

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

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

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 or 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

THE METHODIST CHURCH IN TOWER HAMLETS

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

THE METHODIST CHURCH IN TOWER HAMLETS

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

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.

THE METHODIST CHURCH IN TOWER HAMLETS

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

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.

THE METHODIST CHURCH IN TOWER HAMLETS

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

THE METHODIST CHURCH IN TOWER HAMLETS

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:



Revd Jenny Impey
Circuit Superintendent Minister

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.

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 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.

THE METHODIST CHURCH IN TOWER HAMLETS

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.

THE METHODIST CHURCH IN TOWER HAMLETS

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
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

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.

THE METHODIST CHURCH IN TOWER HAMLETS

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 Expenditure before 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.

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 |
| | | <u>5,540,755</u> | <u>250</u> | <u>5,541,006</u> | <u>6,006,856</u> |
| 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 |
| | | <u>1,019,453</u> | <u>86,061</u> | <u>1,105,514</u> | <u>1,117,789</u> |
| Creditors: amounts falling due within one year | 21 | (55,662) | (40,650) | (96,312) | (174,501) |
| Net Current Assets | | <u>963,791</u> | <u>45,411</u> | <u>1,009,202</u> | <u>943,288</u> |
| Total assets less current liabilities | | <u>6,504,546</u> | <u>45,661</u> | <u>6,550,207</u> | <u>6,950,143</u> |
| Creditors: Amounts falling due after more than one year | 22 | (6,006) | - | (6,006) | (8,842) |
| Net Assets | | <u>6,498,540</u> | <u>45,661</u> | <u>6,544,201</u> | <u>6,941,301</u> |
| 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 | | <u>6,498,540</u> | <u>45,661</u> | <u>6,544,201</u> | <u>6,941,301</u> |

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

Rev 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.

THE METHODIST CHURCH IN TOWER HAMLETS

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.

THE METHODIST CHURCH IN TOWER HAMLETS

Notes to the accounts for the year ended 31 August 2022 (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.

THE METHODIST CHURCH IN TOWER HAMLETS

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.

THE METHODIST CHURCH IN TOWER HAMLETS

Notes to the accounts for the year ended 31 August 2022 (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.

THE METHODIST CHURCH IN TOWER HAMLETS

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

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 |

THE METHODIST CHURCH IN TOWER HAMLETS

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

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.

THE METHODIST CHURCH IN TOWER HAMLETS

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

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 |

THE METHODIST CHURCH IN TOWER HAMLETS**Notes to the Accounts for the year ended 31 August 2022 (continued)****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 |

THE METHODIST CHURCH IN TOWER HAMLETS

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

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 |
| Manse | 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.

THE METHODIST CHURCH IN TOWER HAMLETS

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

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 | | |
| Measured 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 |
| 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 |

THE METHODIST CHURCH IN TOWER HAMLETS

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

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 | 40,650 | - |

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

| | Balance as at 01.09.21 £ | Incoming £ | Transfers Outgoing between funds £ | Balance as at 31.08.22 £ |
|--|--------------------------------|---------------|--|--------------------------------|
| Funds | | | | |
| i. Internal organisations | 38,085 | 13,968 | (101,317) | 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) | 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.

iii. **Bethnal Green Refurbishment Fund.** This fund was set up for the refurbishment of the Bethnal Green property.

25. Analysis of net assets between funds

| | Unrestricted Funds £ | Restricted Funds £ | 2022 Total £ |
|---|----------------------------|--------------------------|--------------------|
| Fund balances at 31 August 2022 are represented by: | | | |
| 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.

THE METHODIST CHURCH IN TOWER HAMLETS

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 ("TDMC")

During the year, the Circuit received grants of £111,760 (2021: 30,984) from TDMC.

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.