local of other organisation of the Methodist Church (c) any charitable purpose for the time being of any society or institution or subsidiary or ancillary to the Methodist Church; any purpose for the time being of any charity being a charity subsidiary or ancillary to the Methodist Church. In setting our objectives and planning our activities, the Circuit has given careful consideration to the Charity Commission's general guidance on public benefit and in particular to its supplementary public benefit guidance on advancing our objectives as set out above.

The Methodist Church in Tower Hamlets is part of the Methodist Church London District, and is a registered charity, number 1134888.

The Circuit is also registered for Gift Aid with H M Revenue & Customs under the reference XR16174.

Full Name of Charity: Methodist Church in Tower Hamlets

Registration Charity Number: 1134888

Date of Registration: 12 March 2010

Main Communication Address: Methodist Church in Tower Hamlets
Bow Road Methodist Church
1 Merchant Street
London E3 4 LY

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Trustees

The full list of Trustees who served during the year and up to date of signature of the accounts were as follows:
Trustees who joined during 2020/21 are shown with an asterix (*) and those who left during the year with (**), And those who left in 2021/22 are shown with (***).Trustees who have joined during 2021/22 are denoted with (#)

Mrs Glenda Adams
Mr Joseph Amoah*
Mrs Lucia Banks***
Ms Shirley Bristow
Ms Verna Coke
Ms Carol Dixon
Ms Cheryl Gurnham
Rev John Hayes **
Mrs Evelyn Louis
Rev Jenny Impey #
Deacon Terry Street
Ms Sarah Wilson***
Revd Dr Jongikaya Zihle*
Dr Keith Aldred
Mr Jones Ankrah
Ms Debbie Brady***
Mr Andrew Brown***
Mrs Sheila de Winter
Mrs Harriet Graham-Mensah
Mrs Ivy Harber
Mrs Dorrett Kirwan
Miss Laverne John***
Mr John Singleton
Miss Jean Thomas
Mrs Patience Yeboah

Method to recruit new Trustees

There are a number of *ex officio* trustees – a London District Chair, Presbyters, Deacons, Circuit Stewards, the secretary of the Local Preachers' Meeting together with the Treasurer and one Church Steward from each of the churches in the Circuit. These trustees will change when the post holders change. Additional members from each church are appointed by the relevant Church Council or General Church Meeting. A Secretary of the Circuit Meeting, who is a Lay Person, is appointed by the meeting.

Objective and purpose

The calling of the Methodist Church in Tower Hamlets is to respond to the gospel of God's love in Christ and to live out its discipleship in worship and mission. This is expressed through Worship, Learning and Caring, Evangelism and Service. The Circuit is committed to use its resources in a clearly focussed and intentional way to ensure an effective response to the needs of our congregations and wider community.

Activities

The mission of the Circuit is to worship God as it celebrates its diversity according to the teachings of Jesus Christ. Inspired by Jesus we will offer hope and build communities of love, through prayer, pastoral care and social ministry.

Organisational structure

The Circuit includes responsibility for the Methodist Churches at Bow Road, Bethnal Green, Old Ford, Poplar, and Whitechapel. The churches at Bow Road, Bethnal Green and Old Ford formally recognised that they were unable to fulfil their responsibilities as Managing Trustees with respect to finance and property and all three congregations delegated these responsibilities to the Circuit meeting as set out under the Model Trust, section 16 (k) from 2014/15. Accordingly, these accounts include Bow Road, Bethnal Green and Old Ford Methodist Churches. Pastoral, worship and mission matters are discussed with at least two Church Meetings during the year.

Poplar Methodist Church has its own managing trustees but is excepted from registration as a charity by virtue of Statutory Instrument No 242 of 2014 and produces separate accounts. The Whitechapel Mission for the Homeless and Rootless of London is registered separately with the Charity Commission (227905).

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Organisational structure (continued)

In addition to the above, the Circuit ran two social projects as Internal Organisations. The two social projects are:

- The Zacchaeus Project to support those who have long term illness, the elderly and infirm and those who care for them in Tower Hamlets. This project relied initially on a five year funding agreement (2012 – 2016) from the Big Lottery Fund. Funding over and above the amounts raised as payments for the various activities of the project is now provided by Circuit investments which originated from the sale of properties in previous and the current year. The various activities of the project took place at Bethnal Green Methodist Church until April 2021 when activities were relocated to Bow Road Methodist Church in anticipation of the redevelopment of Bethnal Green. In 2019, specific funding was granted for three years by the Big Lottery Fund for the extension of the Advice work that is done by the project. Ms Louise Walton was appointed to the position of Advice and Guidance coordinator in December 2019 and left on 18 June 2021, and the Circuit is in the process of recruiting another person to replace Louise. Catherine Preece was also appointed as Admin and Advise support worker on 7 December 2020 to assist the Zacchaeus project.
- "Band for Life", providing a music workshop once a week at Bow Road Methodist Church for people who have experienced mental illness or are socially isolated. Activities were funded by Circuit investments which originated from the sale of properties in previous and the current year. Numbers attending the project continue to grow.

The management of these projects is undertaken by a project manager for each project, who provides a regular report to the Trustees. Each project is supported by a Steering Group which meets regularly to guide strategic direction and advise on any operational issues.

Grants

In September 2018, the Trustees recognised that the Circuit is financially better endowed than many other organisations, and that it is limited in the support that it would like to offer the broader community due to the relatively modest size of its congregations. They therefore approved a recommendation that the Circuit make funding available to projects that met the following criteria:

- Churches or groups that are part of the Methodist Church in Britain
- Churches or groups associated with the World Methodist Council
- Charities supporting the homeless in London
- Charities providing critical services to the people of the London Borough of Tower Hamlets

In 2020/21 the Circuit made grants to Albert St School and UK Welcomes Refugees.

Circuit Ministers and officers

The Superintendent Minister and Chair of the Managing Trustees during 2020/21 was Revd John Hayes who had pastoral responsibilities for Bow Road and Poplar churches, while Deacon Terry Street had responsibility for Bethnal Green church, the Whitechapel Mission and for examining new methods of worship at the Old Ford church. Revd John Hayes left on 31 August 2021 and the Superintendency, office of Chair of Trustees and Pastoral Responsibility for Bow Road and Poplar Churches moved to Rev Jenny Impey who Joined the Circuit on 1 September 2021.

Future Pastoral Support within the Circuit

-The *Circuit Local Pastor,* Mrs Lucia Banks was appointed as *Lay Pastoral Worker* in March 2020 to support the work with the Bow Road and Poplar congregations. Lucia Banks left the post on 12 September 2021 to commence ordination training in the Methodist Church in Britain. Having tried unsuccessfully to recruit to this post, the Circuit is reviewing how pastoral support can be enhanced within the Circuit.

- A *Families'* and *Young Peoples' Worker,* Laverne John was appointed to the Circuit staff in December 2020.

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Lay staff structure

The Circuit Executive Officer (CEO), Andrew Brown, continued to handle the administrative and business affairs of the Circuit and its constituent parts. He was assisted by other administrative staff - a Finance Manager and a part time administrator and a premises manager. The circuit was restructured towards the end of the year when the CEO announced his resignation and left his post on 30 September 2021. It was agreed that a new post of Facilities and Property Manager would be created, combining the Property Manager's responsibilities and some of the CEO's responsibilities. Godfried Addo joined the circuit team on 23 August 2021 as the Facilities and Property Manager. William Lubega was made redundant on 31 August 2021. The Circuit is continuing to review its structure.

There were four Local Preachers in the Circuit, and two Local Preachers "on trial

Property

Significant Future Projects

As indicated in previous reports, a project was initiated to consider a significant redevelopment of the Bethnal Green Church building. In May 2019, the Trustees approved the option of demolishing the existing church and community centre building and rebuilding to create a building which would better meet the needs of the congregation, the Zacchaeus project, other users and the local community. Project managers, architects and other professionals were retained, and an attractive design was developed. However, the Trustees felt that the resultant cost estimates were beyond the affordability of the Circuit and the project has therefore reverted to the refurbishment of the existing building fabric of the church and community centre. Alan Pipe and Partners were appointed as project architects. The project faced some delays and by the time it was ready to go to tender the economic climate had changed significantly leading to tenders being received in October 2021 which were way in excess of the estimates for the project and so the Circuit is currently reviewing its options for this building.

Achievements and performance

During 2020/21 the Methodist Church in Tower Hamlets continued its ministry and service to the people of the Borough though the provision of worship and service opportunities in four congregations, having taken the decision to cease public worship at Old Ford Methodist Church, the continued support of the homeless, elderly carers and people with mental health issues through the Whitechapel Mission, the Zacchaeus and Band for Life projects and provided grant funding to one project in the East London area and South Africa. The issues raised by the Covid 19 pandemic continued to present a challenge to the church community and the service users of the projects. With church buildings being closed, online and telephone worship continued, and a number of other ways of connecting remotely were initiated so as to ensure that members were able to establish and maintain relationships. After lockdown ceased, a few "pilot" worship services in our buildings were undertaken but these were stopped when London moved to Tier 2, only resuming in June 2021. The Zacchaeus and Band for Life project staff initially made regular contact with service users via telephone and when restrictions eased were able to undertake certain activities in person while observing the government restrictions. Since the end of March, Circuit and project staff have been providing practical support and assistance, and pastoral care, to members of the churches and projects and the wider community. The Whitechapel Mission stayed open throughout the pandemic, adapting its services to the new context.

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Investments

The Circuit's proceeds from property sales relating to the East End Mission are classed as City Centre funds and as a result are held by the London District (Trust 20520). Grants from these funds are made to the Circuit (see note 5). The balance in this account on 31 August 2021 was £2,574,452.

The investment of surplus funds is operated via the Central Finance Board (CFB) of the Methodist Church. CFB aims to provide 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. The Restricted Fund which is mainly funds from sales of properties is managed by Trustees for Methodist Purposes (TMCP). These funds are also invested with CFB. The Trustees continue to utilised these funds for the furtherance of the Circuit's mission.

Public Benefit

The Trustees have due regard to the guidance published by the Charities Commission in accordance with its duties under section 17 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.

Financial Review

Circuit ministry is funded through the offering receipts from the churches at Bethnal Green, Bow Road and Old Ford, and the assessment contributions from the Poplar church. This was supplemented by incoming rents from the Circuit properties and interest from investments.

The work of the social projects, including part of the ministerial costs, is dependent on the continued receipt of external grants, which continue to be supplemented from the interest from the City Centre Funds (held by the London District) and proceeds of sale of other sites.

The various properties are funded from their income on a day-to-day basis. Repairs and refurbishments are currently funded from the sale proceeds of other sites, however in general all are in good condition. The process of disposing of properties, which are not involved in the active mission of the Circuit, is now complete.

The value of Circuit funds as at 31 August 2021 was £6,941,301 which is a decrease of £458,312 from the previous year.

Trustees' interests

The Ministers who are Trustees of the Circuit and office Holders stationed to the Circuit by the Methodist Church in Britain are paid a stipend and are provided with a manse for the Ministers and their families to live. Council Tax is paid for by the Circuit and also an official telephone line with broadband facilities to enable them to carry out their service as Ministers. These arrangements are practiced throughout the Connexion who stipulate their terms of service.

A number of employees became Trustees during the course of 2020 and served as such during this Connexional year – Lucia Banks, Debbie Brady, Andrew Brown and Sarah Wilson. The constitution requires that except in very limited circumstances Trustees are either Members or Ministers of the Methodist Church and on recognising this, they ceased to serve as Trustees.

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Two Trustees – Dorrett Kirwan and John Singleton are employees. However, their appointment as Trustees is unconnected to their employment by the Circuit and they receive no remuneration for their service as Trustees. Any interest is declared at the commencement of each meeting.

Risk Management

The Circuit has reviewed its risk policies and is producing a Risk Register highlighting the various risks facing the Circuit, the impact and the likelihood of them happening. The main headings under which these risks have been categorised are:

- Trustees' Responsibilities
- Membership and Mission
- Resources, People and Property
- Financial
- Legal

These risks are reviewed regularly to ensure effectiveness.

Reserves Policy

General Funds

The primary use of the Circuit fund is to support the ordained ministers, lay employees and congregations of the churches in their calling to worship, leaning and caring, service and evangelism and to support of the wider community in the Borough of Tower Hamlets, through projects.

The reserves policy in connection with this purpose is to maintain sufficient funds to ensure the payment of stipends, other allowances, manse costs and contributions to the district assessment for two Ministers for one year.

The unrestricted funds of £6,901,300 include properties in use for the purpose of the Circuit and other investments that generate income upon which the Circuit is reliant upon to sustain its core activities.

The Circuit Trustees have decided to provide continued funding from General Funds to both social projects, Zacchaeus and Band for Life, to enable them to continue operations in their current form. If any additional initiatives are considered, applications for external funding will be made, if necessary.

The reserves policy in relation to these operations is such that once the available balances reach a point where only six months operating plus redundancy costs remain, the Circuit Meeting will consider whether to continue support from unrestricted funds, apply for further grants or to start to discontinue the work.

Restricted Funds

Restricted funds, while declining, are still being used for the social projects. When these are exhausted, the projects will be supported from General Funds as outlined in the General Funds paragraph above.

Commitments

All known commitments are included in the accounts.

Plans for the future

It is the intention to continue the existing initiatives of the local Churches and Circuit. In addition, the Circuit will continue to assess the needs of the local community and, where relevant, consider the deployment of resources in extending the services currently provided to support the congregations in their mission and to the broader community. The Covid 19 Pandemic has had a significant impact on the work of the Circuit, with churches closed for worship and very limited opportunity for in person project work. Future plans will need to consider and address the many issues of the pandemic on our members, service users and the broader community in the Borough.

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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.

Auditors

The auditors, Citroen Wells, are willing to continue in office, and have been re-appointed at the Trustees' Meeting.

This report has been written by Circuit staff with support of the Ministers and Circuit Stewards. They can be contacted at Bow Road Methodist Church, 1 Merchant Street, London, E3 4LY.

Approved by the Trustees on the 28/3/2022 **and signed on their behalf by:**

Rev Jenny Impey

Revd Jenny Impey
Circuit Superintendent Minister

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THE METHODIST CHURCH IN TOWER HAMLETS

Statement of Trustees' responsibilities for the year ended 31 August 2021

The Trustees are responsible for preparing the Trustees' Report and the accounts in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

The law applicable to charities in England and Wales requires the Trustees to prepare accounts for each financial year, which give a true and fair view of the state of affairs of the Circuit's and of the incoming resources and application of resources of the Circuit for that year.

In preparing these accounts, 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 accounts, and
- prepare the accounts on the going concern basis unless it is inappropriate to presume that the Charity will continue in operation.

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 Standing Orders of the Methodist Church, the Charities Act 2011, the Charity (Accounts and Reports) Regulations 2008 and other relevant regulations. They are also responsible for safeguarding the assets of the charity and hence for taking reasonable steps for the prevention and detection of frauds and other irregularities.

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THE METHODIST CHURCH IN TOWER HAMLETS

Independent Auditor's Report to the Trustees of The Methodist Church in Tower Hamlets

Opinion

We have audited the accounts of The Methodist Church in Tower Hamlets (the 'Circuit') for the year ended 31 August 2021, which comprise the Statement of Financial Activities, the Balance Sheet and the notes to the accounts, 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 Circuit's affairs as at 31 August 2021 and of its incoming resources and application of resources for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- 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 accounts section of our report. We are independent of the Circuit in accordance with the ethical requirements that are relevant to our audit of the accounts 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 accounts, we have concluded that the Trustees' use of the going concern basis of accounting in the preparation of the accounts 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 Circuit'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 and described in the relevant sections of this report.

Other information

The Trustees are responsible for the other information. The other information comprises the information included in the annual report, other than the accounts and our auditor's report thereon. Our opinion on the accounts does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the accounts, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the accounts or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether this give rise to a material misstatement in the accounts. 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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Independent Auditor's Report to the Trustees of The Methodist Church in Tower Hamlets (continued)

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

- the information given in the accounts is inconsistent in any material respect with the Trustees' report; or
- sufficient accounting records have not been kept; or
- the accounts 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 statement of Trustees 'responsibilities, the Trustees are responsible for the preparation of the accounts 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 accounts that are free from material misstatement, whether due to fraud or error.

In preparing the accounts, 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.

Auditor's responsibilities for the audit of the accounts

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 accounts 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 accounts.

Extent to which the audit was considered capable of detecting irregularities, including fraud

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect irregularities, including fraud. The risk of not detecting a material misstatement due to fraud is higher than the risk of not detecting one resulting from error, as fraud may involve deliberate concealment by, for example, forgery or intentional misrepresentations, or through collusion. The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below. However, the primary responsibility for the prevention and detection of fraud rests with both those charged with governance of the entity and management.

Our approach was as follows:

- We obtained an understanding of the legal and regulatory frameworks that are applicable to the Circuit and determined that the most significant are those that relate to the reporting framework (FRS 102 as applied in the Charities SORP and the Charities Act 20211) and the relevant legislation in the United Kingdom including employment, environmental and health and safety regulations.
- We understood how the Circuit is complying with those frameworks by making enquiries of management and seeking representations from those charged with governance. We corroborated our understanding by reviewing supporting documentation including board meeting minutes and correspondence with regulatory bodies.

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- We assessed the susceptibility of the Circuit's accounts to material misstatement, including how fraud might occur by considering the risk of management override of internal control and by designating revenue recognition as a fraud risk. We performed journal entry testing by specific risk criteria, with a focus on journals indicating large or unusual transactions based on our understanding of the business. We tested completeness of income through substantive tests performed, analytical review procedures and cut off tests on the revenue recognised.

- Based on this understanding we designed our audit procedures to identify non-compliance with such laws and regulations. Our procedures involved enquiries of management and those charged with governance, review of legal and professional expenses and review of Trustees' meeting minutes.

- The Circuit is a regulated entity under the supervision of the Charities Commission. As such, the Senior Statutory Auditor considered the experience and expertise of the engagement team to ensure that the team had the appropriate competence, capabilities and skills to identify or recognise non-compliance with applicable laws and regulations.

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

Other matter
Your attention is drawn to the fact that the charity has prepared the accounts 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)" (as amended) in preference to the Accounting and Reporting by Charities: Statement of Recommended Practice issued on 1 April 2005 which is referred to in the extant regulations but has now been withdrawn.

This has been done in order for the financial statements to provide a true and fair view in accordance with current Generally Accepted Accounting Practice.

Use of our report
This report is made solely to the Circuit's 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's 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's Trustees as a body, for our audit work, for this report, or for the opinions, we have formed.

Citroen Wells

19/4/2022
……

Citroen Wells
Chartered Accountants &
Statutory Auditor

Devonshire House
1 Devonshire Street
London
W1W 5DR

Citroen Wells 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

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THE METHODIST CHURCH IN TOWER HAMLETS

Statement of Financial Activities for the year ended 31 August 2021

	Notes	Unrestricted Funds £	Restricted Funds £	2021 Total £	2020 Total £
Income and Endowments from:					
Circuit assessment	**3**	5,000	-	**5,000**	5,000
Offerings	**4**	4,257	-	**4,257**	4,863
Grants and donations received	**5**	31,418	-	**31,418**	39,204
Investment income and interest	**6**	26,220	3	**26,223**	40,485
Rental income	**7**	135,068	-	**135,068**	89,559
Other income	**8**	32,661	-	**32,661**	254,416
Internal organisations	**10**	-	46,296	**46,296**	52,562
Total income		**234,624**	**46,299**	**280,923**	486,089
Expenditure on:					
Charitable activities					
Stipends and staff costs:					
Ministry	**9**	311,476	-	**311,476**	295,007
Internal organisations	**10**	-	90,091	**90,091**	77,817
District assessment		17,625	-	**17,625**	17,784
Telephone, travel & administration		17,460	-	**17,460**	17,020
Insurance, utilities and Rent		27,408	-	**27,408**	25,566
Maintenance on manses	**11**	22,309	-	**22,309**	14,670
Expenditure on other Circuit properties	**12**	1,069	-	**1,069**	758
District advance fund		86,025	-	**86,025**	256,073
Other expenditure	**13**	308,008	-	**308,008**	226,419
Internal organisations	**10**	-	32,562	**32,562**	39,638
Grants and donations	**14**	17,383	-	**17,383**	37,150
Total expenditure		**808,763**	**122,653**	**931,416**	1,007,902
Net (losses)/gains on investments		**192,181**	-	**192,181**	**(100,221)**
Net expenditure before transfers		**(381,958)**	**(76,354)**	**(458,312)**	(622,034)
Transfers between funds		(83,504)	83,504	**-**	-
Net movement in funds		**(465,462)**	**7,150**	**(458,312)**	(622,034)
Funds balances at 1 September 2020		7,366,762	32,851	**7,399,613**	8,021,647
Funds balances at 31 August 2021		**6,901,300**	**40,001**	**6,941,301**	**7,399,613**

The notes on pages 18 to 29 form an integral part of these accounts.

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THE METHODIST CHURCH IN TOWER HAMLETS

Statement of Financial Activities for the year ended 31 August 2021

Comparative year information Year ended 31 August 2020	Notes	Unrestricted Funds £	Restricted Funds £	2020 Total £
Income and Endowments from:				
Circuit assessment	**3**	5,000	-	**5,000**
Offerings	**4**	4,863	-	**4,863**
Grants and donations received	**5**	39,204	-	**39,204**
Investment income and interest	**6**	40,471	14	**40,485**
Rental income	**7**	89,559	-	**89,559**
Other income	**8**	254,416	-	**254,416**
Internal organisations	**10**	-	52,562	**52,562**
Total income		**433,513**	**52,576**	**486,089**
Expenditure on:				
Charitable activities				
Stipends and staff costs:				
Ministry	**9**	295,007	-	**295,007**
Internal organisations	**10**	-	77,817	**77,817**
District assessment		17,784	-	**17,784**
Telephone, travel & administration		17,020	-	**17,020**
Insurance, utilities and Rent		25,566	-	**25,566**
Maintenance on manses	**11**	14,670	-	**14,670**
Expenditure on other Circuit properties	**12**	758	-	**758**
District advance fund		256,073	-	**256,073**
Other expenditure	**13**	226,419	-	**226,419**
Internal organisations	**10**	-	39,638	**39,638**
Grants and donations	**14**	37,150	-	**37,150**
Total expenditure		**890,447**	**117,455**	**1,007,902**
Net gains on investments		(100,221)	-	**- 100,221**
Net Expenditurenbefore transfers		**(557,155)**	**(64,879)**	**(622,034)**
Transfers between funds		(82,187)	82,187	**-**
Net movement in funds		**(639,342)**	**17,308**	**(622,034)**
Funds balances at 1 September 2019		8,006,104	15,543	**8,021,647**
Funds balances at 31 August 2020		**7,366,762**	**32,851**	**7,399,613**

Collections for and payments to External Organisations and Beneficiaries	£
Balance brought forward	-
Action for children	44
Poppy appeal	153
Total	197
Offerings and Gifts passed to External Organisations	(197)
Balance carried forward	-

The notes on pages 18 to 29 form an integral part of these accounts.

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THE METHODIST CHURCH IN TOWER HAMLETS

Balance Sheet as at 31 August 2021

	Notes	Unrestricted Funds £	Restricted Funds £	2021 Total £	2020 Total £
Fixed Assets					
Tangible assets	**16**	3,906,899	250	**3,907,149**	3,911,283
Investment properties	**17**	1,185,538	-	**1,185,538**	1,186,101
Investments	**18**	914,168	-	**914,168**	721,987
		6,006,605	250	**6,006,856**	5,819,372
Current Assets					
Debtors	**20**	578,347	-	**578,347**	80,640
T.M.C.P. Interest funds		403,954	-	**403,954**	1,597,054
Central Finance Board Deposits		66,628	35,720	**102,348**	102,279
Cash at bank and in hand		29,109	4,031	**33,140**	34,523
		1,078,038	39,751	**1,117,789**	1,814,497
Creditors: amounts falling due within one year	**21**	(174,501)	-	**(174,501)**	(223,104)
Net Current Assets		903,537	39,751	**943,288**	1,591,393
Total assets less current liabilities		6,910,142	40,001	**6,950,143**	7,410,764
Creditors: Amounts falling due after more than one year	**22**	(8,842)	-	**(8,842)**	(11,151)
Net Assets		**6,901,300**	**40,001**	**6,941,301**	7,399,613
Accumulated funds					
Unrestricted funds		6,681,300	-	**6,681,300**	7,146,762
Restricted funds	**23**	-	40,001	**40,001**	32,851
Revaluation reserve		220,000	-	**220,000**	220,000
Total Funds		**6,901,300**	**40,001**	**6,941,301**	7,399,613

The accounts were approved by the Trustees on 28/3/2022 and signed on their behalf by:

Rev Jenny Impey
.....
Revd Jenny Impey
Circuit Superintendent Minister

.....
Mr Jones Ankrah
Circuit Steward

The notes on pages 18 to 29 form an integral part of these accounts.

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Notes to the accounts for the year ended 31 August 2021

1. Accounting policies

a) Circuit information

The Methodist Church in Tower Hamlets is an unincorporated Charity in England and Wales. The principal correspondence address is given on page 3 of these accounts. The nature of the Circuit's operations and principal activities are set out in the Trustees' Report.

b) Accounting convention

The accounts have been prepared in accordance with the Charities Act 2011 and '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) (effective 1 January 2019). The Circuit is a Public Benefit Entity as defined by FRS 102.

The Circuit has taken advantage of the provisions in the SORP for charities applying FRS 102 Update Bulletin 1 not to prepare a Statement of Cash Flows.

The accounts 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 the Statement of Recommended Practice for charities applying FRS 102 rather than the version of the Statement of Recommended Practice which is referred to in the Regulations but which has since been withdrawn.

The accounts are prepared in sterling, which is the functional currency of the Circuit. Monetary amounts in these accounts are rounded to the nearest pound.

The accounts have been prepared under the historical cost convention, modified to include the revaluation of investment properties and certain financial instruments at fair value. The principal accounting policies are set out below.

c) Going concern

At the time of approving the accounts, the Trustees have a reasonable expectation that the Circuit has adequate resources to continue in operational existence for the foreseeable future. Thus, the Trustees continue to adopt the going concern basis of accounting in preparing the accounts. This is notwithstanding the impact of the Covid 19 Pandemic which has impacted income significantly. The relatively large reserves (in investments) of the Circuit mean that this reduction in income does not threaten the operations of the Circuit for the foreseeable future.

d) Funds

Unrestricted funds

Unrestricted funds are held for use at the discretion of the Trustees in furtherance of the general objectives of the Charity.

Restricted funds

Restricted funds are funds which are to be used in accordance with specific restrictions imposed by donors and grantors. The aim and use of the major restricted funds are set out in the notes to the accounts.

e) Incoming resources

Church assessment

The church assessment is accounted for on a receivable basis.

Church offerings

Church offerings are accounted for on a receipts basis.

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1. Accounting policies (continued)

Benevolence
Benevolence funds have been historically contributed by the four churches from their general funds and are accounted for on a receipts basis in accordance with Standing Order 527 of the Constitution of the Methodist Church.

Grants and donations received
Grants from third parties are included when the relevant conditions for the grant have been met.

Voluntary income comprises donations and contributions and is accounted for when entitlement has been confirmed, the amount can be measured and receipt is probable.

Rental income
Rental income from investment properties is accounted for on a receivable basis.

Other income
Other income is accounted for on a receivable basis.

Internal Organisations
Internal organisations comprise two projects of the Methodist Church in Tower Hamlets Circuit. The income is either derived from voluntary income, grants and donations by way of charitable activities.

Investment income and interest
Interest on deposits and investments is accounted on a receivable basis.

f) Expenditure recognition
All expenditure is accounted for on an accruals basis when an obligation that can be measured or reliably estimated exists at the reporting date.

Grants awarded are provided in the Statement of Financial Activities in the year in which they are approved by Trustees and the offer is communicated to the recipient. Grants awarded but not paid are recorded as a liability within the Balance Sheet. Grants awarded subject to conditions being met by the recipient before payments are made are not accrued until such conditions have been met. Such commitments are disclosed in the accounts as contingent liabilities.

g) Tangible fixed assets
Properties are stated at cost or in the case of donated assets at valuation at the date that the assets are gifted to the Circuit. The Trustees consider that the lives of the properties are so long and their residual values so high based on prices prevailing at the time of acquisition that any annual depreciation charge would not be material. Accordingly, no depreciation is provided on freehold properties used for charitable activities. Any material impairment in the value of such properties, following an annual review, would be chargeable to the Statement of Financial Activities.

Assets having an initial cost of £1,000 or less are written off on acquisition. Fixtures and fittings, office and computer equipment having an initial cost greater than £1,000 are capitalised and are stated at cost less depreciation. Depreciation rates calculated to write off the cost less estimated residual value of each asset over its expected useful life are as follows:

- Fixtures, fittings and equipment: 10% - 20% on a straight line basis
- Office equipment: 20% on a straight line basis

The gain or loss arising on the disposal of an asset is determined as the difference between the sale proceeds and the carrying value of the asset, and is recognised in the Statement of Financial Activities for the year.

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1. Accounting policies (continued)

h) Investment properties

Investment properties, which are properties held to earn rentals and/or for capital appreciation, are initially measured at cost and subsequently stated at the Trustees' estimates of the fair valuation at the year-end, based on an index of property prices in the relevant areas. Any surplus or deficit on revaluation is recognised in the Statement of Financial Activities.

i) Non-current investments

Fixed assets investments, which are held in units in the Trustees Methodist for Church Purposes (TMCP), are stated at the Board's published valuations at the year-end. Realised and unrealised gains and losses on investments are recognised in the Statement of Financial Activities.

j) Impairment of non-current investments

At each reporting end date, the Circuit reviews the carrying amounts of its tangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss and any impairments are recognised in the Statements of Financial Activities.

k) Cash and cash equivalents

Cash and cash equivalents include cash in hand, deposits held at call with banks, other short-term liquid investments with original maturities of three months or less.

l) Financial instruments

The Circuit has elected to apply the provisions of Section 11 'Basic Financial Instruments' of FRS 102 to all of its financial instruments.

Financial instruments are recognised in the Circuit's balance sheet when the Circuit becomes party to the contractual provisions of the instrument.

Financial assets and liabilities are offset, with the net amounts presented in the accounts, when there is a legally enforceable right to set off the recognised amounts and there is an intention to settle on a net basis or to realise the asset and settle the liability simultaneously.

Basic financial assets

Basic financial assets, which include other debtors and cash and bank balances, are initially measured at transaction price including transaction costs and are subsequently carried at amortised cost using the effective interest method unless the arrangement constitutes a financing transaction, where the transaction is measured at the present value of the future receipts discounted at a market rate of interest. Financial assets classified as receivable within one year are not amortised.

Basic financial liabilities

Basic financial liabilities, including other payables 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. Financial liabilities classified as payable within one year are not amortised.

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1. Accounting policies (continued)

m) Employee benefits

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

Termination benefits are recognised immediately as an expense when the Circuit is demonstrably committed to terminate the employment of an employee or to provide termination benefits.

n) Retirement benefits

Stipendiary Circuit Ministers are eligible to join the Methodist Ministers' Pension Scheme (MMPS). The MMPS is a funded defined benefit scheme maintained by The Methodist Church of Great Britain. As the Circuit is unable to identify its share of the underlying assets and liabilities of the scheme, the Circuit has taken the advantage of the exemption in Financial Reporting Standard 102, Retirement Benefits, and has accounted for its contributions to the scheme as if it were a defined contribution scheme. The pension costs for the scheme represent the contribution payable by the Circuit in the year. The contribution rates are set each year by the Methodist Conference.

Access to a stakeholder pension scheme is provided to all eligible lay employees and the Circuit contributes an amount equal to 6% of the employee's gross salary into this scheme.

All employees who were already in pension schemes and new employees who qualify for auto enrolment are enrolled into new pension schemes (The Pension Trust and NEST).

o) Ministers' manse costs

The Circuit is required to provide accommodation for each minister and their families, and Ministers are expected to occupy them. The Circuit bears the cost of repairs and maintenance, premises insurance, council tax and water charges. These are not regarded as taxable benefits in kind by HM Revenue & Customs.

p) Leases

Leases are classified as finance leases whenever the terms of the lease transfer substantially all the risks and rewards of ownership to the lessees. All other leases are classified as operating leases.

Assets held under finance leases are recognised as assets at the lower of the assets fair value at the date of inception and the present value of the minimum lease payments. The related liability is included in the balance sheet as a finance lease obligation. Lease payments are treated as consisting of capital and interest elements. The interest is charged to the Statement of Financial Activities for the year so as to produce a constant periodic rate of interest on the remaining balance of the liability.

2. Critical accounting estimates and judgements

In the application of the Circuit's accounting policies, the Trustees are required to make judgements, estimates and assumptions about the carrying amount of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical 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.

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3. Circuit assessment

	Unrestricted Funds	Restricted Funds	2021 Total	2020 Total
	£	£	£	£
Poplar Methodist Church	**5,000**	**-**	**5,000**	5,000
	5,000	**-**	**5,000**	5,000

4. Offerings

	Unrestricted Funds	Restricted Funds	2021 Total	2020 Total
	£	£	£	£
Bethnal Green Methodist Church	**2,700**	**-**	**2,700**	2,148
Bow Road Methodist Church	**1,557**	**-**	**1,557**	2,697
Old Ford Methodist Church	**-**	**-**	**-**	18
	4,257	**-**	**4,257**	4,863

5. Grants and Donations received

	Unrestricted Funds	Restricted Funds	2021 Total	2020 Total
	£	£	£	£
London District	30,984	-	**30,984**	37,642
Others	434	-	**434**	1,562
	31,418	**-**	**31,418**	39,204

6. Investment income and interest

	Unrestricted Funds	Restricted Funds	2021 Total	2020 Total
	£	£	£	£
TMCP Investment holdings:				
Dividends	21,625	-	**21,625**	24,020
Interest	4,243	-	**4,243**	15,469
Central Finance Board deposit interest	123	3	**126**	996
Loan interest	229	-	**229**	-
	26,220	**3**	**26,223**	40,485

7. Rental income

	Unrestricted Funds	Restricted Funds	2021 Total	2020 Total
	£	£	£	£
Income from investment properties held	**135,068**	**-**	**135,068**	89,559

8. Other income

	Unrestricted Funds	Restricted Funds	2021 Total	2020 Total
	£	£	£	£
Bequests and legacies	**1,030**	-	**1,030**	1,000
Management fees	**14,604**	-	**14,604**	18,716
Gain on disposal of tangible assets	**1,037**	-	**1,037**	193,246
Gift Aid received	**1,064**	-	**1,064**	16
Bow Road MC properties letting income	**8,544**	-	**8,544**	14,268
Bethnal Green MC properties letting income	**5,931**	-	**5,931**	11,605
Old Ford MC properties letting income	**450**	-	**450**	2,063
Other income	**1**	-	**1**	13,502
	32,661	**-**	**32,661**	254,416

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9. Stipends and staff costs

	Unrestricted Funds £	Restricted Funds £	2021 Total £	2020 Total £
Ministry				
Stipends	55,964	-	**55,964**	54,535
Salaries	208,639	-	**208,639**	192,351
Employer's National Insurance	22,067	-	**22,067**	21,334
Pension Costs	24,806	-	**24,806**	26,787
	311,476	**-**	**311,476**	295,007
Internal Organisations				
Salaries	-	77,825	**77,825**	67,348
Employer's National Insurance	-	7,596	**7,596**	6,509
Pension Costs	-	4,670	**4,670**	3,960
	-	**90,091**	**90,091**	77,817

The average monthly number of staff employed during the year was 14 (2020: 12).
There were no employees whose annual emoluments were £60,000 or more.

9a. Trustees' emoluments

One or more Trustees have been paid remuneration or have received other benefits from their employment of Office Holding with the Circuit. Trustees only receive remuneration in respect of services they provide undertaking their employment roles under their contracts of employment and not in respect of their services as Trustees.

	2021 £	2020 £
Mr John Singleton	**8,174**	7,959
Mrs Dorrett Reid Kirwan	**11,665**	11,358
Rev John Hayes	**34,324**	36,582
Mr Andrew Brown	**43,523**	47,684
Decon Terry Street	**32,591**	34,401
Debbie Brady	**42,925**	-
Laverne John	**20,511**	-
	193,713	137,984

9b. Key Management Personnel

The key management personnel of the Circuit comprise of the Trustees and the circuit leadership team as listed on page 3. The total amount of the employee benefits (including employer pension contributions received by the key management personnel for their services to the Circuit was £140,120 (2020: £143,284).

9c. Pension costs

The total pension cost for the Circuit for the year ended 31 August 2021 was £29,476 (2020: £30,747). There were no outstanding or prepaid pension contributions at 31 August 2021 (2020: £nil).

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10. Internal Organisation

The Tower Hamlets Circuit incorporates two social and community projects, Band for Life and Zacchaeus. The income and expenditure for these projects was as follows:

	Zacchaeus Project	Band for Life Project	Total Restricted Funds
	£	£	£
Income and Endowments from:			
Donations received	92	65	**157**
Grant received*	42,884	-	**42,884**
Activities for generating funds	1,200	-	**1,200**
Charitable activities	2,030	-	**2,030**
Other incoming resources	20	5	**25**
Total	**46,226**	**70**	**46,296**
Expenditure on:			
Cost of generating funds	-	-	**-**
Charitable activities	16,283	12,479	**28,762**
Support and staff costs	93,793	98	**93,891**
Total	**110,076**	**12,577**	**122,653**
Net expenditure before transfers	(63,850)	(12,507)	**(76,357)**
Transfers from unrestricted funds	74,504	9,000	**83,504**
Net movement in funds	10,654	(3,507)	**7,147**
Funds balances at 1 September 2020	24,529	6,409	**30,938**
Funds balances at 31 August 2021	**35,183**	**2,902**	**38,085**

* Notable grant was received during the year from Big Lottery Fund.

11. Expenditure on Manses

	Unrestricted Funds	Restricted Funds	2021 Total	2020 Total
	£	£	£	£
Building repairs and maintenance	12,260	-	**12,260**	2,598
Fire and security systems	522	-	**522**	1,186
Insurance	3,318	-	**3,318**	3,152
Utilities, Telephone and other services	6,209	-	**6,209**	7,734
	22,309	**-**	**22,309**	14,670

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12. Expenditure on other Circuit properties

	Unrestricted Funds	Restricted Funds	2021 Total	2020 Total
	£	£	£	£
Building repairs and maintenance	-	-	-	79
Insurance	1,069	-	**1,069**	1,029
Professional fees	-	-	-	(576)
Utilities and other services	-	-	-	226
	1,069	-	**1,069**	758

13. Other expenditure

	Unrestricted Funds	Restricted Funds	2021 Total	2020 Total
	£	£	£	£
Building and equipment costs	47,844	-	**47,844**	54,494
Depreciation	4,134	-	**4,134**	4,237
Finance costs	1,917	-	**1,917**	62
General and other ad hoc expenses	20,138	-	**20,138**	1,472
Ministry costs	4,366	-	**4,366**	4,136
Professional fees	228,044	-	**228,044**	156,994
Staff welfare and training	1,565	-	**1,565**	5,024
	308,008	-	**308,008**	226,419

Profession fees include Berthnal Green redevelopment cost of £208,463 (2020:£102.487) paid to various parties.

14. Grants and donations

	Unrestricted Funds	Restricted Funds	2021 Total	2020 Total
	£	£	£	£
Grants	8,004	-	**8,004**	15,000
Donations	9,379	-	**9,379**	22,150
	17,383	-	**17,383**	37,150

15. Auditors' remuneration

	2021	2020
	£	£
Fees payable to the Circuit's auditors for audit of the annual accounts	**6,600**	6,600

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16. Tangible assets

Cost or valuation	Freehold Land & Buildings £	Fixtures Fittings & Equipment £	Office Equipment £	Total £
At 1 September 2020 and At 31 August 2021	**3,890,717**	**29,847**	**14,180**	**3,934,744**
Depreciation				
At 1 September 2020	-	20,625	2,836	23,461
Charge for year	-	1,298	2,836	4,134
At 31 August 2020	**-**	**21,923**	**5,672**	**27,595**
Carrying Amount				
At 31 August 2021	**3,890,717**	**7,924**	**8,508**	**3,907,149**
At 31 August 2020	3,890,717	9,222	11,344	3,911,283

The carrying amount of freehold land and building comprises of:

	2021 £	2020 £
Freehold land	**40,000**	135,000
Manses	**1,290,069**	1,290,069
Church buildings	**2,560,648**	2,560,648
	3,890,717	3,985,717

The net book value of office equipment includes £8,508 (2020: £11,244) in respect of assets held under finance leases. The depreciation charged in respect of such assets amounted to £2,836 (2020: £2,836) for the year.

17. Investment properties

	2021 £	2020 £
Market value at 1 September 2020	1,186,101	1,186,101
Disposals	(563)	-
Market value at 31 August 2021	**1,185,538**	1,186,101

The valuations of investment properties are stated at the Trustees' estimates of the fair valuation at the year-end, based on an index of property prices in the relevant areas.

The Trustees consider that these valuations are reasonable at 31 August 2021.

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18. Investments

	2021	2020
	£	£
Valuation at 1 September 2020	721,987	822,208
Valuation changes	192,181	(100,221)
Valuation at 31 August 2021	**914,168**	721,987
Investments held by Central Finance board		
At 31 August 2021	**914,168**	721,987
	914,168	721,987

19. Financial Instruments

	2021	2020
	£	£
Carrying amount of financial assets		
Debt instruments measured at amortised cost	**1,488,078**	902,371
Carrying amount of financial liabilities		
Measered at amortised cost	**177,506**	256,933

20. Debtors

	Unrestricted Funds	Restricted Funds	2021 Total	2020 Total
	£	£	£	£
Prepayments	4,436	-	**4,436**	2,135
Other debtors	573,911	-	**573,911**	78,505
	578,347	**-**	**578,347**	80,640

21. Creditors: amounts falling due within one year

	Unrestricted Funds	Restricted Funds	2021 Total	2020 Total
	£	£	£	£
Accruals	153,979	-	**153,979**	207,773
Obligations under finance leases	2,308	-	**2,308**	1,779
Other taxation and social security	5,837	-	5,837	5,725
Other creditors	12,377	-	**12,377**	7,827
	174,501	**-**	**174,501**	223,104

22. Creditors: amounts falling due after more than one year

	Unrestricted Funds	Restricted Funds	2021 Total	2020 Total
	£	£	£	£
Obligations under finance leases	8,842	-	**8,842**	11,151

	2021	2020
Net obligations under finance lease and hire purchase contracts:	£	£
Repayable within one year	**3,696**	3,696
Repayable between one and five years	**10,032**	13,728
	13,728	17,424
Finance charges and interest allocated to future accounting periods	**(2,578)**	(4,494)
	11,150	12,930
Included in liabilities falling due within one year	**(2,308)**	(1,779)
	8,842	11,151

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23. Restricted funds

	Balance as at 01.09.20	Incoming	Outgoing	Transfers between funds	Balance as at 31.08.21
	£	£	£	£	£
Funds					
i. Internal organisations	30,938	46,296	(122,653)	83,504	**38,085**
ii. Bow Road Methodist Church Organ Fund	1,913	3	-	-	**1,916**
	32,851	**46,299**	**(122,653)**	**83,504**	**40,001**

i. Internal Organisations. This fund incorporates the two projects of the Tower Hamlets Circuit; Band for Life and Zacchaeus.

ii. Bow Road Methodist Church Organ Fund. This fund was set up for the purposes of buying a church organ.

24. Analysis of net assets between funds

Fund balances at 31 August 2021 are represented by:	Unrestricted Funds	Restricted Funds	Total
	£	£	£
Tangible fixed assets	3,906,899	250	**3,907,149**
Investments	2,099,706	-	**2,099,706**
Net current assets	903,537	39,751	**943,288**
Long term liabilities	(8,842)	-	**(8,842)**
	6,901,300	**40,001**	**6,941,301**

25. Contingent Liabilities

As at 31 August 2021, the Circuit had agreed to provide any required support and financial assistance to the Whitechapel Mission to enable it to meet its financial obligations up to £50,000.

26. Capital commitments

	2021	2020
	£	£
At 31 August 2021 the Circuit had capital commitments as follows:		
Contracted for but not provided in the accounts	**-**	11,016

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27. Related party transactions

The Circuit is part of The London District and is also accountable to the Methodist Conference, the ultimate controlling body. Related parties also include Ministers, other Circuit and Churches, Central Finance Board of the Methodist Church and The Trustees for Methodist Church Purposes ("TMCP").

Details of the transactions occurring during the year were as follows:

The London District of the Methodist Church ("TLDMC")

During the year, the Circuit received grants of £30,984 (2020: 37,642) from TLDMC.
These grants are from the Circuit investment held by TLDMC (Trust 20520).

Newham Methodist Circuit ("NMC")

As at 31 August 2021, NMC owed an amount of £19,289 (2020: £19,289) to the Circuit. The loan is interest free and repayable on demand. NMC also owed an amount of £30,696 (2020: £21,531) for services provided by a Circuit member of staff.

Hackney and Stoke Newington Methodist Circuit ("HNMC")

During the year, the Circuit received management and administration fees of £4,364 (2020: £9,900) from HNMC for services provided by the Circuit's Chief Executive Officer and other members of staff.

Last year, the Circuit advanced a loan of £18,000 to HNMC and £9,000 was still outstanding at 31 August 2021. Capital is repayable in eight equal instalments of £2,250 and interest, calculated based on the rate the Circuit would have received on its investment, will be paid when the capital is fully repaid.

Enfield Circuit Methodist Church("EMC")

During the year, the Circuit advanced a loan of £500,000 to EMC and this amount was outstanding at 31 August 2020. The Loan is repayable in full by 31 August 2022 and interest, calculated based on the rate the Circuit would have received on its investments, will be paid when the capital is fully repaid. Loan interest of £229 has been accrued on the loan.